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1934



**AGREEMENT BETWEEN**  
**THE KELLY-SPRINGFIELD TIRE COMPANY**  
**Tyler, Texas**  
**and the**  
**UNITED STEELWORKERS OF AMERICA**  
**LOCAL 746L**

**JULY 6, 2003** - July 26,

2006



310 pages



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# **PREAMBLE OF LOCAL AGREEMENT**

**THIS AGREEMENT**, made and entered into this 1st day of March, 2004, by and between **THE KELLY-SPRINGFIELD TIRE COMPANY**, Tyler Plant, Tyler, Texas (hereinafter referred to as the "Company") and **LOCAL UNION NO. 746 L, UNITED STEELWORKERS OF AMERICA**, (hereafter 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 to formulate rules to govern the relations between them, the parties hereto agree as follows:

## **ARTICLE I**

### **RECOGNITION AND SCOPE OF BARGAINING**

#### **Section 1: Recognition**

The Company recognizes the Union as the exclusive bargaining agent for all hourly rated and piecework production and maintenance employees at the Company's Tyler, Texas plant, excluding all office clerical employees, professional employees, guards, watchmen, and supervisors as defined in the act and all salaried employees, as certified by the National Labor Relations Board. The Company agrees to meet with and bargain with the accredited representatives of the Union on all matters pertaining to rates of pay, wages, hours of work and other conditions of employment.

#### **Section 2: Non-Discrimination**

- a. Neither the Company nor the Union, nor any of their agents will exercise discrimination against any employee on account of such membership or non-membership in the Union. Membership in the Union

shall not be a condition of employment. Neither party, unless by mutual agreement, will permit solicitation of employees during working hours.

- b. Neither the Company nor the Union will discriminate against any employee. The parties also agree to the principle that there will be no discrimination in wage rates, or other conditions of employment by reason of religion, sex, color, race, age, nationality, Vietnam Era or Disabled Veterans and/or persons with a disability. Where the masculine pronoun is used in the Agreement, it shall refer to both genders.

### **Section 3: Violation of Agreement**

Any employee of the Company who violates any provision of this Agreement, or who acts in a manner not in accord with the expressed purpose of this contract, which is to promote cooperation and harmony with respect to the mutual well-being of both parties, will be subject to disciplinary action.

### **Section 4: Automation Clause**

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 5: Supersede Clause**

This Contract shall supersede all previous verbal or written agreements between the two parties on such matters specifically covered by this Agreement.

## **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 of its various

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duties, functions and responsibilities instant thereto, is vested in the Company, subject to such restrictions as are specifically set forth in this Agreement.

**Section 2: Productivity - Combination or Elimination of Jobs**

- 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. The Union and its members will assist in effectuating economies and in the utilization of improved methods and machinery. The Company may combine or eliminate jobs in the bargaining unit as the result of improved machinery, methods, materials and layouts.
- c. No employee will be laid off as a result of improvements or suggestions made through the Employee Involvement process (E.I.). 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.

Improvements 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 3: No Strike - No Lockout**

- a. *Since adequate provisions have been made in this Agreement for a settlement of grievances that may arise between the parties, it is agreed that the Union and its officers and members will not encourage, sanction, or approve any strike, stoppage, slowdown, or other interruption of work growing out of any dispute which is subject to the grievance procedure under the terms of this Agreement. On the contrary, the Union and its officers and members will actively discourage and endeavor to prevent or terminate any strike, stoppage, slowdown, or other interruption of work growing out of any dispute which is subject to such grievance procedure. Also, upon notice to the International Union from the Union or the Company, the International Union will immediately notify the Union by telegram, a copy of which will be sent to the Company, that the strike, stoppage, slowdown, or other interruption of work is unauthorized and that the employees involved should immediately cease the violation. The Company agrees that neither it nor its representatives will put into effect any lockout during the term of this Agreement. In the event there is any unauthorized strike, stoppage of work, slowdown or other interruption of work during the term of this Agreement neither party shall negotiate upon the merits of the dispute, nor shall any grievance or arbitration proceed or continue on the matter until such time as the illegal action is terminated.*
- b. 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.

- c. If the parties are unable to satisfactorily conclude such negotiations, this Agreement may be cancelled by either party upon giving a sixty (60) day written notice to the other. All terms and conditions of this Agreement will remain in effect during such sixty (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 sixty (60) day period unless there is a mutually agreed upon extension.
- d. If the right to strike is exercised by the Union at the expiration of the sixty (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 re-opening provisions of this Agreement.
- e. The Company agrees that in consideration of the carrying out of the responsibilities placed upon the Union and its officers and members in paragraph a 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 paragraph a.

- f. Any employee who violates the principles set forth in this Section may be subject to discipline.

## **ARTICLE III**

### **CHECK-OFF**

#### **Section 1:**

Any employee who is a member of the Union on the effective date of this Agreement shall, as a condition of employment, maintain his membership in the Union to the extent of tendering uniform initiation fees, if any, and periodic dues.

#### **Section 2:**

Any person hired as a new employee and any employee who is hereafter transferred into the bargaining unit on or after the effective date of this Agreement shall, as a condition of employment, become a member of the Union (to the extent of tendering uniform initiation fees (if any) and periodic dues) on and after the thirty-first (31st) day following the date of employment or transfer, and shall maintain such membership in the Union.

#### **Section 3:**

Any employee who is not a member of the Union shall, as a condition of employment, become a member of the Union to the extent of tendering uniform initiation fees, if any, and periodic dues on and after the thirty-first (31st) day following the effective date of the Agreement and shall maintain such membership in the Union. Any employee who is on layoff, on leave of absence, or absent due to injury or illness shall comply with the

requirement of this Section on and after the thirty-first (31st) day following his return to work.

**Section 4:**

Sections 1, 2, and 3 shall not apply to any employee who is denied a membership in the Union or whose membership therein has been terminated for reasons other than his failure to tender uniform initiation fees, if any, and periodic dues in such amount as may be fixed by the U.S.W.A. International Secretary-Treasurer in accordance with the procedure prescribed by Article III, of this Agreement and applicable law.

**Section 5:**

- a. In the event any employee fails to become a member of the Union as provided in Sections 2 or 3 above, the Union shall give written notice to the Company and to such employees of such failure, the exact amount owed and the manner in which it was calculated. Such employee shall not be retained in the employ of the Company unless he has, within two weeks after receipt of such notice, presented evidence that he has become a member of the Union to the extent of tendering uniform initiation fees, if any, and periodic dues, or that he was denied a membership for reasons other than his failure to tender initiation fees, if any, and periodic dues in such amount as may be fixed by the U.S.W.A. International Secretary-Treasurer in accordance with the procedure prescribed by Article III, of this Agreement and applicable law.
- b. Any employee who has become a member of the Union as provided in Sections 2 or 3 above and who thereafter fails to maintain his membership in the Union to the extent to tendering uniform initiation

fees, if any, and periodic dues shall not be retained in the employ of the Company, provided that the Union shall have given written notice to the Company and to such employee of such failure the exact amount owed and the manner in which it was calculated, and such employee shall have failed to comply with the provisions of this Article within thirty (30) calendar days after receipt of such notice.

#### **Section 6:**

The provision of this Article III shall apply to all plants now covered by this Agreement, except those plants in states where state law now or hereafter prohibits this form of Union security. In the event any such law is repealed or modified, and such prohibition is removed in whole or in part, the provisions of said Sections shall apply to the extent and under the conditions permitted by law. The Company agrees that where it may legally do so, it will enter into an Agency Shop Agreement, or an agreement to deduct uniform fixed fees from non-union members of the bargaining unit for services rendered, with the International or any Local Union which is prevented by state law from applying the Union security provisions of this Article III.

#### **Section 7:**

Effective with the effective date of this Agreement, the Company will check off dues, assessments and initiation fees as designated by the U.S.W.A.'s International Secretary-Treasurer, as Union membership dues for each employee for whom the Company has been furnished a current signed written assignment or current signed Union dues check-off authorization. Previously signed and unrevoked current written assignments will continue in effect.

1. The form of such Union dues check-off authorizations shall be determined by the U.S.W.A., but shall be substantially as follows, unless modifications shall be necessary to conform to applicable law, in which case such Union dues check-off authorizations shall conform to applicable law.

**CHECK-OFF AUTHORIZATION**  
**FOR UNITED STEELWORKERS OF AMERICA**

\_\_\_\_\_  
Company

\_\_\_\_\_  
Plant

Date: \_\_\_\_\_

Pursuant to this authorization and assignment, please deduct from my pay each month which I am in employment with the collective bargaining unit in the Company, and irrespective of my membership status in the Union, monthly dues, assessments and, if owing by me, an initiation fee each as described by the International Secretary-Treasurer of the Union.

The aforesaid payment shall be remitted promptly by you as directed by the Local Union President.

This assignment and authorization shall be effective and cannot be canceled for a period of one (1) year from the date appearing above or until the termination date of the current collective bargaining agreement between the Company and the Union, whichever occurs sooner.

I hereby voluntarily authorize you to continue the above authorization and assignment in effect after the expiration of the shorter of the periods above specified,

for further successive periods of one (1) year from such date. I agree that this authorization and assignment shall become effective and cannot be canceled by me during any such years, but that I may cancel and revoke by giving to the appropriate management representative of the plant in which I am then employed an individual written notice signed by me and which shall be postmarked or received by the Company within fifteen (15) days following the expiration of any such year or within the fifteen (15) days following the termination date of any collective bargaining agreement between the Company and the Union covering my employment if such date shall occur with one of such annual periods. Such notice of revocation shall become effective respecting the dues for the month following the month in which such written notice is given; a copy of any such notice will be given by me to the Financial Secretary or Treasurer of the Local Union.

While contributions or gifts to the U.S.W.A. are not tax deductibles charitable for Federal Income Tax purposes, they may be tax deductible under other provisions of the Internal Revenue Code.

U.S.W.A. Local No. \_\_\_\_\_

\_\_\_\_\_  
Company

\_\_\_\_\_  
Plant

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Ledges No.

2. In the event that applicable legal prohibitions against Union dues check-off authorization in this form are

repealed or modified, and/or such prohibitions are removed in whole or in part by court decisions, the provisions of this Section shall apply to the extent and under the conditions permitted by law.

- a. 1. Unless the Company is otherwise notified, the only amounts to be deducted pursuant to this Section from the pay of any employee who has furnished written authorization, therefore, shall be weekly or monthly union dues as directed by the Local Union President.
2. Assessments and initiation fees, if any, will be deducted from employees' pay and remitted as directed by the Local Union President.
- b. The Company shall provide the Secretary-Treasurer of the U.S.W.A. International Union dues check-off report containing the name and clock number of each employee who has paid dues and initiation fees, if any, for that month, the amount of such dues and fees deducted from each employee, and the total amount deducted. A copy of the report for an individual plant will be sent to the Financial Secretary or Treasurer of the Local Union and the the U.S.W.A. District Director for the district in which the plant is located. The Union will promptly submit to the Company any changes in the amounts to be deducted, upon which the Company will rely in making future deductions.
- c. The Financial Secretary or Treasurer of the Local Union will submit to the Company once each week, authorization cards and a summary list of affected employees containing the name, clock number, and amount of dues and fees, if any, to be deducted.

- d. If the Company received a revocation notice which complies with the revocation procedures set forth in the check-off form, upon notice to the Financial Secretary or Treasurer of the local Union, it will cease the check-off the calendar month after the calendar month in which it receives the revocation notice.
- e. The provisions of this Agreement shall be effective in accordance and consistent with applicable provisions of state, provincial and federal law.
- f. The Union will indemnify, defend and save harmless the Company against any and all claims, suits, judgements or other liabilities arising out of the administration of this Article III.
- g. The above provisions concerning check-off of Union dues will be posted on all Company bulletin boards for a period of three (3) calendar days following the effective date of this Agreement.

#### **Section 8:**

The Company shall notify the Union with regard to hires, rejoins, transfers, leaves of absence, exits (specifying the type of exits) and laid-off employees who have refused recall or have failed to respond to recall and have been removed from the recall list. Information, including seniority of employees laid off, will be furnished weekly upon request by the Local Union at least one week in advance.

## ARTICLE IV

### GRIEVANCE PROCEDURE

#### Section 1:

- a. The parties of this Agreement recognize that grievances should be settled promptly and as close to the source as possible. Both parties will endeavor to present all of the facts relating to the grievance at the first step of the grievance procedure.
- b. The aggrieved employee or one of a group of aggrieved employees may be brought into each step of the grievance procedure at the request of the Company or Union.
- c. All grievances must be filed immediately and no later than five (5) working days (excluding employee's scheduled days off) after having knowledge of the alleged violation.
- d. It is understood that the steps of the grievance procedure shall be followed strictly in the order in which they are listed.
- e. No employee will be considered 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.
- f. A Union representative will be permitted to leave his work station after securing permission from supervision for the purpose of adjusting grievances with the aggrieved employee and his immediate supervisor.
- g. In cases where Union representatives and/or employees are required to leave their jobs for a period of time that would affect production in order to handle grievances or other Union business, the

representatives and employees will notify their supervision far enough in advance of their leaving the job to enable supervision to make necessary replacements. Supervision will provide representatives and employees with form KTY 2-117, noting thereon the time of departure from the job, date, etc.

h. Upon entering a department other than his own in the fulfillment of his duties under the grievance procedure, the Union representative shall first notify supervision of his presence and his reason for entering the department.

i. Grievances shall be processed in the following manner:

**STEP 1:**

In the interest of harmonious employer-employee relations, and in the interest of the efficient operation of the plant, an employee, accompanied, if he so desires by his Union representative, shall be free to discuss and is encouraged to discuss with his first line of supervision any complaint he may have concerning his work.

The meeting will be scheduled as soon as practicable, but without undue delay.

The supervisor shall give his answer within two (2) working days (excluding his scheduled days off) from the day of the meeting.

**STEP 2:**

If Step 1 does not resolve the issue, the employee or group of employees may within five (5) working days (excluding scheduled days off) after the aggrieved employee(s) has knowledge of the incident leading to the grievance, reduce the grievance to writing, have it signed by the employee and the Union representative

and present same to the Business Center Manager (Maintenance employee will present same to the Maintenance Division Manager). Following receipt of the written grievance, the Business Center Manager and the aggrieved employee, along with the Union representative, if requested, will arrange a meeting to discuss the grievance. Within five (5) working days (excluding scheduled days off) following the meeting, the Business Center Manager, or his appointed representative, will give a written answer to the grievance.

**STEP 3:**

- a. If not adjusted in Step 2, the grievance may be appealed to the Human Resource Services Manager. Notice of appeal must be given in writing within ten (10) working days from the decision at Step 2. This notice of appeal shall be accompanied by a written statement setting forth the alleged facts as to the specific section of the Contract that has been violated, circumstances of the case, the Union's position and signed by the Local Union President or his duly authorized representative.
- b. Upon notice of appeal, a meeting with representatives of the Company and the Union President and the Division Chairman involved will be held within ten (10) working days of the date of appeal.
- c. In such cases, unless mutually agreed otherwise, the Union may be represented by one representative of the International Union and not more than three representatives of the Local Union, and the Company will be represented by not more than four representatives. Upon conclusion of the conference, the Company will give a written answer not later than

ten (10) working days from the date of the meeting.

- d. Upon written request of the Local Union, 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. A Company time study engineer shall be present during such studies or observations by the Union time study engineer.

#### **STEP 4:**

- a. If the grievance is not satisfactorily settled at Step 3 of the grievance procedure, it may be appealed to an Impartial Umpire. Notice of appeal in writing by either party requesting arbitration must contain specific reference to the contract paragraphs which are alleged to have been violated and must be given to the other party within thirty (30) days from the date of the decision at Step 3.
- b. Any grievance coming under the jurisdiction of the Impartial Umpire, but not processed to Step 4 within thirty (30) days from the date of the Company's answer given in Step 3 shall be considered as closed on the basis of the Company's answer in Step 3.
- c. The Impartial Umpire shall render a decision on the grievance submitted within thirty (30) days from the date of submission, unless additional time is requested and mutually agreed to by the Company and the Union.
- d. The decision of the Impartial Umpire shall be final and binding on the Union, its members, the employee or employees involved, and the Company, and shall be complied with as soon as possible. No decision at any step of the grievance procedure, including a

decision of an Impartial Umpire, shall create a basis for a retroactive adjustment in any previous grievance.

- e. The Impartial Umpire shall have jurisdiction over grievances which arise from alleged violations or misinterpretations of the provisions of this Agreement and shall have the power to make awards on these cases only. He shall not have the power to make any award changing, altering or amending this Agreement or any supplement to this Agreement.
- f. Specifically, the Impartial Umpire shall not have the power to arbitrate general wage levels.
- g. 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  
Terence A Bethel  
Patricia 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 listing above. In the event a selection cannot be made at each 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.

*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 representative or his designated representative, and the Director of Industrial Relations for the Company, shall immediately appoint a replacement.*

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.

- h. The agreed to expenses and compensation of the Impartial Umpire shall be shared equally by the Company and the Union.

## **Section 2:**

- a. The time limits specified in Steps 1, 2, 3 and 4 may be extended by mutual written agreement.
- b. Any grievance not appealed within the time limits set forth in Steps 1, 2, 3 and 4 or as may be extended by mutual written agreement will be considered closed on the basis of the Company's answer.
- c. If the Company fails to give its written answer within the time limits provided above, the grievance may be appealed immediately to the next step of the grievance procedure.
- d. Exceptions to the grievance procedure in the above described order may be made by mutual agreement by the President of the Local Union and the Human Resource Manager.
- e. Controversies may arise of a nature so general as directly to affect all or a major portion of the employees of the plant. It is agreed that issues of this nature need not be subjected to the entire grievance procedure but may be initiated at a step prior to arbitration by mutual agreement.
- f. The Company, upon request of the Union, will permit International Representatives to participate in negotiations and arbitration commencing as Step 3.
- g. The Union will keep the Company informed with a complete and up-to-date list of the names of all Department Stewards, Division Chairperson, and Officers of the Union. The Company shall keep the Union informed with a complete and up-to-date list of the names of area managers and business center managers.
- h. The Union President, Union Vice President, and the Union Division Chairperson shall be permitted to

enter the Plant for the purpose of adjusting grievances after registering at the main gate and then making arrangements for such visit with the Human Resource Manager on the Day shift or the Shift Operations Manager on the later shifts. The Union representative will inform Management of the reason for his visit and his destination.

- i. No grievance, verbal or written, withdrawn or dropped by the Union or granted by the Company, prior to Step 3 of the grievance procedure, will have any precedent value and will not bar another employee who is affected by the decision from processing a grievance.

### **Section 3: Derogatory Notation and Disciplinary Action**

- a. Derogatory notations, except those recording suspensions or discharges will be destroyed twelve (12) months from issuance at the first of each year. Derogatory notations recording suspension, exclusive of violations of Article II, Section 3 of this Agreement, not repeated within a twelve (12) month period will be disregarded in the administration of discipline. As an exception to the above, a derogatory notation recording a suspension for absenteeism will be reviewed, upon request, after twelve (12) months and if the employee's attendance record has been corrected, such derogatory notations will be destroyed.

The retention of a "loss of value" letter will be for two (2) years in the affected employee's file. "Loss of Value" letters, not repeated within the two (2) year period, will be destroyed.

- b. The employee will be given a copy of any disciplinary write-up that is included in his record.

This write-up will be made on Form KTY 2-137 and the Union President will be furnished with a copy.

- c. The President of the Union shall be notified by the Company within twenty-four (24) hours of the discharge of an employee, and should the discharge or suspension of any employee be withdrawn or reversed as a result of negotiations in the Grievance Procedure or by the Impartial Umpire's decision, the employee shall be reinstated with full rights and made whole for time lost as a result of the incident, less any penalty decided upon at any step of the grievance procedure or upon the Impartial Umpire's decision, provided a written grievance is filed within five (5) working days from the date of notification of discharge or suspension. If the employee is reinstated as a result of this procedure, his seniority shall not be affected by the discharge or suspension.
- d. When an employee is directed by supervision to appear in the office to be reprimanded or possible disciplinary action is to be taken, the employee will be reminded of his right to bring his Union representative into the discussion at that time. The Union representative will be notified of the action taken.
- e. Grievance meetings will be held during the Union representative's regular scheduled shift when practical.

## **ARTICLE V**

### **REGULATION OF HOURS**

#### **Section 1: Hours of Work**

- a. Work day means the twenty-four (24) hour period beginning at 11:00 pm; work week means the seven

(7) day period beginning Friday night at 11:00 pm. Scheduled work day means those hours four (4) , eight (8), or twelve (12) scheduled in a work day. Four (4) hours may be scheduled only in continuity with eight (8) scheduled hours in an adjoining work day. Working schedule means the hours of shifts to be worked and the day or days on which such shifts are to be worked.

- b. A standard work shift shall consist of eight (8) hours worked within a work day. The standard work shifts are: Day Shift (7:00 am to 3:00 pm), Afternoon Shift (3:00 pm to 11:00 pm), and Night Shift (11:00 pm to 7:00 am). A standard work week shall consist of five (5) standard work days within a work week amounting to a total of forty (40) hours. Non-standard work shifts/work days (four (4) hours or twelve (12) hours) and non-standard work weeks (forty-four (44) hours or forty-eight (48) hours) may be scheduled in accordance with Paragraphs c and d of this section. Hereinafter all references to hours, days, shifts and weeks means both standard and non-standard.
- c. Three (3) shift continuous operations are scheduled to be manned by groups of employees designated as A, B, C, D teams. Shift and rotation cycles will be in accordance with published schedules. When the plant operates on a twenty-one (21) shifts per week or twenty (20) shifts per week continuous operation, each team will work a twenty-eight (28) day cycle consisting of four (4) standard or non-standard work weeks amounting to a total of forty (40), forty-four (44) or forty-eight (48) hours each week.

When the published continuous operating schedule

requires a non-standard work week of forty-four (44) hours and the scheduled overtime is on Sunday, scheduled employees not desiring to work will be excused starting with the most senior, subject to the company's ability to acquire coverage for them. The canvass will be conducted in accordance with Article V, Section 4 or Article IX Section 11 and must be completed by 3:00 pm on the Thursday preceding the overtime period. The canvass will be conducted from the posted overtime hours totaled at 11:00 p.m. on the Friday preceding the canvass.

- d. The plant, or any part of, will operate on the published seven (7) day continuous rotating shift schedule (for twenty-one (21) shifts or twenty (20) shifts per week) when circumstances necessitate such a schedule as determined by the Company. When the circumstances as determined by the Company do not necessitate such a schedule, the plant will operate as outlined in Paragraph e below.
- e. The standard work week for employees not on the continuous rotating schedules shall consist of five (5) standard work days, Monday through Friday. When it is necessary to work Saturday, it will be considered as a scheduled work day. The notice to schedule Saturday will be posted no later than the end of first shift on Thursday.
- f. Shifts other than those named above may be established, if necessary, to meet the production requirements.
- g. All employees are required to work to the end of their shift and to remain and work on their jobs until relieved at the end of the shifts.

If an employee working on a continuous operation is

not relieved by an employee scheduled to work the following shift, the employer will attempt to secure relief as soon as possible. The employee will not be required to remain longer than thirty (30) minutes past the end of his regular shift. Break time will be paid to employees who must remain on the job because they are not relieved. Abuses of this payment will not be tolerated.

## **Section 2: Overtime and Premium Rate of Pay**

- a. No overtime or premium pay, as such, shall be paid for hours worked except as specified below.
- b. Time and one-half compensation shall be paid for all hours worked over eight (8) in the twenty-four (24) hour period (11:00 pm - 11:00 pm) or after the employee has worked forty (40) straight time hours during the week. For instance, if forty (40) straight time hours are worked during the five (5) scheduled days in the week and the employee works after 11:00 pm on the first or second non-scheduled day, time and one-half payment is applicable. In addition to the above, when a non-standard shift of twelve (12) hours is scheduled in two different workdays, the four (4) hours scheduled will be paid at premium rate.
- c. To be eligible for double time payment, an employee must have worked each of the five (5) regularly scheduled days and the first non-scheduled day. Double time is then paid on the second non-scheduled day. When the work week consists of six (6) scheduled days and the employee works his/her non-scheduled day, then the sixth (6th) scheduled day receives double time payment. Four (4) or more

hours worked by an employee on their non-scheduled day will be counted as a day worked when determining the seventh (7th) consecutive day.

- d. Triple time compensation shall be paid for all work performed on any of the holidays observed by this Agreement.
- e. At no time will there be any pyramiding of overtime pay for any reason.
- f. Overtime hours paid on a daily basis shall not be included in paying for overtime on a weekly basis or to determine the seventh (7th) consecutive day worked during a work week.
- g. Hours lost by employees involved in or affected by work stoppage or slowdown or because of general emergency shutdown of the plant caused by fire, flood, failure of power supply, or similar conditions beyond the control of the Company shall not be considered as hours worked.

### **Section 3: Computation of Hours Lost**

- a. Standard daily hours not made available during the first five (5) days of the employee's scheduled work week shall be considered as hours worked for the purpose of computing weekly overtime payment.
- b. Hours lost by employees involved in or affected by work stoppage or slowdown or because of general emergency shutdown of the plant caused by fire, flood, failure of power supply, or similar conditions beyond the control of the Company, shall not be considered as hours worked in the meaning of the above.
- c. Scheduled hours lost by an employee while serving on jury duty will be credited toward the computation

of daily or weekly overtime hours when the employee has been paid for the lost hours as provided by Jury Pay provisions.

- d. Scheduled hours lost by an employee to attend a funeral will be credited toward the computation of weekly overtime hours when the employee has been paid for the lost hours as provided by Funeral Pay provisions.
- e. Holiday hours paid for by the Company falling within the employee's standard work week, worked or not worked, shall be credited toward the computation of weekly overtime hours.
- f. Scheduled hours lost as a result of occupational injury will be credited toward the computation of weekly overtime hours.
- g. Scheduled hours not worked by an employee but spent on Union business, for which the employee is reimbursed by the Union, or meetings for which the Company reimburses the employee, shall be credited toward the computation of daily or weekly overtime hours.
- h. Scheduled hours lost as a result of an employee returning from lay-off will be credited toward the computation of weekly overtime hours.
- i. Time lost from their scheduled shift as a result of an appearance in court pursuant to a properly issued subpoena shall be credited toward the computation of daily or weekly overtime, except when the employee is a plaintiff or defendant or in any case involving the Company.

#### **Section 4: Distribution of Work**

- a. Management may temporarily assign any employee

to other work in the plant.

- b. If a daily vacancy occurs for whatever reason, available qualified employees may be temporarily transferred to fill the vacancy.
- c. Hours of work (regular hours, overtime hours and holiday hours), insofar as practicable, shall be divided amongst the qualified employees in the job classification on the team who ordinarily performs the available work. For canvass purposes employees on scheduled overtime will be treated the same as employees on optional overtime. Scheduled overtime hours from the published schedule will be charged at 11:00 pm on the Friday preceding the scheduled overtime. Hours-of-work charts will be maintained in the department. Hours will be recorded daily and totaled weekly. All hours will revert to zero on the second Saturday after January 1 of each year.
- d. The principle of dividing an eight (8) hour daily vacancy between the retiring and incoming teams will be applied, if practicable.
- e. If overtime is known to be necessary, the following procedure will be used for canvassing:  

Step 1/2 and 4/5 will be canvassed for at the same time with the employee having the option of either four (4) hours as the retiring shift on the current day or four (4) hours as the incoming shift on their next scheduled day. Employees may request to work both the retiring and incoming periods but no employee may be offered both (eight (8) hours) before all employees in the two steps are offered four hours each.

1. Low-houred in classification employees on the retiring shift will be offered four (4) hours.
2. Low-houred in classification employees on the incoming shift will be offered four (4) hours.
3. Low-houred in classification employees accepting or scheduled the first four (4) hours will be offered the second four (4) hours.
4. Low-houred in classification employee on the scheduled days off will be offered the available hours, (4) or (8), from the Pre-Canvass Sheet.
5. If the first four (4) hours are not accepted, then the low-houred out of classification employee on retiring shift will be offered four (4) hours.
6. If the last four (4) hours are not accepted, then the low-houred out of classification employee on the incoming shift will be offered the four (4) hours.
7. Low-houred out of classification employees on their scheduled days off will be offered the available hours, (4) or (8), from the Pre-Canvass Sheet.
8. If the above does not satisfy the requirements, the vacancies will be filled in the quickest manner without regard to classifications or hours.
9. No employee may work more than sixteen (16) hours in any twenty-four (24) hour period except in case of extreme emergency, and will have no claim to more than sixteen (16) hours.
10. A general operator covering a particular assignment for one week or longer will assume the hours of the employee he is replacing for overtime work in classification only. In the event his weekly assignment was created as a result of an employee

exiting from the classification, the general operator(s) will continue to assume the hours of the exited person even if the vacancy changes as the result of a shift request following the exit of the employee. If the vacancy is not covered, hours will be maintained as if the job was being covered.

- f. When hours are equal, the work will be offered and charged to the senior employee; when hours are not equal, the work will be offered and charged to the low-houred employee.
- g. All overtime worked and/or offered will be charged on the overtime chart. Employees not able to be contacted, for any reason, will be charged for the overtime offered as if they refused. As an exception, only the hours worked during an employee's dead zone will be charged. Employee Involvement (E. I.) hours will be charged as out-of code.
- h. When an employee returns from an extended leave such as sickness, Union business, etc., the employee will be given in-classification hours equivalent to the high hours accumulated by any employee in the same classification and out-of-classification hours equivalent to the high hours accumulated by any employee in the department (excluding GO's and PDI's).
- i. Management will not be required to offer overtime opportunities to an employee until qualified, as defined in Article VI, Section 1-c. When qualified, new hires or transferred employees will be given hours as stated in "h" above.

An employee when working a job and moved to another shift for training on another facet of their job will, when moved, carry their in code hours with them for overtime canvassing. When returning to

their original shift, they will assume the hours they would have been charged on their designated shift or team.

- j. Errors made in the application of the foregoing distribution of work provisions will be corrected by giving the employee affected the opportunity to work out of turn. No make-up payment will be required.

### **Section 5: Partial Operations**

A partial operation is defined as requiring less than a full compliment of S-Team (Monday through Friday) employees in a job classification on Saturday. Prior to scheduling such employees the work will be offered as follows:

- a. A partial operation canvass will be made in eight (8) hour increments prior to scheduling employees.
- b. All in-classification employees will be offered eight (8) hours before offering an additional eight (8) hours, provided the sixteen (16) in twenty-four (24) hour rule permits.
- c. Employees must work their shift, if available. If not available, the principle of canvassing the low-houred employee will assure the work opportunity. In the event the employee accepting the work is not assigned to the shift(s) being worked seniority will be used to select shift preference.
- d. Out-of-code employees desiring to work the partial operation must sign up by 3 p.m. on Wednesday prior to the Saturday being scheduled.
- e. If sufficient labor has not been obtained the vacancies will be filled by scheduling the necessary number of employees in the job classification on the shift(s) to be worked, beginning with the least senior

employee and working up the seniority list on that shift.

### **Section 6: Down Shift Sunday**

- a. Overtime on an unscheduled down shift, including startup and shutdown will be offered as per Article V Section 4. The canvass will be conducted from the posted overtime hours totaled at 11:00 pm on the Friday nine (9) days preceding the downshift.
- b. If vacancies occur on the shift prior to or immediately following the downshift, the overtime will be canvassed per Article V Section 4.

### **Section 7: Holiday**

#### **a. Canvass**

1. Classification employees are aligned by holiday hours in the department. The low-houred classification employees will be canvassed for the available hours.
  2. Employees will be offered their regular scheduled standard shift if available. Employees will be offered the standard part (days, afternoons or nights) of a scheduled non-standard twelve (12) hour shift if available. Employees scheduled for a four (4) hour non-standard shift will have no shift preference.
  3. If the above does not fill the requirements, the out-of-code employees in the department will be canvassed.
- b. Four hours or less will be considered a shutdown or startup and will be canvassed as the retiring or incoming shift, based on holiday hours.
  - c. If vacancies occur on the shift prior to or immediately following the holiday, the over or in

canvass will be made from the team who would have been working if it were not a holiday.

## **ARTICLE VI**

### **GENERAL WAGE PROVISION**

#### **Section 1: Wage Payment**

- a. Hourly rates will be established by use of a job evaluation plan based on sound industrial engineering principles. A copy of the plan will be given to the Union.
- b. When a job evaluation has been completed and before becoming effective, the Division Chairperson shall be advised as to what the hourly rate will be as far in advance as possible and thoroughly informed as to all the data and information used to evaluate the job. Any dispute that may arise regarding the equity of a new hourly rate will be subject to review under the grievance procedure, including the arbitrator.
- c. An employee shall be considered certified upon completion of a Company authorized training program, and has demonstrated ability to perform the work satisfactorily. Upon completion of the above, the employee will be paid the established hourly rate.

Qualified shall mean capable of performing the major facets of the job.

After one year of not working a job, employees may have their Area Manager remove them from the out of code canvass sheet.

Paragraph c does not pertain to skilled trades.

- d. Machine capacity will be optimized to top turn. Employees not performing to this standard following

the prescribed training programs may be disqualified.

- e. Hourly rates are established on the basis that employees are required to work the complete shift, excluding normal lunch and personal breaks, at a fair and reasonable pace.

### **Section 2: Other Work Wage Payment**

- a. If an employee is temporarily transferred to another job, he will be paid his current rate or the rate of the job to which assigned, whichever is higher. If an employee works overtime on a job that is not his regularly assigned work, he will be paid the rate of the job accepted.

### **Section 3: Inventory**

When employees are assigned to jobs for the purposes of taking inventory, they will be paid their regular hourly rate.

### **Section 4: Hiring Rate - Transfer Rate**

- a. New employees shall be hired at the hiring rate:

Service on the Active Payroll	% of Regular Wage Payment to be Made
Hire - 6 months	70%
7 months - 12 months	75%
13 months - 18 months	80%
19 months - 24 months	85%
25 months - 30 months	90%
31 months - 36 months	95%
After 36 months	Eligible for 100% of provisions of the Agreement.

The applicable provisions of the negotiated agreements include, but are not limited to all

provisions providing for wage payment(s) or benefit payment(s) determined by wage rates.

- b. Transferred employees shall be paid at the transfer rate of 90% of the hourly rate. The transferred employee's performance will be reviewed weekly and rate increase recommendations made until the learning period is completed.

#### **Section 5: Night Shift Bonus**

A shift differential of \$.35 per hour will be paid for hours worked between 3:00 p.m. and 7:00 a.m.

Employees assigned to C-Team will be paid an additional \$.20 per hour shift differential.

#### **Section 6: Attending Meetings**

When employees are requested by management to attend meetings during working hours, they will be paid their current hourly rate for time lost from their regular shift.

#### **Section 7: Occupational Injury Pay**

- a. Employees injured in the factory who are treated in the Dispensary, doctor's office, or hospital, and who are then sent home, shall be paid their earnings for the time worked, plus their current hourly rate for the balance of their shift. Under this paragraph, it is to be understood that payment for the time not worked shall be made for all hours lost from the shift, standard or non-standard, in continuation with the time of the injury, unless the result of the injury does not reveal itself until a later date. In such a case, the employee having reported for work, then being sent home by the dispensary, shall be paid in the same manner specified above. Except in the situation mentioned above, in no event shall any employee be paid for hours not worked on two different days for

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the same injury.

- 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 lost from their regularly scheduled 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 the purpose of Workers Compensation evaluation requested by the Company. If the employee is eligible for compensation for that day under either State Workers' Compensation Law or the Supplemental Workers' 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 paragraph will be made at time-and-one-half when it occurs on daily overtime and after forty (40) hours in any one pay period week, at double time on the seventh consecutive day worked in a work week as defined, and triple time on holidays.
- c. 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 treatment caused the employee to lose time from that shift, he shall be paid for the time lost from that shift.
- d. Employees who become ill (non-occupational) in the factory will be paid their actual earnings for the time

worked only.

- e. Employees who are assigned lighter work as the result of the Medical Department's recommendation following a non-occupational injury or illness will be paid the rate of the job assigned.
- f. An employee injured in the factory who immediately reports the facts or who suffers from an occupational illness which is reported immediately after the time the employee becomes aware of the existence of such illness and subsequently requires surgery or hospital confinement, or who requires treatment over an extended period for occupational injury or illness, may be treated by the employer's physician or a physician of his choice, provided he notifies the Company's Medical Department in advance. 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 shall be resolved through the State Workers' Compensation Commission.

#### **Section 8: Lunch Period**

- a. Employees will be allowed twenty (20) minutes for lunch and will be paid their hourly rate for this time.
- b. Employees on continuous operations, if not relieved, will be paid twenty (20) minutes at their current hourly rate. This payment is in addition to their regular eight (8) hours pay.
- c. 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 regular scheduled shift.

- d. Employees working on a daily overtime basis must work in excess of four (4) hours before being eligible for a lunch payment or allowance.
- e. In the application of b and c above, an employee working four (4) hours will be allowed one-half (1/2) of a lunch allowance or payment.

### **Section 9: Holiday Pay**

- a. Triple time compensation shall be paid for all work performed on any of the eleven (11) recognized holidays. In no event shall time and one-half be paid in addition to triple time.
- b. The following days will be recognized as holidays under this Agreement:

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

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.

- c. The Company will pay at straight time to each eligible employee actively at work with thirty (30) days service who does not perform work for the

Company on such holiday an amount equivalent to the number of hours in the employee's standard work shift for the week in which the holiday occurs, multiplied by his hourly rate, plus the night shift differential to which his scheduled shift of such week would entitle him for such holiday.

- d. When one (1) or more of the above holidays falls within the period an employee is on vacation and is absent from work because of such vacation, the employee will be paid for such holiday or holidays.
- e. An Employee with thirty (30) days service who is not actively at work when a holiday occurs will be paid the difference between holiday pay as stated in Paragraph c 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 who return to work after such leave during the week in which a holiday falls, or in the succeeding week, shall be paid for such holiday.
  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 placed on layoff within fourteen (14) calendar days prior to a holiday shall be paid for such holiday. Employees who are recalled and return to work within fourteen (14) days after the holiday shall be paid for such holiday.
- f. 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 manager or without presenting evidence that the 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 manager or without presenting evidence that the absence was justified and reasonable. An employee shall not be disqualified for holiday pay because of his refusal to work any shift other than his regular shift prior to or after the holiday.
- g. 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. When so paid, the employees work

schedule will continue to be the same schedule, but they will be paid as working Monday through Friday (S-1, S-2, or S-3).

- h. Employees who are working on jobs which by the nature thereof must be continued in operation on a seven-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.
- i. When maintenance and other work essential to the continued operation of the plant must be done on a holiday and the plant is not in operation, three (3) days notice will be given and 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 justifiable and reasonable. Employees called in for emergency work in the Maintenance Division on a holiday shall be guaranteed four (4) hours at their regular rate plus any premium benefits. If they are able to resolve the emergency prior to the four (4) hours, they will be permitted to go home and shall receive the guaranteed four (4) hours pay.
- j. Any employee who accepts work on a scheduled recognized holiday and who is absent will not be eligible for any payment for the holiday unless his absence was justified and reasonable.
- k. When any employee works overtime on a holiday as a continuation of the shutdown shift or immediately prior to the start-up shift 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 and including four (4) hours (six (6) hours maintenance employees) 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.

### **Section 10: Work Stoppage, Slowdown, etc.**

In the event of a labor disturbance, work stoppage, slowdown, or any interference with production by Company employees which adversely affects the earnings of employees, all minimum wage and hourly rate guarantees are inapplicable.

### **Section 11: Jury Duty Pay**

- a. An employee with thirty (30) days of service who is required to serve on a municipal, county, or Federal Jury or Grand Jury or Court Subpoena resulting from a paid jury duty, shall be paid the difference between the amount paid for such service and their current hourly rate, for each day lost from their regularly scheduled work shift by reason of such service. In addition to the above, a scheduled non-standard work shift of four (4) hours in continuation with an eight (8) hour scheduled shift on the day of jury duty will be paid at straight time, subject to the following provisions:
- b. Employees must present notice of selection to their manager within twenty-four (24) hours after receipt of notice of selection for Jury Duty. An employee on Jury Duty must notify his manager daily of his availability for work on his regular scheduled shift.
- c. Employees working on the third shift will not be required to work their shift if they are to appear in court the following day. In the event the employee is

required to serve after 5:00 pm, the employee will not be required to work the third shift that evening, and Jury Duty Make-up Pay will be paid. Employees reporting for Jury Duty and then released will not be required to report for work the remainder of the scheduled shift.

- d. The time limits as set forth above will be adhered to unless mutually agreed to otherwise at the time the employee presents the notice to his/her department manager.

The employee may elect to be paid Jury Duty Pay on their scheduled day(s) off. When so paid, the employee's work schedule will continue to be the same schedule but they will be paid as working Monday through Friday (S-1, S-2, or S-3).

- e. In order to be properly paid for Jury duty, employees must obtain a Jury Duty Form No. KTY 1-156 from their supervisor and have it completed and signed by the appropriate court official of the days of duty and the amount of pay received. This form must be turned in to the manager at the end of each week.
- f. An employee who is required to serve on Jury Duty may extend his/her vacation by the number of days he/she is required to serve, provided he/she notifies his/her department manager in sufficient time for the manager to secure a replacement.
- g. 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 manager of his desire to do so in sufficient time for the manager to secure replacement. Should an employee so elect, he will be paid Jury Duty Make-up Pay as provided in Pay for Jury Duty, Article VI, Section 11, for the holiday(s) and holiday pay as provided in Holiday Pay, Article VI, Section 9, for the day(s) when he takes the time off.

### **Section 12: Military Make-Up Pay**

- a. An employee with thirty (30) days service who is a member of a 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 daily earnings calculated on the basis of his current hourly rate, multiplied by the number of his regularly scheduled hours per day for time lost while on such duty not to exceed *one hundred sixty (160) hours annually*. Such items as subsistence, rental, travel allowances, shall not be included in determining pay received from the Government. Only days for which makeup is paid will be included for military pay deductions.
- b. In order to receive Military Make-Up Pay, the employee must bring in a copy of orders and must obtain Form No. KTY 1-861 from his manager. This form must be properly completed and returned to his manager after the employee completes his military training.
- c. The employee may elect to be paid Military Make-Up Pay on their scheduled day(s) off. When so paid,

the employee's work schedule will continue to be the same schedule but they will be paid as working Monday through Friday (S-1, S-2, or S-3).

### **Section 13: Funeral Leave Pay**

- a. An employee with thirty (30) days service who suffers a death in his family shall be entitled to funeral leave pay in accordance with the following:
- b. If an employee is absent from work because of the death of a parent, child, spouse, mother-in-law, father-in-law, daughter-in-law, son-in-law, brother, brother-in-law, sister, sister-in-law, grandparents, great-grandparents, grandchild, great-grandchild, grandparent, great-grandparent of the spouse, or dependent who lives in his/her household, he/she will be paid for the time lost from his/her regularly scheduled work shift up to a maximum of three (3) consecutive working days. In addition to the above, a scheduled non-standard work shift of four (4) hours in continuation with an eight (8) hour scheduled shift on the day of the funeral leave will be paid at straight time. The above categories of relatives include step-relatives, half-relatives and legally adopted children.
- c. 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 by death and there has been no subsequent remarriage, the in-law relationship will be recognized.
- d. The rate of pay will be the employee's current hourly rate. The employee may elect to be paid Funeral Leave Pay on their scheduled day(s) off. When so paid, the employee's work schedule will continue to

be the same schedule but they will be paid as working Monday through Friday (S-1, S-2, S-3).

- e. An employee on vacation will be eligible for payment under this provision in the same manner as an employee who is working when a death occurs. However, such employee may extend his vacation by the number of days he/she is eligible for payment under this provision provided he/she notifies his/her manager promptly of the funeral and in sufficient time for the manager to secure a replacement. If he/she does not extend his/her vacation, he/she shall be paid for the maximum number of days provided hereunder. In the application of this paragraph, an employee will be considered to be on vacation at the completion of his/her last scheduled shift prior to the beginning of his/her vacation.
- f. In the application of this section, a holiday shall not be considered as a scheduled work day. The employee will be eligible to extend funeral leave or take payment in addition to the holiday.

#### **Section 14: Union Representatives Pay**

- a. An employee who is a designated Union representative shall be compensated for time lost during his regular shift because of attending scheduled grievance meetings with the Employer. The rate of pay shall be at the employee's current hourly rate. The total liability of the Company for payment of Union representatives shall be the maximum of fifteen (15) hours per week per one hundred (100) employees, rounded out to the next even hundred.
- b. The Union President will be furnished a monthly summarization of grievance hours. This report will

accumulate totals at monthly intervals.

- c. 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.
- d. Subject hours may be used to compensate employees for time lost due to other reasons, when authorized by previous mutual agreements between the Union President and Manager of Human Resource Services.

### **Section 15: Pay Day**

Wages will be paid weekly by check or direct deposit in the financial institution of the employee's choice that is a member of the Federal Reserve Automated Clearing House (ACH). If a holiday falls on a normal pay day, pay provisions will be specifically announced.

### **Section 16: Call In and Reporting Pay**

- a. An employee called in for work shall be guaranteed four (4) hours of work or its equivalent in pay at his current hourly rate. This provision shall not apply when the work is performed in continuity at the beginning or the end of the employee's regular shift.
- b. When an employee reports for work at his regularly scheduled or requested time, not having been notified otherwise, and no work is available, he shall be guaranteed eight (8) or twelve (12) hours of their regular scheduled shift or its equivalent in pay at the rate of 75% of his current hourly rate.
- c. Employees sent home because of lack of work before completing the scheduled hours of the shift shall be paid what they earned plus 75% of their current hourly rate for the remaining scheduled hours of the

shift. If the Company offers the employee the choice of other work or going home and they elect to go home, they forfeit their right to wage payment set forth above.

- d. Payment under the foregoing conditions will be made at time-and-one-half after forty (40) hours in any work week, at double time on the seventh consecutive day of the work week, and triple time on holidays.
- e. In this section, the employee shall forfeit rights to reporting pay if the Company has attempted to notify the employee not to report for work, but has been unable to do so because the employee has failed to record with the Company a current address and telephone number, if any, or neighbor's telephone at which he may be reached, or if the employee was absent the previous day without reporting.
- f. Hiring rate 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 at the start of their scheduled shift. Notification will be made through the use of specified local news media.

The specified media will be radio stations KDOK, KNUE, KROZ, KTBB, KTYL, KZEY and television stations KLTV-Channel 7, KFXK-Channel 51, and KETK-Channel 56.

#### **Section 17: Balance Crew (General Operators)**

- a. As long as there is need for additional employees for the purpose of balancing production, in case of emergency, absentees, temporary vacancies, sick leaves, vacations, and short-term experimental

assignments, the Company will maintain a Production Balance Crew (General Operators).

- b. Assignments will be filled in line with the job posting procedure (Article VIII, Section 8). An employee may be removed from the Balance Crew (General Operators) if he is unable to perform assignments in a satisfactory manner.

#### **Section 18: Height Pay**

The employer agrees to pay twenty-five (25) cents per hour to employees for time worked on the carbon black tower, the 800,000 gallon oil reserve tank and the water tower at a height of thirty (30) or more feet above the roof, floor or ground. Actual time worked or four (4) hours minimum height pay will be paid, whichever is greater, for the time worked on the carbon black tower, the 800,000 gallon oil reserve tank and/or water tower. If the employee works less than four (4) hours overtime and during this overtime period works on the carbon black tower, the 800,000 gallon oil reserve tank and/or the water tower at a height of thirty (30) or more feet above the roof, floor or ground, he will be entitled to height pay for the total hours worked during his overtime period.

#### **Section 19: Differential in Wage Scale and Rates**

Except as provided, the general wage scale and the differentials in various rates such as base rates, percentage allowances, daywork rates, lost time rates, hourly rates, minimum rates and hiring rates in effect when this Agreement becomes effective will remain in effect for the life of this Agreement. Nothing in this paragraph shall be interpreted as prohibiting the Company from placing jobs on piecework or changing rates as provided for in this Agreement.

# ARTICLE VII

## VACATIONS

### Section 1: Vacation Eligibility

- a. Employees will be entitled to:
1. Two (2) weeks of vacation after completing one (1) year of credited Company service.
  2. Three (3) weeks of vacation after completing five (5) years of credited Company service.
  3. Four (4) weeks of vacation after completing ten (10) years of credited Company service.
  4. Five (5) weeks of vacation after completing twenty (20) years of credited company service.
  5. Six (6) weeks of vacation after completing twenty-five (25) years of credited Company service.

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 they shall become eligible for the additional week of vacation on their fifth, tenth, twentieth, and twenty-fifth anniversary date.

### Section 2: Vacation Pay

- a. A week's vacation pay shall be computed as two percent (2%) of an employee's total gross earnings for the preceding calendar year, including Short Work Week Benefit payments, except that vacation pay for those employees who have completed one year of credited Company service during the current year shall be computed on the employee's earnings for the first twelve (12) calendar months prior to their anniversary date. The minimum pay for a week of vacation shall be forty (40) hours times (x) seventy-five percent (75%) of the

employee's current hourly rate.

- b. As an exception to this section, veterans of the Armed Forces with recall rights who are entitled to a vacation, but who do not have a full year on which to compute vacation pay, shall receive for each week of earned vacation two percent (2%) of their average weekly earnings since returning to the payroll times fifty-two (52) weeks. If the employee returned to the payroll more than fifty-two (52) weeks before the vacation is taken, the first fifty-two (52) weeks shall be used in computing the average weekly earnings.
- c. As an exception to this Section, employees who have lost time during the year due to occupational injury or illness who are entitled to vacation but who do not have a full year on which to compute vacation pay shall be computed in the following manner: fifty-two (52) weeks minus the number of weeks off due to occupational injury or illness divided into the previous year's earnings for average weekly earnings, times fifty-two (52) weeks. Employees shall receive two percent (2%) for each week of earned vacation based on earnings for fifty-two (52) weeks.
- d. 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. Any employee returning to the payroll not having been on the payroll in the current year must work thirty (30) days or the equivalent of the time off the payroll, whichever is the least before vacation privileges are restored. Notwithstanding the provisions of this paragraph (d), employees who leave the payroll after having qualified for vacation in that year, and later complete 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 entitled to vacation who resign or are discharged before they have taken their vacations shall be entitled to vacation pay at the time of exit, and the employees laid off shall be entitled to vacation pay at time of exit. It is understood that the employee should give the Company reasonable notice of their resignation when possible. 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.
- f. In the event an employee who is entitled to a vacation dies before he has taken that vacation, the vacation pay will be paid to the beneficiary as provided in the employee's life insurance policy.
- g. 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 year's 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 they retire.
- h. 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 any

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.

- i. Vacation checks will be distributed before the employee's vacation starts.
- j. A week of vacation for employees shall consist of five (5) consecutive working days.

### **Section 3: Vacation Scheduling**

- a. The vacation year period shall be from January 1 through December 31.
- b. Vacation selections will conform to the principles of seniority. After a two (2) weeks notice, canvassing of employees for asserting vacation preference will be started in November or December for the coming vacation year.

Two (2) days of day-at-a-time may be scheduled contiguous to an employee's regular week of vacation. It must be scheduled at the time the regular week is scheduled and only five (5) days may be used for this purpose. Employees may cancel by notifying their department management no later than 11:00 PM on the Friday, two (2) weeks in advance, of the start of their regular scheduled week of vacation.

- c. Vacations will be scheduled according to department seniority and will be scheduled evenly over the vacation year. It is recognized that the number of vacations to be taken any week by employees is limited to the Company's ability to provide coverage and maintain scheduled production. The maximum

number of employees allowed to schedule a week of vacation in any given week will be determined by taking the total department vacation weeks less the weeks designated as day-at-a-time and dividing by the number of scheduled weeks, or a minimum of fifty (50) weeks.

Ten percent (10%) of the regularly scheduled employees in a department will be allowed to take vacation, week or day-at-a-time, per calendar day. It is understood that in the application of this cap, up to an additional one half day-at-a-time vacation could be allowed beyond the cap. The cap would also be adjusted on a one for one basis in departments where qualified summer help employees are available for coverage.

- d. Any employee not designating an available week when canvassed will be bypassed and the canvass will continue to be made. At the conclusion of the canvass, those employees who have not scheduled their vacation weeks for any reason will be assigned weeks. As an exception, any employee so desiring can opt for weeks or days to be paid in lieu at any time during the year. If an employee elects to be paid in lieu for a scheduled week it will be made available for other associates to take if notice is given at least two weeks in advance of the scheduled week of vacation.
- e. An employee will return to his regular shift following his/her vacation period or periods unless the employee has been notified prior to the start of such vacation. When four (4) hours are scheduled on Friday (7 pm to 11 pm) at the beginning or on Saturday (11 pm to 3 am) at the end of a week's vacation, the employee has the option of working,

being excused those hours, or taking half DAAT vacation. An employee on "S" Team may work or will be excused if scheduled on the Saturday following the week's vacation.

- f. Employees may elect to be paid in lieu of time off for any vacation not set aside for vacation/maintenance shutdown(s) at any time.
- g. Any exceptions to any provision in the Vacation sections 3 through 6 will be handled by the Business Center Manager and Division Chairperson, with approval by the Human Resources Manager and the Union President.
- h. Vacation not taken by the end of the year will be paid in the second pay period in January of the following year.

#### **Section 4: Vacation - Day-At-A-Time**

Employees eligible for vacation will be offered the opportunity to take up to three weeks of vacation per year, one day-at-a-time, providing the requirements of Article VII, Section 1-a are met.

- a. The scheduling of a vacation one (1) day-at-a-time must be with management's approval, not conflict with production requirements, and scheduled not more than fourteen (14) days or less than eight (8) hours in advance.
- b. A week of vacation, one (1) day-at-a-time, consists of five (5) days. However, any scheduled work day may be pre-scheduled as outlined above as a vacation day. Eight (8) or twelve (12) vacation hours may be used on days that are scheduled twelve (12) hours. If eight (8) vacation hours are used the remaining four (4) hours may be worked or excused

at the employee's option.

- c. The rate of pay per day of vacation will be calculated by dividing two percent (2%) of the previous year's earnings by five (5) days per week.
- d. Employees who take a day's vacation during the week will have that day credited for overtime payment.
- e. Employees who exercise the option of taking one (1), two (2), or three (3) weeks of vacation one (1) day-at-a-time and do not take all five (5), or ten (10), or fifteen (15) days will be paid pay-in-lieu at the end of the year.
- f. The advanced scheduling of the vacation day will be handled directly through the employee's immediate supervision or designee. Answers to requests will be given as soon as practicable. A request will not be considered granted until notification is provided to the employee that it was approved. Once a vacation day is properly scheduled it will not be cancelled by the Company.
- g. Vacations, a day-at-a-time, when granted, will be in the order in which the requests are made. If two (2) or more employees make the request on the same day for the same day of vacation and a vacation day is granted, it shall be granted in order of seniority.
- 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 one (1) week, two (2) weeks or three (3) weeks of vacation one (1) day-at-a-time must be expressed at the time he is canvassed for this purpose. This canvass will be conducted prior to the regular vacation canvass.

## **Section 5: Half Day-At-A-Time**

Employees eligible for vacation who have requested one (1), two (2), or three (3) weeks of day-at-a-time vacation (DAAT) vacation may take up to ten (10) days of DAAT vacation in half-days, for a total of up to twenty (20) half days, providing the requirements of Article VII, Section 1-a are met. Half DAAT vacation is part of DAAT vacation and does not increase the maximum number of days that may be taken as DAAT vacation..

- a. The scheduling of a half-day vacation must be with management's approval, not conflict with production requirements, and scheduled not more than fourteen (14) days or less than eight (8) hours in advance.
- b. Half DAAT vacation must be taken in four (4) hour blocks, which must be either the first or second half of a Day, or Afternoon or Night Shift, as identified in Article V, Section 1-b of the Current Bargaining Agreement. Half DAAT vacation may be taken in any of the three (3), four (4) hour blocks of a day that an employee is scheduled to work twelve (12) hours.
- c. The rate of pay per half-day of vacation will be calculated by dividing two percent (2%) of the previous year's earnings by five (5) days per week multiplied by one-half percent (.5%).
- d. Employees who take a half-day's vacation during the week will have that half-day credited for overtime payment.
- e. Employees who exercise the option of taking half DAAT vacation and do not take all of them will be paid pay-in-lieu at the end of the year for the half DAAT not taken as authorized under Article VII, Section 4, paragraph j.

- f. The advanced scheduling of the vacation day will be handled directly through the employee's immediate supervision or designee. A request will not be considered granted until notification is provided to the employee that it was approved. Once a vacation day is properly scheduled it will not be cancelled by the Company.
- g. Vacation half-day-at-a-time, when granted, will be in the order in which the requests are made. If two (2) or more employees make the request on the same day for the same day, which includes the half-day of vacation and a vacation day is granted, it shall be granted in order of seniority.
- h. The day paid as vacation will be incorporated with the week's earnings during which the partial vacation falls.

#### **Section 6: Vacation/Maintenance Shutdown**

- a. If the Company anticipates a shutdown of all or part of the plant for a vacation/maintenance shutdown of one (1) week, or two (2) weeks, it will issue notification no later than December 1 of the previous year. The Company must give notice of a cancellation no later than April 15 of the affected year for the summer shutdown, and no later than July 1 for the December shutdown. The Company will have the option of scheduling one (1) week shutdown during the months of June, July, or August and one (1) week in December when schools are traditionally recessed.
- b. All or part of maintenance employees will be scheduled during the shutdown week. Vacation applicable to the maintenance classifications during the shutdown will be scheduled according to Article

**IX, Section 13.**

- c. **Employees who are ineligible for vacations during the shutdown period will be considered on layoff if no work is made available to them.**
- d. **After the cancellation deadline has passed the Company may elect to operate a full or partial schedule during the previously scheduled Vacation/Maintenance shutdown week(s). An employee required to take vacation that week(s) may volunteer to work. If an employee volunteers to work during said week(s) they will not reschedule their vacation week(s). All time worked during said week(s) will be paid at premium rate. Double time payment will comply with the provisions of Article V, Section 2. Employees must work their regularly scheduled shift, if available.**

## **ARTICLE VIII**

### **SENIORITY**

#### **Section 1: Seniority - Definition**

- a. **Seniority is preference or priority by length of service with definite rights qualifying employees for employment when work is available.**
- b. **Seniority is continuous service with the Employer, from the employee's most recent date of hire, compiled by time actually spent on the payroll, plus properly approved absences or time laid off, as specified in the terms of this Article.**

**Employees who voluntarily resign, retire or terminate their employment under the 1950 Pension Plan, or are discharged for cause, terminate their seniority.**

**The purpose of seniority is to provide a declared**

policy of work security measured by length of service.

- c. If a person transfers into the Tyler plant, they will be treated as a new employee without seniority.

### **Section 2: Probationary Period**

- a. A new employee shall be on probation, and shall have no seniority status until completion of ninety (90) days on the payroll.
- b. Upon completion of ninety (90) days continuous service, the employee shall have department seniority rights and his/her credited service with the Company shall be recognized as his/her department seniority.
- c. An employee's Company service shall date from time and date of hire, as placed on his/her employment record by the Employment Department.
- d. The Company may transfer or terminate the services of a new employee during the first ninety (90) days of employment. An employee will have no recall rights if laid off before completing his/her probationary period.

### **Section 3: Loss of Seniority**

Some examples of when an employee ceases to hold seniority rights are:

- a. Quit for any reason.
- b. Absence from work for five (5) consecutive days or more without specific prior notification, or without being excused, will be sufficient cause for removal of any employee from the payroll. An employee whose service is so terminated shall be reinstated only if he/she supplies evidence that failure to comply with the terms of this provision was justified

- by reasonable excuse.
- c. Discharged for just cause.
- d. Overstaying leave of absence.
- e. Failure to answer recall within specified time.
- f. Misrepresentation in reporting reasons for leave of absence.
- g. If the employee has been laid off for two (2) years.

#### **Section 4: Leaves of Absence**

- a. An employee wishing a leave of absence for a period of more than one (1) week shall make application on Form KTY 2-813 to the department manager.
- b. Leave of absence may be granted for personal reasons for a period not to exceed ninety (90) days, upon application of the employee and approval of management, when the services of the employee are not immediately required and there are other experienced employees available in his/her department capable of doing his/her work, and the replacement does not involve premium pay. Such leave of absence shall not be renewed, and seniority shall accumulate during the leave.

To comply with the requirements of the Family 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. The Parties will develop the Tyler policy as actual experience occurs. The administration of the policy will be the responsibility of the local Union President and local plant Human Resource Manager. Should a dispute occur, it may be subject to the grievance procedure, subject to the reasonable rule principle.

- c. A leave of absence will not be granted for employment elsewhere, or for the purpose of seeking employment elsewhere.
- d. The employee must notify the Company of his intention to return to work at least one (1) working day before the termination of his/her sick leave of absence. The employee's failure to report to work at the end of his/her leave will be considered as a voluntary resignation.
- e. 1) 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 (2) years of such leave. In the event there is a disagreement between the Employer's physician and the employee's physician regarding the medical evidence concerning the disability due to the injury or illness, the question shall be submitted to a third physician selected by such two (2) physicians. The medical opinion of the third physician after examination of the employee and consultation with the other two (2) physicians shall decide such question. A copy of the third physician's report will be provided to both the Employer's and employee's physician. The expenses of the third physician shall be borne jointly by the Employer and the Union.
- 2) 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 Employer'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 (2) physicians. The medical opinion of the third physician after examination of the employee and consultation with the other two (2) physicians shall decide such question. A copy of the third physician's report will be provided to the Employer's and the employee's physician. The expenses of the third physician shall be borne jointly by the Employer and the Union.

- 3) After the third party doctor procedure is exhausted, an employee who has been off work and/or on light duty for an extended period, may be required to have his status reviewed by the Human Resource Manager and the Union President for disposition. Failure to report at the designated time shall result in forfeiture of benefits. Any disposition made must be by mutual agreement.
- 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 Employer 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 Employer may terminate.
- g. An employee who receives Workers' Compensation payments 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.

An employee who is unable to work due to disability caused by an injury in the factory or from occupational illness for which he does not receive Workers' Compensation payments shall accumulate seniority for the period of time during which he is unable to work, provided he shall furnish satisfactory evidence of continuing disability.

- h. An employee returning from a leave of absence shall have the privilege to return to his/her job classification, provided he is qualified and his seniority entitles him to it.
- i. Any employee who has been absent or on a leave of absence may be required to be examined by the Company doctor before returning to work. In the event there is a disagreement between the Company's medical department and the employee's personal physician regarding the employee's physical fitness to return to work, a third physician will be selected by the Company's physician and the employee's personal physician to examine the employee for the purpose of disposing of such disagreement. The fee of the third physician will be borne equally by the Union and the Company.
- j. Employees who are currently in a salary position outside the bargaining unit, who were once a member of the bargaining unit as defined, or employees who transfer to a salary position outside the bargaining unit in the future will have no

seniority in the bargaining unit. Such employees will retain their Company service for pension rights and vacation allotment purposes.

- k. Notwithstanding, paragraph j, 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 full 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.

- l. An employee elected or selected for full-time duty as an officer or representative of the Local Union or the International Union, or elected to serve as a full-time officer of the Kelly-Tyler Federal Credit Union serving the Kelly-Springfield Tyler Plant, will upon application to the Human Resources Department, be granted a leave of absence. Any person covered by this provision must make application for reinstatement within twenty (20) days after being released from such full time duty. Upon reinstatement he/she shall, consistent with his seniority, be placed on his/her previous or comparable job

(classification in Maintenance), provided he/she is qualified to perform the work. Application for such leave of absence shall be made yearly.

- m. An employee who furnishes the Employer with the official notice that he/she is to enter the Armed Forces will, upon request be granted a leave of absence for a reasonable period of time, not to exceed two (2) weeks, to handle personal affairs prior to entering the Armed Forces.

An employee who leaves the Company to serve in the Armed Forces of the United States shall make application for re-employment, and restoration of employment rights and privileges will be in accordance with existing laws.

- n. An employee who is elected or appointed to full time public office which will take them from their employment with the Company shall be given a leave of absence and shall be reinstated upon application provided they can qualify under the seniority rules, is physically able to perform required work, and applies for re-employment within thirty (30) days after the end of their tenure of office.

The employee shall notify the Company in writing of their intention of accepting such office and shall inform the Company of their status at annual intervals thereafter. Seniority shall accumulate throughout the period of the foregoing leaves of absence.

- o. An employee who leaves the employ 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/she can qualify under the 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. Trade or vocational school for the 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 they had when they 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. They shall confirm the continuation of their school attendance at annual intervals thereafter.

### **Section 5: Shift Assignment**

Employees will be assigned to teams based on their department seniority and job classification within their department. However, when making a team alignment, jobs will not be considered of a similar nature when differences in the jobs involve labor training.

### **Section 6: Shift Changes - Temporary**

It is understood that temporary team changes up to thirty (30) days may be made for the purpose of labor training. At the end of the training period, employees shall be returned to their regular team and specific assignment.

Employees may trade shifts one day at a time providing: the day of the trade is a regular scheduled work day for both employees, no additional premium pay is involved, and the Business Center Manager approves the trade. Employees granted such trade will not be in the canvass procedure on that day.

### **Section 7: Shift Request**

- a. Employees will be entitled to two (2) team/shift requests each year. On January 1st of each year, employees will be given the option to remain on their

current team/shift or request a preferred team/shift by making known their request to their manager in writing, using form KTY 2-811, with the move taking place on the second Saturday after January 1. In addition, the employee would have one (1) additional team/shift request to use at their option during the year.

Maintenance Division employees will be entitled to no more than two (2) team/shift requests in any twelve (12) month period. The twelve (12) month period will start when an employee exercises a team/shift request using form KTY 2-811.

- b. An employee moving to a team/shift upon their request shall fill the existing vacancy, if any, or accept the opening left by the employee being displaced on the team/shift requested. Under this provision, positions will be defined on a permanent basis.
- c. An employee is limited to two (2) team/shift requests as stated in Paragraph a above with the following exceptions:

1. When an employee has changed shifts/teams at the direction of management, the team/shift request is automatically renewed.

In the Maintenance Division when an employee has changed shifts/teams at the direction of management, they are allowed to select another team by seniority and retain the number of team requests they had prior to being moved.

2. If the employee transfers to another job on a different job classification, the team/shift request is automatically renewed.

3. When an employee is bumped, they are allowed to select another team by seniority and retain one team request.

In the Maintenance Division when an employee is bumped, they are allowed to select another team by seniority and retain the number of team requests they had prior to being bumped.

- d. Employees working on the same job may trade teams/shifts temporarily for a maximum of two (2) weeks for personal reasons by making previous arrangements with the Business Center Manager. Such team/shift changes must be made at the beginning of the work week and must be for the work week. Further, it is understood this temporary move will not in itself create overtime or premium payment.
- e. Form request KTY 2-811 must be submitted to the manager prior to 3:00 pm on Monday. The employee being displaced will be contacted prior to Wednesday 12:00 midnight. If the employee is unable to be contacted, the move will be postponed to the following week.

If the employee being displaced is on a contractual leave of absence, over a week period, the Business Center Manager and Division Chairperson will resolve the issue.

In the Maintenance Division team/shift requests will be executed on the first Saturday of each month. Form KTY 2-811 must be submitted to the manager prior to 1:00 PM on the second Tuesday preceding the date requested. Employees being displaced will be contacted and their subsequent team changes will be resolved prior to 1:00 PM on the first Tuesday

preceding the date requested.

- f. The President and Division Chairperson may hold team or shift seniority rights in their job classification in their respective departments.

### **Section 8: Job Bidding - Posting Vacancies**

- a. Where there is a job vacancy in a department (more job assignments than employees in the department), the vacancy will be posted, except temporary jobs, giving the job title, hourly rate, and learning time.
- b. All vacancy notices shall be posted on the main bulletin board on first shift and remain posted for sufficient time to permit employees on scheduled days off to bid.
- c. Employees who wish to apply for the vacancy will file their applications in writing on Form KTY 2-837 during the time the vacancy notice is posted. These applications will be made in duplicate and signed by the applicant. The duplicate copy of the application will be deposited in a locked box provided for this purpose at the main bulletin board. The original copy of the application will be kept by the employee. Employees who wish to withdraw their application may do so at any time prior to their being awarded the job, as provided by the application. The cancelled application must be turned in to the Employment Department.
- d. At the end of the posting period, assignment to the vacancy will be made to the qualified applicant as follows:
  1. First preference for the vacancy will be given to the senior active employee in the plant on full duty for at least 30 days prior to the posting date, that

has been removed from the job within the last twenty-four (24) month period (as of posting date of the job) for any reason and who has not had a previous chance to return to the job. This preference will only apply to the most recent job the employee was removed from. (These employees must have been permanently assigned and qualified on the job to be eligible to return.)

2. Second preference for the vacancy will be given to the senior active employee in the plant who has been on full duty for at least 30 days prior to the posting date in the department who can meet employment qualifications for the job.
3. Third preference for the vacancy will be given to the senior active employee in the plant who has been on full duty for at least 30 days prior to the posting date in the plant who can meet employment qualifications for the job.
4. Next preference will be given in the following order:
  - (a) Surplus labor
  - (b) Employees with recall rights who are on layoff
  - (c) New employees
5. Under no circumstances will a job be awarded to any employee who has been disqualified for any reason except as specifically stated.
6. As an exception to the above, employees covered by Article VIII Section 4 Paragraph I will not be precluded from bidding.
- e. Any employee under this section requesting and receiving a job bid transfer must have met the

following requirements:

1. They have worked twelve (12) months from date of hire or latest award to each job in order to transfer to another job within their own department.
  2. They have worked twenty-four (24) months from date of hire or latest award to each job in order to transfer to another job outside their own department.
  3. An employee removed from a job under the provisions of Section 9 of this Article will have his job bid transfer rights under this paragraph restored.
  4. Employees must meet eligibility requirements as of the posting day of the job in order to be awarded a job under Article VIII, Section 8.
- f. The Company will only be required to post the original job vacancy. As an exception, jobs caused by bidding for the original vacancy within the "coveted job" list will be posted. This does not restrict the Company from posting any other additional vacancies. The coveted jobs are; 320 ASRS Operator, 410 F/W Calendar Operator, 410 F/W Calendar Reliever, 430 Extruder Operator, 705 Code Changer, 705 GII Operator, R1/R2 Operator, M&B Operator, 514 ASRS Operator, 515 Inspector and Skilled Trades jobs.

However, employees surplusd from the available job code within the previous twelve (12) months and who filed notice with the Employment Department at that time will be allowed to return in line with their seniority. Vacancies created as a result of these

moves will not be posted.

Failure to exercise rights under Article VIII, Section 8, paragraph d-1 will preclude exercise of rights as stated in the above paragraph.

- g. When the Company combines two or more jobs into one or divides one job creating more than one job, the oldest employee in point of service, physically and mentally capable of learning, shall have preference on the new job(s). If an employee is forced out of their department as a result of a job combination, they will maintain departmental bidding rights to the department moved from for a period of twenty-four (24) months. In addition, any employee surplusd as a result of the combination will have surplus bidding rights to the newly created job.

### **Section 9: Reassignment of Labor**

- a. It will be necessary to reassign labor in the department when:
- 1) A change in job requirements occurs.
  - 2) There is an excess employee on a job classification as the result of an employee returning from sick leave, etc.
  - 3) Other employees are reassigned.
- b. The excess labor on a job classification will be moved as follows, without posting: The youngest seniority employee on the overmanned job code will be placed on any opening that exists in the department for which he is qualified, or if there is no opening, he will replace the youngest seniority employee in the department on a job that he is qualified to perform, and the youngest seniority

employee in the department will be handled according to Article VIII, Section 13.

- c. Employees will be placed on the team/shift as determined by their seniority in their new job classification.
- d. This paragraph applies only to surplus employees filling vacancies.

1) When surplus employees are declared on an operation, the senior surplus employee will be given his choice of the vacancies which exist at that time in his department.

2) Employees referred to the Employment Department for placement will be given their choice, in line with their seniority, of the vacancies which existed at the time the surplus and vacancy lists were compiled.

3) Employees given a choice of filling vacancies must make their choice known at the time they are given the opportunity to make a selection.

The employee will be provided data on rates of pay and job content or other reasonable information about the jobs.

4) Personal contact will be attempted in order to give the surplus employee a selection. The Division Chairperson or other appropriate steward will be utilized to verify contact attempt. Those employees, which are unable to be contacted, will be by-passed and assigned the remaining vacancy.

#### **Section 10: Temporary Vacancy**

- a. A temporary vacancy will be defined as a vacancy of short duration, and the job will be posted whenever it is known that an employee will be off for at least

ninety (90) calendar days or longer. In the event a manager obtains information indicating that the vacancy should be considered permanent, he will notify the Employment Department and the Employment Department will post the vacancy.

- b. The least senior employee in a department retained because of a temporary vacancy will be regarded as on extended notice of layoff.

#### **Section 11: Disqualification**

- a. When an employee with seniority rights fails to qualify on an assignment, he will be referred to the Employment Department.
- b. The disposition of an employee who is disqualified from his job will depend upon the reasons for the disqualification.

#### **Section 12: Medically Restricted**

- a. When an employee cannot perform work due to age, health, or conditions that are harmful to the employee (medically restricted), the employee shall be transferred by the Medical Department to vacancies which may exist and which he is able to perform:
  - 1) Within his department.
  - 2) Within the plant.
- b. If no vacancy exists under paragraph a above, the employee shall be moved in line with his seniority to a job he is qualified to perform:
  - 1) Within his department.
  - 2) Within the plant.

These moves shall be made only after the recommendation and approval of the Medical

Department.

- c. If the medically restricted employee is disqualified from the job on which he is placed, he will as soon as possible be placed on another job only after the recommendation and approval of the Medical Department and approval of the Employment Manager and the Division Chairperson representing the respective departments.
- d. An employee who has been medically restricted and placed on a job in line with this section will not be eligible to bid to another job for twelve (12) months from the date of placement. The employee's medical restrictions must have been removed at least thirty (30) calendar days before the signing of a job bid application. The Medical Department shall review medical restricted cases as appropriate in view of removing them from medical restriction.
- e. Employees whose medical restrictions designate a specific shift are limited only to work on that shift.
- f. Employees who have been removed from a job because of repeated injuries will be eligible candidates to bid to return to such job after twenty-four (24) months provided they have demonstrated they can work in a safe manner.
- g. If the employee is medically placed the second time and is medically disqualified from this placement, his case will be reviewed by the Medical Department, Union President and the Manager Human Resources.
- h. To comply with the requirements of the Rehabilitation Act of 1973 and/or the American Disability Act of 1990, as amended, its rules and

regulations, it may be necessary to make exceptions to the above, subject to mutual agreement, to provide for and safeguard the rights of disabled employees.

### **Section 13: Layoff Procedure**

- a. The Company will endeavor to maintain a balanced work schedule throughout the plant, equipment and other factors permitting. When production requirements are reduced, the layoff of surplus help shall be made departmentally, upon five (5) days notice, in the following order:

- 1) Employees without seniority rights.
- 2) Employees with seniority rights according to their department and seniority ranking.

Notwithstanding, the Company may, without the requirement of making a layoff, temporarily reduce the schedule due to production requirements for a balancing group, department or departments. If this should occur and 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 layoff procedure, said week will be deemed to be a temporary layoff out of line of seniority in conformance with Article I, Section I (b) (4) of the Supplemental Unemployment Benefit Agreement.

- b. Employees with seniority rights removed from their jobs under this section shall have the privilege to fill vacancies available in the Employment Department. If there are no vacancies or they cannot qualify for the vacancy, they may bump into a job for which they can qualify by starting with the least senior employee in the plant. If the surplus employee is

unable to bump, he shall be laid off.

- c. If this provision results in bumping more than ten percent (10%) of the employees on any job code during a period of time equal to the learning time of the job, bumping privileges by additional surplus employees may be exercised elsewhere.

In the application of this provision, employees scheduled for layoff will be retained on an individual basis only until training liabilities are met. Those junior employees retained because of these training liabilities will be eligible for overtime and will be given the five (5) day's notice prior to their actual date of layoff.

- d. Where crews are involved, layoff will not be made under this section until arrangements are made to produce the required schedule.
- e. Employees scheduled for layoff while on leave of absence shall be placed on the layoff list.
- f. When the Company declares a surplus of labor in a department classification (excluding bump situations) which would otherwise result in layoff of employees with one (1) or more years of seniority, an equivalent number of senior employees in that department classification will be permitted upon their request to take an optional layoff. The Division Chairperson 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 department foreman within forty-eight (48) hours after the Company's notice.

2. All employees by classification must be offered eight (8) hours before an additional eight (8) hours is offered within the Holiday period if the sixteen (16) hours in twenty-four (24) hour rule permits.
  3. Employees will be offered their regular scheduled standard shift if available. Employees will be offered the standard part (days, afternoons or nights) of a scheduled non-standard twelve (12) hour shift if available. Employees scheduled for a four (4) hour non-standard shift will have no shift preference.
  4. In the event all available employees in a classification are canvassed to work, they will be offered their normal shift and a choice of one other shift within the holiday period if the sixteen (16) hours in twenty-four (24) hour rule permits. Classification employees on days off will be offered two eight (8) hour shifts of their choice.
  5. Employees will be charged hours offered or worked up to sixteen (16) hours.
- c. If vacancies occur on the shift prior to or immediately following the holiday, the over or in canvass will be made from the employees on the team who would have been working if it were not a holiday.

## **ARTICLE X**

### **MISCELLANEOUS**

#### **Section 1: Bulletin Boards**

It is understood that there will be no posting on the factory bulletin boards or distribution of handbills or other materials on Company time or property, except for such notices or materials which have been approved by the Human Resource Manager.

- (5) working days, but reports within thirty (30) days from the date of recall and presents acceptable reasons for his failure to have reported earlier, such employee shall retain his relative position on the recall list, but must await the next available vacancy.
- f. Notices of recall will be sent by Certified Mail, return receipt requested.
  - g. It is the responsibility of laid-off employees to notify the Company of changes of address by Registered Mail or personal interview, and failure to contact the employee at their last given address shall cancel their seniority and recall rights.
  - h. Associates who are recalled will fill vacancies. If there are multiple openings where an associate returns, if a position is open from where the associate was laid off from, they will fill that opening.

#### **Section 15: Department Seniority**

An employee who has seniority rights in a department shall, upon being transferred, establish seniority rights in the new department immediately.

#### **Section 16: Trainees**

- a. The Company reserves the right to hold and place on the payroll, regardless of seniority, a production, engineering and staff training group for the purpose of training and preparing employees for more responsible positions.
- b. Trainees will not be members of the bargaining unit, and their training shall consist of factory and staff assignments with the maximum number of trainees assigned to bargaining unit work at any one time not to exceed one percent (1%) of the total hourly payroll. Notwithstanding, the Company during the

life of this agreement may have sufficient trainees to meet its need but not exceeding two percent (2%).

- c. Trainees may be assigned to bargaining unit jobs; however, they shall not displace any bargaining unit employees and/or cover vacancies.
- d. Time studies will not be made on trainees.

### **Section 17: Job - Definitions**

The term "job" as used in this Agreement shall mean all functions covered under a job classification.

## **ARTICLE IX**

### **MAINTENANCE DIVISION**

In addition to the general provisions of this Labor Agreement, rules specifically applicable to the Maintenance Division are listed.

#### **Section 1: Maintenance Employees**

- a. The Maintenance Division skilled crafts will consist of the following departments and classifications.

##### Department 119

Tool & Die Maker/ Machinist	(Classification 962)
Electrician	(Classification 951)
Pipefitter	(Classification 953)
Millwright	(Classification 954)
Truck Mechanic	(Classification 965)
Painter	(Classification 931)

##### Department 160

Stationary Engineer	(Classification 010)
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The principle of maintenance employees working within a classification is recognized. However, for the efficient utilization of labor, work in other classifications will be performed when such work is incidental to the individual's assignment.

- b. *The Company reserves the right to upgrade employee skills through training, and to assign work based on this increased knowledge.*
- c. *Work of a type for which the maintenance employees are equipped and qualified to do within allotted time and cost parameters will not be subcontracted in any period in which the employees in the classification affected are working less than the standard eight (8) hour day and five (5) day week.*

### **Section 2: Powerhouse and Chiller Building**

*The Powerhouse and Chiller Building, Department 160, is a department of the Engineering Maintenance Division, and employees (Stationary Engineers) shall be used according to their abilities in the Powerhouse and Chiller Building, including repair of equipment therein.*

*No maintenance repair work other than maintenance in the Powerhouse and Chiller Building will be performed by Stationary Engineers. They may also be utilized for weekend and holiday plant protection patrol, which may include startup or shutdown of plant mechanical equipment. The Powerhouse must be operated on a seven (7) day a week basis. Powerhouse employees will operate on the published seven (7) day continuous rotating shift schedules for twenty-one (21) shifts.*

### **Section 3: Miscellaneous Maintenance**

*Miscellaneous maintenance (Department 912) is a department of the Engineering Maintenance Division. The job classifications will be distinct from the craft classifications stated above. The jobs in this department will include Utility personnel. The provisions of Article VIII section eight (8) are applicable for job bidding from or to this code in the Maintenance Division. Department*

912 employees will have no preference when applying for departments 119 and 160 jobs. Departments 119 and 160 employees will have no preference when applying for department 912 jobs. The Company will determine the type of work and job classifications.

Departments 119 and 160 may be canvassed out-of-code for Utility work.

#### **Section 4: Vacancy Provisions**

When there is a vacancy in a classification the vacancy will be filled in the following order (excluding temporary vacancy). Employees awarded a job under this section will be placed per Article IX, Section 10, Paragraph b., after the Work Station bid process for the vacancy per Article IX, Section 10, Paragraphs d. through g. is complete.

- a. To employees previously surplusd from the classification where the vacancy exists who have not had a chance to return to the classification, in order of their seniority, provided they meet the required physical qualifications.
- b. To laid-off employees with recall rights from classifications where the vacancy exists, in the order of their seniority, provided they meet the required physical qualifications.
- c. To laid-off employees with recall rights from other classifications in the Maintenance Division, in the order of seniority, provided they meet the required qualifications. Employees are limited to one (1) move per twenty-four (24) month period as a result of such vacancy.
- d. To active employees from other classifications in the Maintenance Division in the order of seniority, provided they meet the required qualifications.

Employees are limited to one (1) move per twenty-four (24) month period as a result of such vacancy.

- e. Employees from other parts of the plant, provided they meet the required qualifications and have indicated their desire in writing for a job opportunity in the Maintenance Division.
- f. New employees.
- g. Consideration for filling a vacancy in Step c is dependent upon the employee making known to the Employment Department in writing his desire for a job opportunity in another classification in the Maintenance Division. Such employees, who have not had prior service in the classification in the Maintenance Division, will serve a one hundred eighty (180) day acclimation period in the classification. During this period if he fails to qualify, he will revert to his former position on lay-off with regard to recall rights under Step b of this paragraph. If an employee in this category rejects recall in a classification other than his own, he will retain his position with regard to recall rights. (In Steps a and b, Article VIII, Section 14 and all its paragraphs will apply, provided the employee meets the qualifications.)
- h. Employees from other Maintenance classifications and from other departments of the plant who desire to be considered for maintenance positions may make application through the Employment Department on the form provided for that purpose. Such applicants must have the following:
  - 1. An accredited URW or USWA journeyman card in the classification required or

2. Completed training in a properly approved apprenticeship program in the classification required or
3. At least five (5) years documented experience in the classification required.

Employees transferring under this provision will serve a one hundred eighty (180) day trial period.

- i. New employees may be considered as a candidate for employment in a Maintenance classification provided he:

1. Has an accredited USWA journeyman card in the classification required or
2. Has completed training in a properly approved apprenticeship program in the classification required or
3. Has had at least five (5) years documented experience in the classification required.

New employees hired under this provision shall be on probation, and shall have no seniority status until completion of one hundred eighty (180) days on the payroll.

- j. One Hundred Eighty (180) Day Probation/Acclimation/Trial period

The company will establish and implement assessment/evaluation procedures for new hire and transferred maintenance employees. As an exception to Article VIII, Section 2, paragraph a, new hire maintenance employees shall be on probation until completion of one hundred eighty (180) days on the payroll.

1. For purposes of evaluation an employee may be

assigned work on straight time or overtime (notwithstanding the normal work assignment provisions).

2. During the first ninety (90) days an employee may be moved between Work Stations and teams.
  3. After ninety (90) days an employee will be placed on or choose a vacancy for the remainder of the one hundred eighty (180) day period.
  4. Employees will be canvassed for overtime after completing safety orientation and training as provided for in Article X, Section 3, Paragraph n. Working overtime will have no effect on the one hundred eighty (180) period.
  5. After successfully completing the one hundred eighty day (180) period a new hire employee will be eligible to bid.
  6. Employees from other maintenance classifications and from other departments of the plant who transfer under Article IX, Section 4, Paragraphs d. and e. and who fail to qualify will be referred to the Employment Department.
- k. Hiring Rate - Transfer rate
1. New employees shall be paid at 70% of the hourly rate.
  2. Transferred employees shall be paid at 90% of the hourly rate.
  3. After ninety (90) days, both new hire employees and transferred employees will be increased to full pay no later than one hundred (180) days provided they satisfactorily pass evaluations.
  4. Employees returning to Maintenance under

paragraphs a. and b. above, who had previously completed their probation period, will be paid full rate.

### **Section 5: Additions to Maintenance**

When additions are to be made in the Maintenance Division and Steps a and b of Section 4 have been exhausted, a notice will be posted on the main bulletin board five (5) days specifying the number of openings and advising employees that applications may be filed in the Employment Department.

### **Section 6: Lay-off Provisions**

When requirements are reduced in the Maintenance Division, lay-off shall take place in the classification where the surplus labor exists and shall be made starting with the employees having the least seniority in the classification upon five (5) days notice.

In the application of this provision, Support Electricians scheduled for layoff (above two (2)) may be retained on an individual basis until training liabilities are met. Those junior employees retained because of these training liabilities will be eligible for overtime and will be given the five (5) days notice prior to their actual date of layoff.

The provisions of Article VIII, Section 13, paragraph f, are applicable to the Maintenance Division.

### **Section 7: Training Course**

Where an engineering craft employee, working full time provides evidence that he has satisfactorily completed the requirements of a training course which directly contributes to improving his craft skills, he will be reimbursed for the tuition costs of the course, provided such course had prior approval by the Manager

*of Engineering and the Human Resources Manager.*

### **Section 8: URW/USWA Journeyman Card**

In the selection of applicants for hire, accredited URW/USWA journeyman cards will be considered as equivalent to documentary evidence of having completed training in an authentic properly approved apprenticeship program. The Company will furnish to any employee, upon his request, a signed statement certifying the work record of the employee for the purpose of making application for a URW/USWA journeyman card.

### **Section 9: Job Descriptions**

Engineering classification job descriptions will be established and maintained by the Industrial Engineering Department.

### **Section 10: Work Assignment**

- a. Management may establish Work Stations throughout the plant for the purpose of work assignments within classifications. The make-up and manning of each classification Work Station will be determined by management.
- b. Employees in the Maintenance Division will be assigned teams based on seniority in their classification.
- c. Employees assigned to Work Stations may be temporarily moved and/or reassigned to meet production requirements.
- d. Should a vacancy occur in a classification Work Station and is known or contemplated to be in excess of ninety (90) calendar days, it will be posted. The company will only be required to post the original vacancy (one (1) posting). An employee cannot bid

his own vacancy. The vacancy will be filled from applications for the posted assignment.

- e. Employees are limited to one (1) move through Work Station postings per twelve (12) month period.
- f. Vacancies on Work Station assignments will be filled on the team where they occur. The posting will show the Work Station assignment and team of the vacancy. A team request is not required or used to bid on a vacancy. A bid on a vacancy will not affect the time restriction on team requests as provided for in Article VIII, Section 7, paragraph a.
- g. All vacancies will be posted on the first shift and remain posted for a sufficient time to allow employees on days off to bid.
- h. Employees will not be held for more than one week after being awarded a Work Station, Team posting.
- i. Employees disqualified from classification Work Station assignments because of inability to perform the work required of the assignment after thirty (30) day acclimation period will be referred to the Employment Department for disposition per Article VII, Section 11.
- j. An employee who is on leave of absence, for less than ninety (90) calendar days, when a vacancy in a Work Station occurs shall be given the privilege of bidding for the vacancy provided he has made his wish known to the manager in writing before the posted vacancy notice is removed from the bulletin board. If he is awarded the vacancy and does not return to work within ninety (90) calendar days from the date his excused absence started, the job will be posted.

Employees who wish to withdraw their application may do so during the time the vacancy notice is posted as provided on the application.

- k. If an employee should lose his bid Work Station and team, for reasons other than failure to qualify or disqualification, then he shall be eligible to bid immediately (except if on leave of absence for ninety (90) days or more) on posted vacancies as an exception to the restriction on job bidding.

### **Section 11: Distribution of Work**

- a. Management may temporarily assign any available qualified classification employee to other work in the plant.
- b. If a daily vacancy occurs for whatever reason, available qualified classification employees may be temporarily transferred to fill the vacancy.
- c. Hours of work (regular, overtime) and holidays, insofar as practicable, shall be divided amongst the employees by classification.

Hours-of-work charts will be maintained in the Maintenance Business Center. Hours will be accumulated daily and totaled weekly. For canvass purposes employees on scheduled overtime will be treated the same as employees on optional overtime. Scheduled overtime hours from the published schedule will be charged at 11:00 pm on the Friday preceding the scheduled overtime. All hours will revert to zero on the second Saturday after January 1 of each year.

- d. If overtime is known to be necessary, the following procedure will be used for canvassing:  
Step 1/2 will be canvassed for at the same time with

the employee having the option of either four (4) hours as the retiring shift on the current day or four (4) hours as the incoming shift on their next scheduled day. Employees may request to work both the retiring and incoming periods but no employee may be offered both (eight (8) hours) before all employees in the two steps are offered four hours each.

1. Low-houred classification employees on the retiring shift will be offered four (4) hours.
  2. Low-houred classification employee on the incoming shift will be offered four (4) hours.
  3. Low-houred classification employee on their scheduled days off will be offered the available hours, (4) or (8).
  4. Low-houred classification employees accepting the first four (4) hours will be offered the second four (4) hours.
  5. For vacancies that occur and are not known one (1) hour in advance of the shift, the work may be offered to classification employees qualified for the work.
  6. No employee may work more than sixteen (16) hours in any twenty-four (24) hour period except in cases of extreme emergency.
  7. For work beyond a shutdown shift and ahead of a startup shift, the Company will canvass on the retiring or incoming shift where it is known that four (4) or less hours of work are involved.
- e. When hours are equal, the work will be offered and charged to the senior classification employee; when hours are not equal, the work will be offered and

*charged to the low-houred classification employee.*

- f. All overtime worked and/or offered will be charged on the overtime chart. Employees not able to be contacted, for any reason, will be charged for the overtime offered per the listed procedures as if they had refused. As an exception, only the hours worked during an employee's dead zone will be charged. Employee Involvement (E. I.) hours will be charged as out-of-code.
- g. When an employee returns from an extended leave (more than ninety (90) days) for reason such as sickness, Union business, etc., the employee will be given hours equivalent to the high hours accumulated by any employee in the same classification.
- h. New hires or transferred employees will be given high hours in the classification. Employees moving from team to team or work station to work station within their classification will carry existing hours.
- i. If an insufficient number of classification employees volunteer to work during any shutdown period, including holidays, and the work is necessary for the continued operation of the plant, sufficient employees from the same classification needed will be scheduled commencing with the least senior employee. Employees on scheduled days off will not be scheduled.
- j. When maintenance work essential to the continued operation of the plant must be done on a holiday and the plant is not in operation, three (3) days notice will be given and 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 justifiable and

reasonable. Employees called in for emergency work in the Maintenance Division 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.

- k. Errors made in the application of the foregoing distribution of work provisions will be corrected by giving the employee affected the opportunity to work out of turn. No make-up payment will be required.
- l. In order to obtain the expertise of individual craftsman(s) in certain situations, the Company will discuss same with the Maintenance Division Chairperson. The Maintenance Division Chairperson and Company representative may preempt the distribution of work provision after receiving approval of the Union President and Manager of Human Resources to handle the work in question.

### **Section 12: Partial Operations**

A partial operation is defined as requiring less than a full compliment of S-Team (Monday through Friday) employees in a job classification on Saturday. Prior to scheduling such employees the work will be offered as follows:

- a. A partial operation canvass will be made in eight (8) hour increments prior to scheduling employees.
- b. All in-classification employees will be offered eight (8) hours before offering an additional eight (8) hours, provided the sixteen (16) in twenty-four (24) hour rule permits.
- c. Employees must work their shift, if available. If not

available, the principle of canvassing the low-houred employee will assure the work opportunity. In the event the employee accepting the work is not assigned to the shift(s) being worked seniority will be used to select shift preference.

- d. Out-of-code employees desiring to work the partial operation must sign up by 3 p.m. on Wednesday prior to the Saturday being scheduled.
- e. If sufficient labor has not been obtained the vacancies will be filled by scheduling the necessary number of employees in the job classification on the shift(s) to be worked, beginning with the least senior employee and working up the seniority list on that shift.

### **Section 13: Vacations Applicable to Maintenance**

Vacations will be canvassed and scheduled according to classification seniority. Such scheduling within a classification will be based upon the total classification manning divided by the number five (5), fractional numbers will be rounded up. This is the maximum number of classification employees allowed off on any day, including Weekly, Day-At-A-Time and Half Day-At-A-Time vacations with the exception that no more than fifty percent (50%) of classification team employees can be off. This formula only applies to the Millwright, Electrician and Pipefitter classifications. The scheduling of a vacation one-day-at-a-time, or half-day-at a-time, must be with management's approval, not conflict with production requirements, and scheduled not more than fourteen (14) days or less than forty-eight (48) hours in advance.

All other Maintenance Division vacation allotments are as follows:

Stationary Engineer	1
Machinist	2
Painter	2
Utility	1
Truck Mechanic	1

Any exceptions to the above will be approved by the Division Chairperson and the Maintenance Business Center Manager.

#### **Section 14: Down Shift Sunday**

- a. Overtime on an unscheduled down shift, including start up and shut down will be offered as per Article IX, Section 11. The canvass will be conducted from the posted overtime hours totaled at 11:00 pm on the Friday, nine (9) days preceding the down shift.
- b. If vacancies occur on the shift prior to or immediately following the down shift, the overtime will be canvassed per Article IX, Section 11.

#### **Section 15: Holiday**

Holiday hours will be used for all holiday canvasses. The start-up/shutdown canvass will be conducted before any other holiday canvass.

- a. Shutdown and Start-Up Canvass (six (6) hours or less)
  1. Low-houred retiring/incoming classification employee will be offered available hours.
  2. Low-houred classification employee will be offered available hours.
- b. Holiday Canvass
  1. Classification employees are aligned by holiday hours. The low-houred classification employee will be canvassed for the available hours.

2. All employees by classification must be offered eight (8) hours before an additional eight (8) hours is offered within the Holiday period if the sixteen (16) hours in twenty-four (24) hour rule permits.
  3. Employees will be offered their regular scheduled standard shift if available. Employees will be offered the standard part (days, afternoons or nights) of a scheduled non-standard twelve (12) hour shift if available. Employees scheduled for a four (4) hour non-standard shift will have no shift preference.
  4. In the event all available employees in a classification are canvassed to work, they will be offered their normal shift and a choice of one other shift within the holiday period if the sixteen (16) hours in twenty-four (24) hour rule permits. Classification employees on days off will be offered two eight (8) hour shifts of their choice.
  5. Employees will be charged hours offered or worked up to sixteen (16) hours.
- c. If vacancies occur on the shift prior to or immediately following the holiday, the over or in canvass will be made from the employees on the team who would have been working if it were not a holiday.

## **ARTICLE X**

### **MISCELLANEOUS**

#### **Section 1: Bulletin Boards**

It is understood that there will be no posting on the factory bulletin boards or distribution of handbills or other materials on Company time or property, except for such notices or materials which have been approved by the Human Resource Manager.

## **Section 2: Violation - State and Federal Laws**

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 in any way affecting the remainder of these provisions.

## **Section 3: Safety and Health**

The Company and Union in recognizing that providing a safe working environment for all employees is premier, agree to work together to make the Tyler plant the State standard bearer, as well as the industry leader in fulfilling this responsibility.

The Union agrees to cooperate in practicing and carrying out safety rules.

Employees shall be required to utilize all protective devices and equipment in the manner prescribed and will cooperate to the best of their ability in the prevention of accidents. Failure of an employee to comply with safety rules will result in disciplinary action.

- a. The Employer shall 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 wherever 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.

- b. Safety committees shall be appointed consisting of not more than four employees representing the Employer and not more than four representing the Union to facilitate the promotion of safe working practices, including ergonomic considerations, and the elimination of unsanitary or unhealthful working conditions within the local plant. The Safety Committee shall be furnished annual passes for the purpose of entering the plant and investigating safety conditions which arise 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.

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 the international union health, safety and environment department. Union Members of the Safety Committee who are specifically requested by the Employer to attend meetings with Employer representatives, will be paid their average hourly earnings or job wage level, whichever is higher, for the time spent in such meetings.
- d. The Safety Committee shall meet as often as deemed necessary, but 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 Committee may make investigations following accidents to determine causes and to explore preventive measures against accidents in the future. Differences within the Committee regarding safety and sanitation may be referred to the regular grievance procedure for adjustment. Members of the Safety Committee will be permitted to attend grievance meetings regarding safety and welfare problems. Union members of the Safety Committee shall be paid in accordance with the provisions of paragraph (a), Section 11 of Article VIII.

- e. Data concerning accidents in the plant will be furnished members of the Safety Committee on their request. An employee who is required to sign an accident report will be given a copy of the report.

The Company Chairman of the Safety 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 & Health Administration or by an inspector from the National Institute of Occupational Safety and Health and is designated by the Local Union President to accompany the inspector on an inspection tour, will be paid at his average hourly earnings for the time lost from his regular shift as a result of such plant inspection.

- f. The Company will send representatives from the Local Union Safety Committee to an annual state safety conference. Up to one thousand employees,

one representative. One thousand to two thousand employees, two representatives. Over two thousand employees, three representatives. Arrangements for attending the conference in the state where the plant is located, including payment of lost time and traveling expenses, shall be determined at each local plant. If a state doesn't have a suitable safety conference, special arrangements may be made to attend the annual national safety conference. Any existing local practices or contract provisions more liberal than the provisions of this paragraph (f) will be continued in effect.

g. No employee shall be required to work on any job in the plant with which he is unfamiliar until he has received adequate safety training instructions in the performance of the operation.

h. 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.
- i. Where an employee supplies 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 replacements.
- 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, skin tests or x-rays to be made of employees, the results of the blood tests or skin tests will be furnished to the employee upon his request and the results of the x-rays will be furnished to the employee's physician upon his physician's request. Upon request of a member of the Safety Committee the Company will make skin or blood tests on any such employee 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 which 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 in order to undergo tests scheduled by the Company in accord with this paragraph shall be paid his job wage level if on piecework or his current hourly rate if on daywork for the time lost from that shift.
- l. An employee injured in the factory who promptly after each injury occurs reports the fact or who suffers from an occupational illness which is reported promptly after the time the employee becomes aware of the existence of such illness and subsequently requires surgery or hospital confinement, or who requires treatment over an extended period for occupational injury or illness, may be treated by the Employer's physician or a physician of his choice provided he notifies the Employer in advance. 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 shall be resolved through the State Workers' Compensation Commission.
- m. Monthly safety tours shall be conducted on each

team in each department by hourly safety representatives and the Area Manager. Following the tour, they will review their findings with the Manufacturing Team Leader (MTL) or designated representative in the affected department. During the review, the safety items noted will be prioritized into the following categories and the information will be communicated to the safety representatives and the affected employees:

- 1) To be handled immediately with a work order.
  - 2) Those items that do not pose an immediate danger and which would result in considerable down time may be handled on the next down shift or earlier if scheduling permits.
  - 3) To be handled subject to engineering, planning, and the arrival of materials. When a safety item is placed in this category, the engineering, planning, and material procurement will be first priority; and will be done immediately.
- n. All craft persons will receive a general Lock Out Tag Out (LOTO) type training, which includes how to access the computer programs for all the Maintenance workstations in the plant. If a craft person is working and feels uncomfortable with the specific procedure on a particular machine's Lock Out Tag Out (LOTO), they need to request assistance from another craft person in that Work Station or available people with the necessary expertise.
- o. Accident investigations will be done by the union safety representative or in his absence the union steward, and the area manager as soon as possible following an accident. The company will provide annual training for them on accident and near-miss

investigation.

#### **Section 4: Reporting off**

- a. Any employee unable to report for work at the start of the regular shift is expected, under normal conditions, to call the gatehouse at least one (1) hour before the start of the scheduled shift.
- b. Failure to report off properly, or absence without acceptable reasons for not reporting may be cause for disciplinary action.
- c. Excessive absenteeism or tardiness without justifiable reasons may be cause for disciplinary action.

#### **Section 5: Address and Phone Number**

It is the responsibility of each employee to keep supervision and the Employment Department notified of his correct address and phone number.

#### **Section 6: Supervisor working**

No manager or supervisor shall perform work normally assigned to employees within the bargaining unit. This provision does not restrict a manager or supervisor from performing his necessary duties for the purpose of instruction, assistance in taking inventory, experimental work or work in emergencies.

#### **Section 7: Tool Requirements and Replacement**

An employee on a skilled classification in the Maintenance Division is expected by the Company to have the standard tools of his classification. A tool allowance of \$416 per year will be available to all skilled classifications in the Maintenance Division to cover the cost of purchasing or replacing their tools.

#### **Section 8: Break Time**

There will be a twelve (12) minute break in first half

of the shift and another twelve (12) minute break in the second half of shift. It is agreed this privilege is not to be abused or to hamper production.

Smoking will be permitted in designated areas only.

### **Section 9: Entering Department**

Employees shall not enter their department earlier than is necessary for them to report at their regular places at their regular starting time, and they shall not remain in their departments after the close of their regular work shifts, except for periods of authorized overtime.

### **Section 10: Clothing**

- a. Boots and/or rainwear will be furnished to employees who are required to perform special cleaning assignments which involve standing in water and/or exposure to water/steam spray.
- b. All employees are expected to have clothing suitable to perform their daily work assignments. Clean coveralls will be furnished for special assignments which are excessively dirty to which the employee is assigned outside of his normal job duties. (Includes General Operators moved without being previously notified.) Approval for issue of coveralls must be obtained from the employee's department manager or immediate supervisor. Rainwear will be made available for employees required to work outdoors.
- c. On jobs where it is necessary to use gloves, such will be considered under the job evaluation plan.

### **Section 11: Statement of Employment**

The Company will furnish to any employee upon his request a statement of his employment record with the Company.

## Section 12: Cooperative Efforts

- I. The parties recognize that the intent of *Cooperative Efforts* is to provide value for employees, customers and shareholders.

The parties acknowledge that these principles will evolve through the life of the contract as business and competitive conditions change. However, the principles outlined in this section 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:

- \* The Company and Union agree to work together and encourage employee participation in decision making, training programs, and development of skills that focus on the improved effectiveness of the plant productivity.
- \* 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 every 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 resource 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.

The Company and Union recognize that changing technology of product and equipment requires flexibility and Labor-Management cooperation to solve problems in the workplace.

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 employees, the Union and the Company.

## II. Joint Steering Committee

The Company and the Union agree to establish a Joint Steering Committee in an effort to promote cooperation and harmony between both parties. This committee will be established on the following basis:

- a. To improve employee relations by encouraging cooperation, decision making and problem solving at the work place and accomplish the principles set forth in No. I above.

Participating in community functions that involve

employees and the Company as a body.

- b. Dates of meetings and topics for discussion will be determined by the President of the Local Union and Manager of Human Resources.
- c. The Joint Steering Committee shall consist of the Local Union President and Division Chairperson from the Union. The Company representatives shall consist of the Plant Manager, Human Resources Manager, and Business Center Managers.
- d. It is expressly understood that this committee will neither discuss nor concern itself with grievances.

### **Section 13: Safety Committee**

Members of the Safety Committee may, with the approval of their immediate supervisor, leave their job when requested for the purpose of investigating a safety problem, provided it will not interfere with production.

The Company will provide distinguishing insignia for all members of the Safety Committee to wear on plant tours. Data concerning accidents in the plant will be furnished members of the Safety Committee on their request. An employee who is required to sign an accident report will be given a copy of the report.

The Company recognizes the desirability of representation from the Safety Committee at an Annual Safety Conference. The Company will pay full travel expense, including hotels and payment of lost time, for two (2) members of the Safety Committee to attend the State Safety Conference.

Employee claimants will have the Chairman of the Union Compensation Committee present during settlement negotiations. At the request of the employee

claimant, the Company will notify the Chairman of the Union Compensation Committee of the time and place of the scheduled hearing.

#### **Section 14: Apprenticeship Agreement**

The Apprenticeship Agreement dated September 10, 1982, will remain in effect during the life of this Agreement.

#### **Section 15: Changes to Time Worked**

Whenever possible, an employee's time will not be changed without first consulting the employee. If time(s) are changed, the employee will be notified.

#### **Section 16: Clean Up Time**

Employees on non-continuous operations will be allowed up to five (5) minutes at the end of the shift to clean up around their machines and put their tools away.

## **ARTICLE XI**

### **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 and including July 22, 2006 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

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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 the 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. Amendments to this Agreement may be made by mutual consent.
3. In witness hereof, the duly chosen representatives of the parties hereto affix their hand and seal this 19th day of February, 2004

**LOCAL UNION NO. 746 L  
UNITED STEELWORKERS OF AMERICA**

February 19, 2004

Jim Wansley, President

Harold Sweat, Vice-President

Marcus Howard, Division I

James Honeycutt, Division II

James Allred Jr., Division III

Ed Moore, Division IV

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

R. B. Pickette, Human Resources Manager

James Flynn, Human Resources Services Manager

Mark Whiles, Manager Industrial Engineering

Michael Roseberry, Industrial Engineer

Brent McCauley, Maintenance Engineering

Jim Garber, Manager of Human Resources,

Dunlop-Huntsville, AL.

**STIPULATION OF  
AGREEMENT  
AND  
LETTERS OF INTENT**

**BETWEEN  
THE KELLY-SPRINGFIELD TIRE COMPANY  
Tyler, Texas  
and the  
UNITED STEELWORKERS OF AMERICA  
LOCAL 746L**

**July 6, 2003**



**STIPULATION OF AGREEMENT AND  
LETTERS OF INTENT  
THE KELLY-SPRINGFIELD TIRE COMPANY  
TYLER, TEXAS**

The following lists by number the Stipulations of Agreement and Letters of Intent in effect.

<b>LTR. NO.</b>	<b>SUBJECT</b>	<b>PAGE</b>
1.	Memorandum of Understanding	(09-07-88) Rev. 120
2.	Cost-of-Living Allowance	(02-19-04) Rev. 121
3.	Thompson Accord	(02-19-04) 125
4.	Disciplinary Action	(09-01-73) Rev. 126
5.	Maintenance of Discipline	(10-01-70) 127
6.	Safety	(02-19-04) Rev. 128
7.	Current Arbitration Panel	(02-19-04) 130
8.	Plant Closure	(09-07-88) Rev. 131
9.	Plant Closure-Decision	(09-07-82) 133
10.	Third Doctor-Selection Procedure	(09-07-94) 134
11.	Direct Deposit	(09-07-94) 135
12.	Surplus Language with Lay Off Involved	(02-19-04) 137
13.	Payroll Checks - Distribution (1st & 3rd Shifts)	(11-30-01) Rev. 138
14.	Pay Shortages	(02-19-04) Rev. 139
15.	Assigning of Hours	(02-19-04) Rev. 140
16.	Trainees	(02-19-04) Rev. 142
17.	Incentive, Flex Schedule, Lump Sum Pay; Work Schedule Attachment	(02-19-04) Rev. 143
18.	Flex Schedule	(11-20-01) 152
19.	Job Transfer-Time Allowed After Job Award	(09-07-91) Rev. 153

20. Tyler Lead Hand Agreement, Master Lead Hand Attachment	(02-19-04) Rev.	154
21. Overtime-Work Station Assignment	(02-19-04) Rev.	157
22. Temporary Transfers	(09-08-76)	159
23. Surplus Labor	(02-19-04) Rev.	160
24. Labor Trainers	(02-19-04) Rev.	162
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Inside Letter # 1  
September 7, 1988

## MEMORANDUM OF UNDERSTANDING

The parties recognize the need to make and maintain Tyler as the most competitive producer of radial tires; therefore, in addition to the changes made in the basic Labor Agreement and Health Care Program, the Company and the Union agree to the following:

- A. It is agreed that quality checks/audits are a function of the Quality Assurance Department regardless of where performed or who has previously performed.
- B. It is agreed during a shutdown period, incidental work to the job being performed may be done by employees who are working.
- C. It is agreed work which is normally part of a vendor contract will be performed by such vendor.
- D. It is agreed production employees will make machine adjustments and changes, perform routine checks, and perform non-skilled maintenance type work.  
Examples:
  - a) Drum changes, set-ups, adjustments on radial tire machines.
  - b) Ring changes on present and radial tire WSW grinder machines.
  - c) Setting and adjusting tire press timers.

J. E. Atkinson  
Manager, Industrial Relations

JEA:bjb

Agreed: John Nash

(Original letter dated November 22, 1983 from F. E. Peycke to John Nash)

Inside Letter # 2  
February 19, 2004

### **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:

Effective date  
of Adjustment

Based upon three-  
month average of  
the CPI-W for:

Pay Period

Commencing on:

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

Inside Letter # 2, continued

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.

Inside Letter # 2, continued

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.

Inside Letter # 2, continued

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 General Wage Agreement shall become effective under the same terms as those upon which the Collective Bargaining Agreement becomes effective as outlined under Article XV, Effective Date, Amendment and Termination.

Sincerely,

/s/ R. B. Pickette  
Manager Human Resources

Inside Letter # 3  
February 19, 2004

Jim Wansley, President  
Local No. 746, USWA  
13624 State Hwy 31 West  
Tyler, Texas 75709

Subject: Thompson Accord Committee

Dear Mr. Wansley:

The Thompson Accord Committee will consist of the Local Union President, or his designee, a Skilled Trades Representative and other Production and Maintenance Representatives from the bargaining unit as appointed by the Local Union President. The committee, all or part, as deemed necessary by the Local Union President will meet as needed with representatives of the Company in order to meet its objectives. This committee may pre-empt the Labor Agreement with the approval of the Local Union President and Manager Human Resources. Contracting out need not be an issue for the Thompson Accord Committee to act.

The Thompson Accord Committee may consider returning surplus employees, including Maintenance Employees, to their classification prior to contracting out.

Should the Thompson Accord Committee fail to resolve an issue involving contracting out in a timely manner, the Company reserves the right to make the final decision. The Company's decision will be subject to all the provisions of Inside Letter #31.

Sincerely,

/s/ R. B. Pickett  
Manager Human Resources

Inside Letter # 4  
February 19, 2004

### STIPULATION OF AGREEMENT

The following will apply concerning disciplinary action warnings and letters.

The first step of the disciplinary procedure will normally be a verbal warning. The employee will have the right to Union representation for this meeting. The parties may make their own notes of this meeting. A verbal warning will not be grieved, but the fact that it was not grieved will have no bearing on any subsequent disciplinary action (any subsequent disciplinary action will stand on its own merit(s)).

The second step of the disciplinary procedure will normally be a disciplinary write-up on Form KTY 2-137 covered under Article IV, Section 3 of the Labor Agreement.

The above in no way prohibits more severe disciplinary action being taken without regard to the following steps based on individual situations, but only as befits the offense.

Stipulation of Agreement was signed by the parties on the 19th day of February, 2004.

/s/ R. B. Pickette  
Human Resource Manager

/s/ Jim Wansley,  
President Local No. 746L, USWA

(Original letter dated September 1, 1973 from M. W. Rush to John Nash)

Inside Letter # 5  
October 1, 1970

Mr. John Nash, President  
Local No. 746, URCLPWA  
Route 2, Box 191  
Tyler, Texas

Dear Mr. Nash:

It is recognized that the Maintenance of Discipline is essential to the orderly operation of the plant and also that the invoking of disciplinary action should be designed to correct the conduct of the employees involved rather than to punish.

The Company believes that in the great majority of infractions of rules, termination of employment for disciplinary reasons is justified only after the employee has been given the opportunity to correct his behavior and has failed to respond to disciplinary measure.

In any case, the decision to terminate an employee will not be made until at least two (2) full working days have elapsed from the infraction during which time thorough consideration will be given to all facts and circumstances which are relevant to the matter. At the request of the Union, Company representatives will meet with the Union representatives during the two-day period to discuss such relevant facts and circumstances.

Yours very truly,

/s/ James M. Warren  
Personnel Manager

J. M. Warren

Inside Letter # 6  
February 19, 2004

**TO: ALL SUPERVISION  
BUSINESS CENTER MANAGERS**

**SUBJECT: SAFETY**

In a view of some of the safety problems we have had in the past, whereby some employees felt as though they were being forced to work on an operation when they felt the operation was unsafe the following procedure will be used in an effort to protect the employees and resolve the problem.

Supervision is responsible for seeing that all safety rules are followed and that deviations from the safety rules are allowed only after careful consideration of the results that may occur from such action.

In the event there is a question concerning safety (that could possibly result in an employee being hurt, etc) the supervisor should stop the operation until such time as question is resolved.

If, after discussing this safety problem with the supervisor, the employee still feels that it would be unsafe to perform the operation, the following steps should be taken to resolve the question.

1. The supervisor will call into the discussion the Union Shift and/or Division Chairperson, and the Shift and/or Business Center Manager.
2. If the question is still unresolved, a Union Safety Committee person or their designee and representative of the Safety department will review the problem. On night shifts, the Shift Operations Manager (SOM) and an Union Safety Committee person or their designee will review the problem.

Inside Letter # 6, continued

3. If the question is still unresolved, the Production Manager or the Manager of Technology (as applicable) should make the final decision. The Local Union President and the Manager of Human Resources should be notified if the problem reaches this step.

/s/ R. B. Pickett  
Manager Human Resources

(Updated titles from original letter dated August 19, 1969 from D. R. Ebner)

Inside Letter # 7  
February 19, 2004

Jim Wansley, President  
Local 746L, USWA  
13624 State Hwy. 31  
Tyler, Texas 75709

Dear Mr. Wansley,

Per 2003 Master CBA 23-2 the parties agree to continue to use the local arbitration panel for the remainder of that panel's contract with the Parties, and to apply the language detailed in Article IV, Section 1, Step 4-g of the September 1997 local agreement, as amended in September 2000 and November 2001.

Sincerely,

/s/ R. B. Pickette  
Human Resources Manager

Inside Letter # 8

Revised September 7, 1988

Mr. John Nash, President  
Local No. 746, URCLPWA  
Route 11, Box 258  
Tyler, Texas 75709

Dear Mr. Nash:

This will confirm the Company's commitments with respect to closure of the plant. In the event of a full plant closure 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.

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. In the event of a complete closure the Local Union pension and insurance representative upon written request from the local union, will be paid his regular

Inside Letter # 8, continued

rate up to a maximum of forty-four (44) hours per week for a maximum of four (4) consecutive weeks immediately following the closure for the purpose of assisting former plant employees on benefit matters.

Sincerely,

s/ J. E. Atkinson, Manager

Industrial Relations

JEA:bjb

(Original letter dated September 7, 1979, from F. E. Peycke to John Nash)

Inside Letter # 9  
September 7, 1982

Mr. John Nash, President  
Local No. 746, URCLPWA  
Route 11, Box 258  
Tyler, Texas 75701

Dear Mr. Nash:

During the 1982 Negotiations the parties agreed that it is in their mutual best interests to work to avoid a plant closure rather than try to increase costs after closure.

If the Company identifies the Tyler plant as being in a distressed position, prior to a plant closure decision being made, a committee composed of the Local Union President, the Local Union Vice President, one member of the Local Union Executive Board selected by the Local Union President, the Tyler Plant Manager, the Tyler Plant Human Resource Manager and another member of management will be established. The committee will meet and confer with an objective of enhancing the operating effectiveness and strengthening the plant consistent with the viability of the business and the welfare and job security of its employees.

Nothing in this joint effort is to be interpreted as constituting any waiver of management's responsibility to manage its business per Article II in the Collective Bargaining Agreement.

Sincerely,

F. E. Peycke  
Industrial Relations Manager  
Agreed: John Nash

Inside Letter # 10  
September 7, 1979

Mr. John Nash, President  
Local No. 746, URCLPWA  
Route 11, Box 258  
Tyler, Texas 75709

Dear Mr. Nash:

Under the terms of the Pension and Insurance Agreement and the Basic Labor Agreement, it is required that in the event of a dispute between the employees and the Company's physician concerning an injury or illness, the question shall be submitted to a third physician for consideration as stated.

There have been instances where the employee's and Company's physician have not agreed to selection of a third physician for various reasons. In the event this should occur in the future, it is agreed that to satisfy this requirement, the Local Union President and the Personnel Manager will mutually agree to a third physician.

It is understood this procedure is to be used only in those instances where the employee's and/or Company's physician cannot agree and is not intended to usurp the normal procedure as stated.

/s/ F. E. Peycke  
Personnel Manager  
FEP: dmc

Inside Letter # 11  
September 7, 1994

Mr. John Nash, President  
Local No. 746, URCLPWA  
13624 State Hwy 31 West  
Tyler, Texas 75709

**Ref: Direct Deposit Payroll System for Kelly Tyler**

Dear Mr. Nash:

The Fayetteville plant has been using hourly direct deposit since January 1, 1994. Since the system is already in place in the Kelly payroll system, it would be a simple matter to add the Tyler plant to the system.

Direct deposit will electronically transfer net pay from Kelly-Springfield and deposit it in a Federal Reserve banking system account. The financial institution must be a member of the Federal Reserve Automated Clearing House (ACH).

Regular weekly earnings, vacation earnings, and any special payments will be direct deposited into employee's accounts. S.U.B. payments, S&A payments, and Supplemental Workers' Compensation payments will continue to be paid by check.

The Company will electronically transmit the deposit information to the Federal Reserve ACH as soon as the payroll is calculated and ready for processing. The Federal Reserve requires two (2) banking days to guarantee a deposit to an employee account. Because of the nature of weekly payroll and short weeks due to holidays, the Company cannot guarantee, in every case, that the net pay will be deposited by the Federal Reserve on payday, but, at the latest, funds will be available by

Inside Letter # 11, continued

the first banking day of the next week. In most cases, however, there will be no problem and funds will be deposited on Fridays.

Employees will continue to receive the same information they currently receive. The check portion of the statement will be zero due to the electronic deposit but the stub will remain unchanged and provide the amount deposited, the bank's name, and the account number used.

To enroll, employees must (1) have a checking account at an ACH institution, (2) bring a checking account deposit slip or voided check, and (3) fill out an enrollment card in the Human Resources Department. Implementation of direct deposit will take about three (3) weeks. Changes in employees' accounts or banks require sufficient advance notice to ensure funds are correctly reported.

There is no charge for direct deposit. Participation is voluntary and employees may withdraw from the program at any time. Withdrawal will take about two (2) weeks.

Sincerely,

/s/J. E. Atkinson,  
Manager Industrial Relations

JEA/dmc

Inside Letter # 12  
February 19, 2004

Mr. Jim Wansley, President  
Local 746, USWA 746L  
13624 St. Hwy 31, West  
Tyler, Texas 75709-9742

**Subject: Application of job surplus language, lay off involved**

Dear Mr. Wansley:

During the 2003 Local Contract negotiations the Parties agreed to the following, when handling employees displaced from classification jobs (in-department, out-department) during a job surplus.

It is understood that in the application of Article VIII Sections 9 and 13, during lay off or surplus situations, employees who are placed will choose jobs by seniority. The list of jobs to be picked from will include the vacancies existing at the time of the event and vacancies created by employees being displaced.

Sincerely,

/s/ Richard Pickette  
Manager, Human Resources

**Inside Letter # 13**

**Revised November 30, 2001**

**Mr. Jim Wansley, President  
Local No. 746L, USWA  
13624 State Hwy. 31 W.  
Tyler, Texas 75709**

**Dear Mr. Jim Wansley:**

**The normal distribution time for payroll checks for the first shift employees will be prior to 3:00 p.m. on Tuesday.**

**Sincerely,**

**/s/ R.L. Ward  
Human Resources Manager**

**(Original letter dated September 7, 1982, from F. E. Peycke to John Nash)  
(Revised letter dated September 7, 1991, from J. E. Atkinson to Danny Parker)**

Inside Letter # 14  
February 19, 2004

Mr. Jim Wansley, President  
Local No. 746L, USWA  
13624 State Hwy. 31 W.  
Tyler, Texas 75709

Dear Mr. Jim Wansley:

Pay shortages of six (6) hours pay or more that are made known to the Payroll Department no later than 9:00 a.m. Thursday will have a separate check issued that Friday. Shortages not made known to the Payroll Department by 9:00 a.m. Thursday will be incorporated in the next pay period.

Sincerely,

/s/ R. B. Pickette  
Human Resources Manager

(Original letter dated September 1, 1973 from M. W. Rush, Jr. to John Nash)  
(Updated and revised letter dated November 30, 2001 from R. L. Ward to  
Jim Wansley)

Inside Letter # 15  
February 19, 2004

Mr. Jim Wansley, President  
Local No. 746L, USWA  
13624 State, Hwy 31 West  
Tyler, Texas 75709

Dear Mr. Wansley:

During the 1991 negotiations, it was agreed that the proper procedure for assigning hours is as follows:

**Production:**

***Employee Transfers into Department***

In Code - when certified, assigned high hours in the classification.

Out of Code - assigned high hours in the department (excluding GO's and PDI's).

**Employee transfers from team to team in same classification:**

In Code - carries existing hours.

Out of Code - carries existing hours.

**Employee transfers to new classification in department:**

If neither job is GO:

In Code - when certified, assigned high hours in the classification.

Out of Code - carries existing hours.

In to GO classification:

Out of Code - assigned high hours in the classification.

Out of GO classification:

In Code - when certified, assigned high hours in the classification.

Out of Code - assigned high hours in the department (excluding GO's and PDI's)

Inside Letter # 15, continued

In the application above, transferring into a department includes new hire and return from extended leaves such as sick leave, Union business, etc. Hours will be assigned as of 11:00 PM Sunday.

Sincerely,

/s/ R. B. Pickette

Manager Human Resources

(Original letter dated September 3, 1991, from J. E. Atkinson to Danny Parker)

(Revised letter dated 9-7-94 from J. E. Atkinson to John Nash)

(Revised and updated letter dated September 7, 1997 from R. L. Ward to John Nash)

Inside Letter # 16  
February 19, 2004

Jim Wansley, President  
Local 746L, USWA  
13624 State Hwy. 31 W.  
Tyler, Texas 75709  
Dear Mr. Wansley:

### **STIPULATION OF AGREEMENT**

Trainees as covered under Article VIII, Section 16, will generally be used to cover non bargaining unit jobs, however, when a bargaining employee is temporarily assigned to a non-bargaining unit job, the Division Chairperson will be notified. (It is not the Company's intent to use any bargaining unit employees as a temporary maintenance or production supervisor unless it is a case of extreme emergency and no qualified trainee is available. In any event such assignment will not exceed ninety (90) days within a calendar year.)

Sincerely,

/s/ R. B. Pickette  
Human Resources Manager

*(Original letter dated November 22, 1983 from R. E. Peycke to John Nash.)  
(Revised letter dated September 7, 1988 from J. E. Atkinson to John Nash.)*

Inside Letter # 17  
February 19, 2004

Mr. Jim Wansley, President  
Local 746L, USWA  
13624 State Hwy 31 West  
Tyler, Texas 75709

Dear Mr. Wansley:

During discussions held between USWA 746L and Kelly Tyler, culminating in a tentative agreement on November 20, 2001 an understanding was reached by the parties on several items, contingent on ratification by the local membership of the tentative agreement.

Concerning the Tire Assembly incentive program:

1. The Tire Assembly incentive program baseline will become the determining factor for productivity expectation(s) for tire builders, in that a minimum expectation not to exceed ninety (90) percent of the baseline will be deemed acceptable productivity.

Concerning the flexible 3.5 manning work schedule:

1. Scheduling employees using the flexible 3.5 work schedule tentatively agreed to on November 20, 2001 will be done so base rate code(s) are scheduled full forty (40), forty-four (44) or forty-eight (48) hours per week. When scheduling a base rate code above forty (40) hours, unless otherwise specified in the basic schedule format, all four (4) teams (A, B, C, D) and all sub-teams will be scheduled for the same number of hours for the work week.
2. Scheduling base rate code(s) above forty (40) hours will be done only in support of an operation needed to meet the monthly ticket requirements for the Tyler plant.

Inside Letter # 17, continued

3. Scheduling above forty (40) hours will not be done to provide coverage for absenteeism, vacation or other vacancies. Maintenance Division employees will be scheduled when needed to provide coverage in support of production operations.
4. When employees are scheduled for forty-four (44) hours in a work week, the Company may schedule either of the twelve (12) hour non-standard shifts on the schedule for that week.
5. Concerning the four (4) hour portion of a non-standard work day, when an employee is on vacation for the eight (8) hour portion of the non-standard work day, the employee may opt to work the four (4) hours, be excused without using day-at-a-time (DAAT) vacation, or use a half-day DAAT vacation.
6. The Local Union will be supplied with the operations and base rate codes to be scheduled each month. The Company will publish the work schedule in such a manner that employees receive it no later than one week prior to the month the work schedule addresses. Once the schedule is published additional time may not be scheduled by the company for that period.
7. Employees working the flexible 3.5 schedule will have a regular work station assignment on their team (A, B, C, D). All employees working the flexible 3.5 manning work schedule will be assigned a sub-team for scheduling purposes. The Local Union will be provided an updated listing of staffing levels, including equipment manned by

Inside Letter # 17, continued

employees on their standard work shift and overall staffing for the plant.

8. **The flexible 3.5 work schedule provides for manning of equipment for an extended period of time using scheduled overtime coverage, but is not intended to diminish existing language pertaining to temporary vacancies. Vacancies covered by other means, including optional overtime, must comply with Article VIII, Section 10 and all other provisions of the Current Bargaining Agreement, as they relate to temporary vacancies.**
9. **Employees on S-Team (S-1, S-2, S-3) will retain their Monday through Friday work schedule. S-Team employees will qualify for premium pay as in the past.**
10. **Color-coded calendars for the flexible 3.5 manning work schedule will be provided to all employees by the Company. Mutually agreed pay examples will be on the calendars. As in the past, these examples will carry the same weight as contract language.**

**Concerning scheduling the Down Shift:**

1. **As an exception to the above, the company may schedule the down shift to meet the monthly ticket requirements for the Tyler plant, provided notification is given/posted by 3:00 PM on the Monday preceding the down shift. Only the two (2) teams responsible for the down shift, as provided for in the published continuous operating schedule, will be scheduled that week.**
2. **Scheduled employees desiring not to work and unscheduled employees desiring to work must make a request (sign up) to do so by 3:00 PM on**

Inside Letter # 17, continued

Wednesday. **Unscheduled employees, who have requested to work, will be selected by following the normal canvass procedure. Scheduled employees will be let off work in seniority order proportionate to the number of employees volunteering to work. A roster stating which employees have been covered by volunteers and are no longer scheduled, will be posted by 3:00 p.m. on Thursday. The roster/posting will constitute notification.**

3. *If less than full plant production is scheduled, an appropriate number of Floor Coverage Maintenance employees will be scheduled in reverse seniority order from the two (2) teams responsible for the down shift. Maintenance employees desiring to volunteer or be let off of work will follow the procedure above. For all scheduled Maintenance employees working the down shift the provisions of Inside Letter #21 will apply.*

Sincerely,

/s/R. B. Pickette  
Manager Human Resources

(Original letter dated November 26, 2001 from R. L. Ward to Jim Wansley)

168-48, Balanced, 4 Crew, 12 & 8 Hour  
Fixed and Rotating Shifts, Rotating Days Off, 7-4, 6-2, 7-2

<u>Week</u>	<u>S</u>	<u>S</u>	<u>M</u>	<u>T</u>	<u>W</u>	<u>T</u>	<u>F</u>	<u>Work</u>
1	12	12	8	8	8			48
2			12	12	8	8	8	48
3	8			8	12	12	8	48
4	8	12	8			12	8	48
							<u>Average</u>	48

<u>Employees Desires</u>	<u>Comments</u>
<u>Work Days per Year</u> 260	<u>The Sunday down shift is a guaranteed day off</u>
<u>Days off per Year</u> 104	
<u>Max. Consecutive Shifts</u> 7	
<u>Longest Break</u> 4	
<u>Weekends off</u> 13 full 13 partial	

### Sub-Team A-1

Proposed pay week & splitting the down shift between two shifts.

	<u>Sat</u>	<u>Sun</u>	<u>Mon</u>	<u>Tue</u>	<u>Wed</u>	<u>Thu</u>	<u>Fri</u>	
1	7a-3p	3a-3p	7a-3p	7a-3p	3a-3p	OFF	OFF	- 48
2	OFF	OFF	7a-7p	7a-7p	7a-3p	7a-3p	7a-3p	- 48
3	3a-3p	OFF	OFF	3a-3p	7a-3p	7a-3p	7a-3p	- 48
4	7a-7p	7a-7p	7a-3p	OFF	OFF	7a-3p	7a-3p	- 48
5	7a-3p	3a-3p	7a-3p	7a-7p	7a-3p	OFF	OFF	- 48
6	OFF	OFF	7a-3p	7a-3p	7a-7p	7a-7p	7a-3p	+ 48
7	7a-3p	OFF	OFF	7a-3p	3a-3p	3a-3p	7a-3p	- 48
8	7a-3p	7a-7p	7a-7p	OFF	OFF	7a-3p	7a-3p	- 48
9	7a-3p	3a-3p	3a-3p	7a-3p	7a-3p	OFF	OFF	- 48
10	OFF	OFF	3a-3p	7a-3p	7a-3p	7a-3p	7a-7p	- 48
11	7a-7p	OFF	OFF	7a-3p	7a-3p	7a-3p	3a-3p	- 48
12	7a-3p	7a-7p	7a-7p	OFF	OFF	7a-7p	7a-3p	- 48
13	7a-3p	3a-3p	7a-7p	7a-3p	7a-3p	OFF	OFF	- 48
14	OFF	OFF	7a-3p	3a-3p	3a-3p	7a-3p	7a-7p	- 48
15	7a-3p	OFF	OFF	7a-7p	7a-7p	7a-3p	7a-3p	- 48
16	7a-3p	7a-7p	7a-3p	OFF	OFF	7a-3p	7a-7p	- 48
17	7a-3p	3a-3p	7a-3p	7a-3p	7a-7p	OFF	OFF	- 48
18	OFF	OFF	7a-3p	7a-3p	7a-3p	3a-3p	3a-3p	- 48
19	7a-3p	OFF	OFF	7a-3p	7a-3p	7a-7p	7a-7p	- 48
20	7a-3p	7a-7p	7a-3p	OFF	OFF	3a-3p	7a-3p	- 48

#### Overtime Occurrences

Average 48.00 Hours

<u>3a - 7a</u>	1	5	2	2	3	3	2
<u>3p - 7p</u>	2	5	3	3	3	3	3
<u>Total</u>	3	10	5	5	6	6	5

20 Week Cycle Total 40 four (4) hour blocks

**Sub-Team B-1**

Proposed pay week & splitting the down shift between two shifts.

	<u>Sat</u>	<u>Sun</u>	<u>Mon</u>	<u>Tue</u>	<u>Wed</u>	<u>Thu</u>	<u>Fri</u>	
<u>1</u>	3p-3a	3p-3a	3p-11p	OFF	OFF	7a-3p	7a-3p	- 48
<u>2</u>	7a-3p	7a-7p	3p-11p	3p-11p	11a-11p	OFF	OFF	- 48
<u>3</u>	OFF	OFF	7a-7p	3p-3a	3p-11p	3p-11p	3p-11p	- 48
<u>4</u>	11a-11p	OFF	OFF	3a-3p	7a-3p	3p-11p	3p-11p	- 48
<u>5</u>	3p-3a	3p-11p	11a-11p	OFF	OFF	7a-3p	7a-3p	- 48
<u>6</u>	7a-3p	7a-7p	3p-11p	11a-11p	3p-11p	OFF	OFF	- 48
<u>7</u>	OFF	OFF	7a-3p	3p-11p	3p-3a	3p-3a	3p-11p	- 48
<u>8</u>	3p-11p	OFF	OFF	7a-3p	3a-3p	3p-3a	3p-11p	- 48
<u>9</u>	3p-3a	3p-11p	3p-11p	OFF	OFF	7a-7p	7a-3p	- 48
<u>10</u>	7a-3p	7a-7p	11a-11p	3p-11p	3p-11p	OFF	OFF	- 48
<u>11</u>	OFF	OFF	3a-3p	3p-11p	3p-11p	3p-11p	3p-3a	- 44
<u>12</u>	3p-3a	OFF	OFF	7a-3p	7a-3p	3p-11p	3p-11p	- 48
<u>13</u>	3p-3a	3p-11p	3p-11p	OFF	OFF	7a-3p	7a-7p	- 48
<u>14</u>	7a-3p	7a-7p	3p-3a	3p-11p	3p-11p	OFF	OFF	- 48
<u>15</u>	OFF	OFF	7a-3p	11a-11p	11a-11p	3p-11p	3p-11p	- 48
<u>16</u>	3p-11p	OFF	OFF	7a-3p	7a-3p	11a-11p	11a-11p	- 48
<u>17</u>	3p-3a	3p-11p	3p-11p	OFF	OFF	3a-3p	7a-3p	- 48
<u>18</u>	7a-3p	7a-7p	3p-11p	3p-3a	3p-11p	OFF	OFF	- 48
<u>19</u>	OFF	OFF	7a-3p	3p-11p	3p-11p	11a-11p	11a-11p	- 48
<u>20</u>	3p-11p	OFF	OFF	7a-7p	7a-7p	3p-11p	3p-11p	- 48

Overtime Occurrences

Average 47.80 Hours

<u>3a - 7a</u>	0	0	1	1	1	1	0
<u>3p - 7p</u>	0	5	1	1	1	1	1
<u>11a - 7a</u>	1	0	2	2	2	2	2
<u>11p - 3a</u>	1	6	1	1	2	1	2
<u>Total</u>	2	11	5	5	6	5	5

20 Week Cycle Total 39 four (4) hour blocks

**Sub-Team C-1**

**Proposed pay week & splitting the down shift between two shifts.**

	<b>Sat</b>	<b>Sun</b>	<b>Mon</b>	<b>Tue</b>	<b>Wed</b>	<b>Thu</b>	<b>Fri</b>	
1	OFF	OFF	11p-11a	3p-3a	3p-11p	3p-11p	3p-11p	- 48
2	11a-11p	OFF	OFF	7p-7a	11p-7a	3p-11p	3p-11p	- 48
3	11a-11p	11a-11p	3p-11p	OFF	OFF	11p-7a	11p-7a	- 48
4	11p-7a	7p-7a	3p-11p	3p-11p	3p-11p	OFF	OFF	- 44
5	OFF	OFF	11p-7a	3p-11p	3p-3a	3p-3a	3p-11p	- 48
6	3p-11p	OFF	OFF	11p-7a	7p-7a	3p-3a	3p-11p	- 48
7	3p-11p	11a-11p	11a-11p	OFF	OFF	11p-7a	11p-7a	- 48
8	11p-7a	11p-7a	11a-11p	11a-11p	3p-11p	OFF	OFF	- 48
9	OFF	OFF	7p-7a	3p-11p	3p-11p	3p-11p	3p-3a	- 48
10	3p-3a	OFF	OFF	11p-7a	11p-7a	3p-11p	3p-11p	- 44
11	3p-11p	11a-11p	3p-11p	OFF	OFF	7p-7a	11p-7a	- 48
12	11p-11a	11p-7a	3p-11p	3p-11p	11a-11p	OFF	OFF	- 48
13	OFF	OFF	11p-7a	11a-11p	11a-11p	3p-11p	3p-11p	- 48
14	3p-11p	OFF	OFF	11p-11a	11p-11a	3p-11p	3p-11p	- 48
15	3p-11p	11a-11p	3p-11p	OFF	OFF	11p-7a	7p-7a	- 48
16	11p-7a	11p-11a	3p-3a	3p-11p	3p-11p	OFF	OFF	- 48
17	OFF	OFF	11p-7a	3p-11p	3p-11p	11a-11p	11a-11p	- 48
18	3p-11p	OFF	OFF	11p-7a	11p-7a	11a-11p	11a-11p	- 48
19	3p-11p	11a-11p	3p-11p	OFF	OFF	11p-11a	11p-7a	- 48
20	11p-7a	11p-7a	3p-11p	3p-3a	3p-3a	OFF	OFF	- 48

**Overtime Occurences**

**Average 47.60 Hours**

11a - 3p	2	5	2	2	2	2	2
11p - 3a	1	1	0	1	2	2	2
7p - 11p	1	1	1	1	1	1	0
7a - 11a	1	1	1	1	1	1	0
<b>Total</b>	<b>5</b>	<b>8</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>4</b>

**20 Week Cycle Total 38 four (4) hour blocks**

### Sub-Team D-1

Proposed pay week & splitting the down shift between two shifts.

	Sat	Sun	Mon	Tue	Wed	Thu	Fri	
1	11p-7a	OFF	OFF	7p-7a	11p-7a	11p-7a	11p-7a	- 44
2	7p-7a	11p-7a	7p-7a	OFF	OFF	11p-7a	11p-7a	- 48
3	7p-7a	11p-11a	11p-7a	11p-7a	11p-7a	OFF	OFF	- 48
4	OFF	OFF	7p-7a	11p-7a	11p-7a	11p-7a	11p-11a	- 48
5	11p-7a	OFF	OFF	11p-7a	7p-7a	7p-7a	11p-7a	- 48
6	11p-7a	7p-7a	7p-7a	OFF	OFF	11p-7a	11p-7a	- 48
7	11p-7a	11p-11a	11p-7a	11p-7a	11p-11a	OFF	OFF	- 48
8	OFF	OFF	7p-7a	11p-7a	7p-7a	11p-7a	11p-7a	- 48
9	11p-11a	OFF	OFF	11p-7a	11p-7a	11p-7a	7p-7a	- 48
10	11p-7a	11p-7a	7p-7a	OFF	OFF	11p-11a	11p-7a	- 48
11	11p-7a	11p-11a	11p-7a	11p-7a	7p-7a	OFF	OFF	- 48
12	OFF	OFF	7p-7a	11p-7a	11p-7a	7p-7a	11p-7a	- 48
13	11p-7a	OFF	OFF	11p-11a	11p-11a	11p-7a	11p-7a	- 48
14	11p-7a	11p-7a	7p-7a	OFF	OFF	11p-7a	7p-7a	- 48
15	11p-7a	11p-11a	11p-7a	11p-11a	11p-7a	OFF	OFF	- 48
16	OFF	OFF	7p-7a	7p-7a	11p-7a	11p-7a	11p-7a	- 48
17	11p-7a	OFF	OFF	11p-7a	11p-7a	11p-11a	11p-11a	- 48
18	11p-7a	11p-7a	7p-7a	OFF	OFF	7p-7a	11p-7a	- 48
19	11p-7a	11p-11a	11p-7a	7p-7a	11p-7a	OFF	OFF	- 48
20	OFF	OFF	7p-7a	11p-7a	11p-7a	11p-7a	7p-7a	- 48

### Overtime Occurences

Average 47.80 Hours

7p-11a	1	10	3	3	3	3	2
7a-11a	1	5	0	2	2	2	2
Total	2	15	3	5	5	5	4

20 Week Cycle Total 39 four (4) hour blocks

Inside Letter # 18  
November 20, 2001

Stipulation of Agreement

Mr. Jim Wansley, President  
Local 746L, USWA  
13624 State Hwy 31 West  
Tyler, Texas 75709

Dear Mr. Wansley;

During the recent contract discussions there was a proposed item for change concerning the ability to have a flexible schedule in the Tyler, Texas facility. During our discussions I made it clear that the intent of the flexible schedule is to adjust to market conditions by varying the amount of hours worked. It is not the intent of the Company to manipulate manning to adjust to reduced ticket levels. It was however discussed that there may be situations that would serve everybody's best interest to run at a lower manning level. With that said it is the Company's intention that the plant will be ran at 3.5 to 1 manning ratio except in exceptional circumstances.

Yours truly,

/s/R.L. Ward, Manager  
Human Resources

RLW/gcj

Inside Letter # 19  
February 19, 2004

Jim Wansley, President  
Local No. 746L, USWA  
13624 State Hwy. 31 W.  
Tyler, Texas 75709

Dear Mr. Wansley:

During the 1979 Negotiations the subject of time required to move an employee following the award of a bid was discussed.

As a result it was agreed to pay more attention to this matter including review of such employee on a regular basis by the Business Center Manager. Where such moves are not made within three weeks the Business Center Manager will explain the reason for the delay to the Division Chairperson. Starting with the fourth week, the employee affected will be paid the rate of the current job or the rate of the job bid to whichever is higher. When moved to the job bid, the employee will be transferred at the Base Rate of the new job.

Sincerely,

/s/ R. B. Pickette  
Human Resources Manager

(Original letter dated September 7, 1979 from F. E. Peycke to John Nash.)  
(Revised letter dated September 7, 1991 from J. E. Atkinson to Danny Parker)

Inside Letter # 20

November 20, 2001

(Revised February 19, 2004)

Memorandum of Agreement

**Subject: Tyler Lead Hand guideline, as mutually agreed and in accordance with Goodyear Master CBA Letter No. 30, dated October 25, 2000 (adopted by USWA 746L in November 2000; amended September 2003)**

In accord with the understanding reached during labor and management discussions on the subject of the Lead Hand Process at the Kelly Springfield Tire Company's Tyler, Texas facility, the parties mutually agree to the following:

1. A Joint Oversight Committee will be formed to monitor implementation of the Lead Hand process at Tyler, evaluate the success of the program, define policy, provide resources and discuss any issues that may arise. This Committee will include the Union President, Union Vice-President, and one (1) other Union representative on the Committee, as designated by the Union President. The Oversight Committee will also include the Tyler Plant Manager, Production Manager, and Human Resources Manager. The Oversight Committee may include, as resources, other union and/or management people, from within or outside the Tyler plant, as mutually agreed by the parties.
2. A Driver Group will be formed to define tasks, develop systems and implement the Lead Hand policy for identified Lead Hand work teams. The Driver Group will include the following: Union Division Chairmen, Business Center Managers, Facilities

Inside Letter # 20, continued

- Manager, and the Lead Hand Coordinators. This group's area of responsibility will be the entire plant. The group may utilize other union associates or members of management as resources when necessary.
3. Two Lead Hand Coordinators will be appointed. The Hourly Lead Hand Coordinator will be appointed by the Union President and the Salary Lead Hand Coordinator will be appointed by Plant Leadership, with both subject to joint approval. The Lead Hand Coordinators will serve as facilitators for the Lead Hand Process throughout the plant. They will serve as a resource to the Joint Oversight Committee, the Driver Group, and the Business Centers regarding the Lead Hand Process.
  4. The rate of pay for Lead Hand will be fifteen (15) percent above the employee's hourly wage and will be paid for all hours worked as Lead Hand on his/her regularly scheduled work week, as well as any other hours worked while performing Lead Hand duties. Lead Hand alternates will be paid Lead Hand rate of pay when replacing a Lead Hand, or when otherwise performing Lead Hand duties.
  5. Lead Hand selection criteria and job duties may vary from work team to work team. Selection criteria and job duties will be determined by the Driver Group, but will be approved by the Joint Oversight Committee and must comply with all provisions set forth in the Master CBA Letter cited above. Lead Hands will not be permitted to recommend or administer discipline, but will not be limited in what type of job duties they can perform in any other way. When Lead Hand job duties include overtime

Inside Letter # 20, continued

canvassing, management responsibilities for canvass errors and violations will remain in effect, per the Current Bargaining Agreement.

6. The parties commit to utilizing the Lead Hand Process at Kelly Tyler in a manner consistent with the need to reduce operating costs and enhance the Tyler's plant's competitive position in the marketplace.

For USWA 746L

Jim Wansley

Harold Sweat

For Kelly Springfield, Tyler

Jim Flynn

Human Resource Services Manager

Inside Letter # 21

February 19, 2004

## **STIPULATION OF AGREEMENT**

As a result of following the balancing of hours provisions, when employees from other shifts, in-code or out-of-code are working on a shift, the on-shift employee will have the preference of the job assignment.

Should all employees for the assignment be off shift, the in-code employee will have preference over the out-of-code employee. Seniority will govern between in-code employees and seniority will govern between out-of-code employees.

Work assignment in the Maintenance Division will follow these principles:

- A. Employees will be assigned to their Work Stations in reverse seniority order (offer senior, force junior) if available.
- B. On shift employees will have preference of job assignments.
- C. Employees working in their Work Station or out of their Work Station will have seniority rights with respect to:
  - 1. Initial job picks/assignments
  - 2. Reassignment (Article IX, Section 10, Paragraph c. and Article IX, Section 11, Paragraphs a and b):  
In the application of this provision (2), management may determine which job to reassign labor from.

*Inside Letter # 21, continued*

When the reassigned employees are no longer required they will return to their original or to a new assignment.

*/s/ R. B. Pickette*  
Human Resources Manager

*(Original letter dated September 7, 1976 from M. W. Rush, Jr. to John Nash)*  
*(Updated and revised letter dated September 7, 1991 from I. E. Atkinson to Danny Parker)*

Inside Letters # 22

September 8, 1976

Mr. John Nash, President  
Local No. 746, URCLPWA  
Route 11, Box 258  
Tyler, Texas 75701

Dear Mr. Nash:

During the course of the 1976 Negotiations, there was considerable discussion relative to temporary transfers and the use of available labor.

The Company feels it is desirable to make as few moves as possible, but if an experienced employee is needed on the job, supervision may have to move an employee off his regular job who, in turn, could be replaced. The fewest moves possible serve the best interest of both the Company and the employee, and temporary transfers are not to be used as a device of placing overtime in a classification other than the one to which it rightfully belongs.

Sincerely,

/s/ M. W. Rush, Jr. Personnel Manager

M.W. Rush, Jr.

bjb

Inside Letter # 23

February 19, 2004

Jim Wansley, President  
Local No. 746L, USWA  
13624 State Hwy. 31 W.  
Tyler, Texas 75709

Dear Mr. Wansley:

The Company will notify the Local Union of surplus labor (including medically restricted awaiting placement) in the Base Rate Code in a department, on Form KTY 2-808 (Surplus Notice).

It is understood that if a job vacancy occurs in a department after the date on Form KTY 2-808 (Surplus Notice), the job vacancy will not be posted, and the employees in the department will be reassigned as provided in Article VIII, Section 9 of the Labor Agreement.

It is understood that reassignment made on this basis will be made within two (2) weeks.

It is further understood that if a job vacancy occurs in a department previous to the date on Form KTY 2-808 (Surplus Notice), this job will be posted as provided in Article VIII, Section 8 of the Labor Agreement.

Once a job is posted in a department, this job will be awarded, even though there is surplus labor in the department which occurred after the job was posted but before it was awarded, unless the surplus employee was returning to the Base Rate Code involved in the posting.

In addition to the above, in the Maintenance Division the Company (after discussion with the Division Chairperson) may issue an Attrition Notice. The notice

Inside Letter # 23, continued

will state which job in a Work Station and team is to be eliminated in the future (Red Line). When an employee leaves the classification, the Red Line job may be eliminated and labor aligned without a classification posting.

Sincerely,

/s/ R. B. Pickette  
Human Resource Manager

(Original letter dated September 8, 1976 from M. W. Rush to John Nash)  
(Revised and updated letter dated August 29, 1979 from F. E. Peycke to  
John Nash)

Inside Letter # 24

February 19, 2004

Mr. Jim Wansley, President  
Local 746, USWA  
13624 State Hwy 31 West  
Tyler, Texas 75709

Dear Mr. Wansley:

It is agreed and understood the Training Department, Division Chairperson, and the Business Center Manager will select labor trainers.

It is further agreed the labor trainer will be paid at his/her current hourly rate, and will remain in the in-code canvass. The labor trainer will be paid an additional 1.00/hr, which will be paid like night bonus, for their standard work week in which on the job training takes place. Labor Trainers will remain in the in-code canvass.

To expedite training, the Company will establish full time PDI's to do the classroom training and may put the trainee with a Labor Trainer for the On the Job Training (OJT). Because of the importance of getting the highest quality associates for this new position, the full time PDI's will be jointly selected using mutually agreed upon criteria. The full time PDI's will remain in their original department's out of code canvass. Maintenance associates will remain in classification for canvass purposes. Original department is defined as the last department worked in prior to starting as a PDI.

Sincerely,

/s/Richard Pickette  
Manager, Human Resources

(Original letter dated November 22, 1983 from F. E. Peycke to John Nash)

Inside Letter # 25

September 7, 1988

Mr. John Nash, President  
Local No. 746, URCLPWA  
Route 11, Box 258  
Tyler, Texas 75709

Dear Mr. Nash:

During the course of the 1988 Negotiations, it was agreed in the application of Article VI, Funeral Leave Pay, or Article VI, Pay for Jury Duty, an employee ineligible for payment under these clauses for a day or days on which he would have been eligible for *Automatic Short Week Benefits under the Supplemental Unemployment Benefits Plan* if he had been available for work on such day or days, should receive such SUB payments. An employee who would otherwise be eligible for the Benefits provided herein except for the fact that he had less than one (1) year seniority or was credited with forty (40) or more "Compensated or Available Hours" during the week shall be paid the equivalent of the amount of said Benefits by the Company with the understanding that this provision will not be considered a precedent for demands for similar SUB payments under circumstances other than with respect to Funeral Leave Pay or Pay for Jury Duty.

The parties also agree that such day or days so paid will be counted toward the "up to a maximum of three (3) consecutive working days" under Article VI, Funeral Leave Pay.

Sincerely,

/s/ J. E. Atkinson  
Industrial Relations Manager

Inside Letter # 26

September 9, 2000

Mr. Edward Moore, President  
Local No. 746, USWA  
13624 State Hwy 31 West  
Tyler, Texas 75709

Dear Mr. Moore:

During the 2000 Negotiations, the parties discussed reimbursement of employees' cost 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 three thousand dollars (\$3,000).
2. Legal fees associated with the adoption procedure, not to exceed one thousand dollars (\$1,000).

Sincerely,

/s/ R. L. Ward,  
Manager Human Resources

RLW:gcj

(Original letter dated September 7, 1988 from J. E. Atkinson to John Nash.)

Inside Letter # 27

February 19, 2004

Mr. Jim Wansley, President  
Local 746, USWA  
13624 State Hwy 31 West  
Tyler, Texas 75709

Dear Mr. Wansley:

During 1997 Negotiations, the parties discussed the testing of employees for alcohol and substance abuse when probable cause exist. The Company agrees that testing of employees will be for probable cause only and not for random testing. As a result the following was agreed.

The parties also agree that should probable cause be evident, the sample(s) will be taken by the Kelly Med Center and/or Health at Work. Laboratories used are SAMSHA and Texas Certified and are not affiliated with each other in any way. Testing will be done following the Department of Transportation procedures, but on Non Federal Chain of Custody Forms. The test results will be reviewed by the Health at Work Medical Review officer (MRO) and then reported to the designated Kelly Springfield contact.

It is also understood, the laboratory used for this testing has followed the proper rules of privacy and safeguards, i.e., that the samples are properly marked and under its protective custody.

Samples will be sent to two separate laboratories for results. The results must agree as to whether the employee is "under the influence" in cases of suspected alcohol abuse and/or where the employee has consumed/inhaled/injected or otherwise used any controlled substance in the case of substance abuse.

Inside Letter # 27, continued

The degree of abuse need not be matched in order to discipline the employee.

Sincerely,

/s/ R. B. Pickette

Manager Human Resources

(Original letter dated September 7, 1988 from J. E. Atkinson to John Nash)

(Updated and revised dated September 7, 1997 from R. L. Ward to John Nash)

Inside Letter # 28

September 7, 1988

Mr. John Nash, President  
Local No. 746, URCL&PWA  
Rt. 11, Box 258  
Tyler, Texas 75709

Dear Mr. Nash:

During 1988 Negotiations the parties discussed a verification procedure when employees are called at home in the canvass procedure and no one answers the phone. When this happens the Company will verify a phone call was made. This may be accomplished through an electronic type procedure or by notifying the Steward, in a timely manner, that a phone call was made. The Company agrees when a phone call is made that it will be allowed to ring the lesser of six (6) times or until an answering machine responds prior to disengaging the call.

Sincerely,

/s/ J. E. Atkinson, Manager  
Industrial Relations

JEA:bjb

Inside Letter #29

February 19, 2004

Jim Wansley, President

Local 746L, USWA

13624 State Hwy. 31

Tyler, Texas 75709

Subject: Support Electricians & Support Machinist:

Dear Mr. Wansley:

During the 2003 negotiations on Maintenance Division reorganization, the subject of Electrician manning requirements was discussed. The company's intention (subject to master Letter No. 35 and manning requirements) to reduce the number of Electricians during the Maintenance reorganization was also discussed. The parties agreed to transfer some work that had previously been outsourced and some Engineering functions to the Electrician classification. It was decided that six (6) Electricians will be utilized for this purpose. It was agreed that Electricians desiring to fill the six (6) jobs (Support Electrician), will be selected through an assessment process.

The subject of a Support Machinist was also discussed. The Parties agreed to establish a jointly selected position to support the Machinist classification. The position will exist to increase efficiency and utilization of the classification, develop training, and perform other duties as identified by the Parties.

/s/Richard Pickette

Manager, Human Resources

Inside Letters #30

September 7, 1991

Mr. Danny Parker, President  
Local No. 746, URCL&PWA  
Route 11, Box 258  
Tyler, Texas 75709

Dear Mr. Parker:

The Company and Union recognize that changes in the industry and the global economy have substantially increased the need for the Tyler Plant to be more competitive. Therefore, the parties agree to work together to help control cost in health care, Workers Compensation, and Plant taxes.

The parties affirmed their commitment to attempt to minimize the rate of increase in health care costs and to ensure maximum value for funds spent to provide health care. Both parties determined that an effort should be made to obtain preferred rates for medical services from major health care providers.

The parties agreed to continue to jointly support programs to help insure passage of equitable legislation and utilization of cost effective medical care.

In order to help control plant overhead, the parties agree to work together to educate local, county, and State officials in understanding global competition and encouraging their involvement in improving the Tyler Plant's competitive position.

Sincerely,

/s/ J. E. Atkinson, Manager  
Industrial Manager  
JEA:dmw

Inside Letter #31

September 7, 1997

Mr. John Nash, President  
Local No. 746, USWA  
13624 State Hwy 31 West  
Tyler, Texas 75709

**Subject: MAINTENANCE TRAINING**

Dear Mr. Nash:

During the course of the 1997 Negotiations, the parties affirmed the importance of Union participation in developing a highly skilled, effective maintenance workforce. As a result it was agreed to establish a more effective training format which involves all maintenance division employees in the hands-on-training of other maintenance division employees, which may include apprentices and trainees. Also 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

Inside Letter # 31, continued

- c. Address upgrading skills, access for production employees, performance based training and basic skills remediation opportunities. This Agreement does not lower our present standards or change ways to get into maintenance, neither does it lower the integrity of the maintenance classifications.

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,

R. L. Ward

Manager Human Resources

RWL/tjm

Inside Letters #32

February 19, 2004

Jim Wansley, President  
Local No. 746, USWA  
13624 State Hwy 31 West  
Tyler, Texas 75709

**Subject: CONTRACTING OUT**

Dear Mr. Wansley:

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.

We have stated to you in the past and reconfirm to you at this time that our ultimate goal is to eliminate or reduce outside contract labor to a minimum.

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

## Inside Letter # 32, continued

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 six (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.

## **Inside Letter # 32, continued**

- 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.**

## Inside Letter # 32, continued

- 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 the Annual Review Section of this Letter.
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

## **Inside Letter # 32, continued**

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.

Inside Letter # 32, continued

### **Annual Review**

During the 2003 Master negotiations, the parties established the following parameters for conducting Quarterly and Annual Review of outside contracting work performed in the plant that is specified in the subject letter:

1. The Quarterly meetings will be held at each plant covered by the Master Agreement during the second, third and fourth quarters of each calendar year.
2. The Annual meeting(s), which will also serve as the first quarter meeting, will be held at each plant covered by the Master Agreement before March 1st of each calendar year.
3. Standard information that will be provided by the Company to the Contracting Out Committee for the review meetings is as follows:
  - a) Listing of all contracts that were let in the previous quarter, by date, to perform maintenance work that is traditionally performed by plant bargaining unit employees.
  - b) Name of contracting company awarded each contract.
  - c) Nature of the work contracted and location, by Business Center or Department.
  - d) Labor hours worked for each contract ... actual hours if available, estimated hours if actual not available...total labor cost of contract if available. Total contracts let and total contractor hours worked for the previous calendar quarter and year.

Inside Letter # 32, continued

4. In addition to discussing outside contracting, during the annual meeting the parties will discuss any events that have contributed to accomplishing the intent of Inside Letter #31 of the Local CBA, as well as future plans relative to fulfilling the obligations set forth in the letter.
5. The company will give good faith consideration to any suggestions by the Union members of the committee.

Sincerely,

/s/ R. B. Pickette

Manager Human Resources

(Updated from letter to John Nash from R. L. Ward dated September 7, 1997.)

Inside Letter #33  
February 19, 2004

Mr. Jim Wansley, President  
Local 746, USWA 746L  
13624 State Hwy 31, West  
Tyler, Texas 75709-9742

**Subject: Assimilation of Classifier Job into  
Bargaining Unit and pay rate**

Dear Mr. Wansley

Through discussions it was determined that as an offset to some other job reductions occurring in the plant that the Classifier job, currently a salary position, will become an hourly bargaining unit job. Because of the nature of this work and the circumstances surrounding this change it was agreed by both the Company and the Union that this job would need to be handled differently than other hourly positions. Concerning the move from Salary to Hourly, the Company will commit the following:

- 1.) The Company will create an hourly classification code for the Classifier job. The Classification thus created will combine the current Dept. 515 Job Code 792 (Tire Appearance Adjuster) duties with those currently performed by the salary Classifier. It will be a Dept. 515 job classification.
- 2.) Eight (8) hourly jobs will be put into the new code created, Code 794. The Company will post for applicants. Current Code 792 employees will be allowed to go directly into Code 794. Code 792 employees who wish to be in the combined job will be allowed to put into the job without bidding. Those who do not wish to go to the new code will be placed

Inside Letter # 33, continued

on other jobs in department or in the plant for which they are qualified and are physically able to perform.

- 3.) Applicants for the job, except for current Code 792 employees, will be determined to be qualified after having passed a joint interview process developed for Program Developer Instructor (PDI). Objective based criteria for the Company and Union will jointly agree upon the interview. The interview committee will include the Division IV Chairperson and Business Center Manger, or their designee. Qualified applicants will be interviewed to determine the best qualified for the job, and the best qualified will be selected.
- 4.) Hourly rate of pay for the new job will be \$14.33.
- 5.) The Company will train the Dept. 515 General Operators on the new job. Initial training of (2 each and PDI) hourly employees may be accomplished through On Job Training (OJT) by current Salary Classifier employees. A new Dept. 515 PDI will be among those initially trained and will assume responsibility for training hourly employees on the new job as soon as practicable. The Company will train hourly employees and transition the work from salary to hourly using the following schedule:
  - (a) Two (2) hourly classifiers and the Dept. 515 PDI will be trained in approximately four (4) weeks.
  - (b) Two (2) additional hourly classifiers will be trained in approximately eight (8) weeks.
  - (c) Upon completion of the above the Code 792 and Classifier job combination will take place. Code 792 employees will move to the new job or be

**Inside Letter # 33, continued**

placed on another job as per Article VIII, Section 9. Four (4) additional employees will be trained on the new job.

(d) The Dept. 515 General Operators will be trained on the new job.

6.) Persons working in the Classifiers position will be subject to removal from the occupation if they are incapable for working at the standards necessary for the plant. Removal would only be for just cause.

7.) The Company retains the ability to cut, classify, and disposition tires as needed. It us understood that in this application the hourly classifiers will be utilized first.

*/s/ R. B. Pickette*

Manager Human Resources

Inside Letter #34

February 19, 2004

Jim Wansley, President  
Local 746L, USWA  
13624 State Hwy 31 West  
Tyler, Texas 75709

**Subject: Tool Requirements and Replacements**

Dear Mr. Wansley,

During the 2003 Local Contract Negotiations the parties discussed the Tool Allowance in Article X, Section 7. The following was agreed to:

- 1) The parties will develop and implement a mutually agreed Tool Allowance disbursement, such that eligibility is based on vacation eligibility, with the annual allowance available at the first of each year. The 2004 Tool Allowance will be available to employees as soon as practicable.
- 2) Tool allowance not used in a calendar year can carry over to the next year.

Sincerely,

/s/ R. B. Pickette  
Manager Human Resources

Inside Letter #35

February 19, 2004

Mr. Jim Wansley, President  
Local 746L, USWA  
13624 State Hwy 31 West  
Tyler, Texas 75709

Dear Mr. Wansley;

During the Productivity discussions held between USWA 746L and Kelly Tyler in 2003, it was agreed that where it was deemed appropriate by the Training Department, trainees may be used to fill vacancies, including the displacement of overtime within the classification in which their training is taking place.

In addition, the use of light duty was discussed. It was agreed that the utilization of light duty employees to supplement janitorial, lead hand and other functions is important to efficient plant operations. It is understood that this could result in the displacement of overtime.

/s/ Richard Pickette  
Manager, Human Resources

Inside Letter #36

February 19, 2004

Mr. Jim Wansley, President  
Local 746L, USWA  
13624 State Hwy 31 West  
Tyler, Texas 75709

Dear Mr. Wansley:

During the Productivity discussions held between the Company and the Union, it was agreed that the parties would develop a Summer Help Program. Summer Help is defined as a temporary position, lasting no longer than eighty-nine (89) days during the summer months (May through August). The number of summer help employees will not exceed thirty-five (35) unless mutually agreed. Summer Help Program employees will be current employee's dependant sons or daughters, who are eighteen (18) years of age or older, currently either enrolled in, or accepted for the fall term of the current year in an accredited college, university, or technical school. Laid off associates would have first preference to positions if permissible under ERISA and any other applicable state or federal law. In either case seniority (or the seniority of the parent) would be the determining factor if there are more applicants than positions available. Employees will be limited to one son/daughter until all positions are filled. It is also understood that this would be a voluntary program for laid off associates and would not prejudice employees not choosing to work in the program.

The parties agreed that summer help employees would not have shift preference rights and would be required to work any shift assigned.

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Inside Letter # 33, continued

It is also understood that they would be canvassed for overtime only after the regular canvass steps are exhausted.

Sincerely,

/s/Richard Pickette, Manager  
Human Resources

Inside Letter #37

December 19, 2003

### **Stipulation of Agreement**

USWA 746L and Kelly Springfield Tyler management have, on this date, agreed in principle to the following Local Improvement Plan for the Tyler Plant (referred to as the Productivity Plan), in compliance with Letter 35 of the 2003 Goodyear Master Collective Bargaining Agreement (MCBA.) The Parties agree the Plan complies with all requirements of MCBA Letter 35, that all elements of the Productivity Plan derive from the approved Tool Kit contained in that letter, and that the Plan exceeds the Targeted Savings goal in Attachment B of MCBA Letter 35.

The Parties will develop mutually agreed Local Contract language as needed to implement the Productivity Plan during the 2003 Local Contract negotiation. Implementation of the Plan will be as specified in MCBA Letter 35, unless mutually agreed otherwise. The Parties agree that, except for Item 1 of the Plan (Vacation), the Plan will not be implemented until completion of the 2003 Local Contract negotiation, unless otherwise mutually agreed. The Parties have agreed that the Productivity Plan will not result in contracting out of Bargaining Unit work. The Parties recognize job combinations and savings other than those included in the Plan could occur during the life of the Local Agreement, subject to conditions set forth by the Local Contract.

The Parties have agreed to a Tyler Productivity Plan comprised of seventeen (17) parts, or elements, with annual Targeted Savings estimated at \$18.038 million,

when fully implemented. The Parties recognize savings are realized by *manning reductions, reduction in overtime worked/paid or by reducing cost associated with certain identified items.* Reductions in manning and other savings contained in the Plan are estimates.

The Tyler Productivity Plan, as formulated and agreed to in principle by the Parties, is as follows:

- (1) **Vacation:** The Parties will utilize General Operator coverage more effectively, reducing manning in the classification and lessening dependence on overtime for vacation and/or sick leave coverage. Hard caps will be used to determine how many employees can be off work for vacation, week or day-at-a-time. The Company may schedule a second week of vacation/maintenance shutdown at Christmas. Employees may take pay-in-lieu for vacation.
- (2) **Training/QS:** The Parties will reorganize training, reducing dependence on Program Developer Instructors on special assignment, back filled by overtime. Jointly-selected full-time hourly PDIs will do classroom training and will assume QS9000 responsibilities. On-shift Labor Trainers will be utilized for On Job Training (OJT). The number of job postings will be reduced to one, while time between postings (in-department and out - department) will be increased, reducing overall training liability.
- (3) **Lead Hand:** The Parties will complete the Lead Hand Process, endeavoring to expand it to all areas of the plant and to all classifications. Lead Hands will perform all overtime canvassing duties.

- (4) **Job Combinations:** The Parties will agree on job combinations that will occur as part of the Plan. Efficiency increases and manning reductions will result.
- (5) **Incentives:** The Parties will expand the number of classifications/operations on incentives. The existent Tire Assembly incentive plan(s) will be revised. Hourly manning reductions will result.
- (6) **Maintenance:** The Parties will agree on a maintenance reorganization, enhancing flexibility and efficiency by modifying the existing maintenance structure. Hourly employees will assume certain salary duties. Manning reductions will result. No contracting out will result.
- (7) **Six Sigma:** The Parties will utilize hourly Six Sigma Black Belt employees for as many as three (3) additional projects
- (8) **Employee Involvement:** The Parties will reduce the current Employee Involvement meeting budget by half, and will utilize new Natural Work Groups to generate additional savings over 2003.
- (9) **Attendance:** The Parties will reduce absenteeism to 1.5 percent or lower. The discipline policy for attendance will be modified. Savings will result from overtime reduction.
- (10) **Canvass:** The Parties will modify the current overtime canvass to reduce certain double-time exposure by the Company.
- (11) **Summer Help:** The Parties will develop and implement a Summer Help Program. Savings from reduced overtime will result.
- (12) **Medcenter:** The Parties will increase usage of the

Tyler Medcenter and pharmacy by Tyler employees, with resultant savings.

- (13) **Safety:** The Parties will utilize the Safety and Ergonomic Committees to continue to develop initiate programs to reduce cost, expanding on the success recorded in 2003.
- (14) **Light duty/trainee utilization:** The Parties will change work rules and contract language as needed to allow light duty employees and trainees to perform work currently requiring overtime employees, and to support Lead Hands by canvassing for overtime.
- (15) **Scheduling:** The Parties will utilize hourly operators for information gathering and expediting and will implement certain Information Technology (IT) advances to reduce cost associated with scheduling losses.
- (16) **Waste:** The Parties will utilize employee involved groups and incentive program structures to reduce waste.
- (17) **Computer Technology:** The Parties will expand the current Circuit Board Repair Shop to include jointly selected Support Electricians. Electronic component repair and monitoring by hourly employees will be increased. Support Electricians will assume certain salary responsibilities and will be utilized as a resource for floor coverage and Planned Maintenance operations throughout the plant

Targeted Savings per item above:

Item:	Amount:	From manning:
1.	\$ 2,430,240	\$ 1,504,000
2.	\$ 2,119,644	

3.	\$ 1,579,118	\$ 1,341,000
4.	\$ 1,786,000	\$ 1,786,000
5.	\$ 2,522,040	\$ 2,522,000
6.	\$ 2,820,000	\$ 2,820,000
7.	\$ 550,000	
8.	\$ 400,000	
9.	\$ 1,096,209	
10.	\$ 171,000	
11.	\$ 593,000	
12.	\$ 332,456	
13.	\$ 450,000	
14.	\$ 120,000	
15.	\$ 350,000	
16.	\$ 265,000	
17.	\$ 454,000	
Total	\$18,038,707	\$ 9,973,000

The Tyler Productivity Plan is an agreement in principle, subject to finalization during Local Contract negotiations. Savings and manning projections for individual elements of the Plan detailed above may change as a result. Overall savings may be affected and/or adjusted by a significant change in the Annual Operating Plan for the Tyler plant, with a corresponding ticket and/or manning change. This Agreement is subject to approval by the Goodyear Tire and Rubber Company and the United Steelworker of America International Union. It has been agreed to, on this date, by the following representatives of USWA Local 746L and Kelly Springfield Tyler management:

For the Company:  
 Richard Pickette  
 Jim Flynn  
 Mark Whiles

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Michael Roseberry

Jim Garber

Brent McCauley

For the Union:

Jim Wansley

Harold Sweat

Marcus Howard

James Honeycutt

Ed Moore

Bud Allred

The following is a list of company proposals upon which agreement was reached during the 2003 Master Contract Negotiations and which apply to the Kelly Springfield Tyler Plan. Master Letters and other documents not incorporated into local documents/language will be maintained immediately behind this NCBA list unless otherwise noted.

<u>Company PROPOSAL</u>	<u>NCBA LETTER #</u>	<u>SUBJECT</u>	<u>DISPOSITION</u>	<u>Page</u>
CBA-6-1	40	Kelly Springfield Expiration Dates		195
CBA-9-6	30	Lead Hand Letter	Tyler Outside Letter 48 amended, moved in 2003 Local CBA to Inside Letter # 20	196
CBA-15-1		FRP Elimination	Tyler Outside Letter 34 Deleted	
CBA-16-2		COLA	Tyler Inside Letter 2 Amended	
CBA-19-2		Ratification Process/ Termination Dates		198
CBA-20-1	41	Successorship Letter		199
CBA-21-1	28	Outside Contracting Letter	Tyler Outside Letter 32 Amended	
CBA-22-2		Safety and Health Provisions	Tyler Article X, Section 3 amended	
CBA-23-2		Master Arbitration Panel	Tyler Article IV, Section 1, Step 4-g	
CBA-24-2		Kelly Springfield and Dunlop "Me Too"		
CBA-25		Kelly-Springfield Termination Dates	Tyler Article X) Amended	
CBA-26		Dunlop Termination Dates	Not Applicable	
CBA-27-2	33	New Hire Orientation		201
CBA-28-2	25	Preferential Hire Guidelines	Amended Tyler Outside Letter 42 moved in 2003 Local CBA to Outside Letter # 31.	
	32	Preferential Hire, Tyler Included		202
CBA-29-2	24	PAC/SOAR Deductions		203
CBA-30-6	35	Productivity Improvement Plan		205

<u>Company</u> <u>PROPOSAL</u>	<u>MCBA</u> <u>LETTER #</u>	<u>SUBJECT</u>	<u>DISPOSITION</u>	<u>PAGE</u>
CBA-31		Stock Option Plan Deleted	Tyler Outside Letter #1 deleted in Local CBA 1997, 2000 and 2001	
CBA-32-2	43	ICD Commitment		214
CBA-33-2	44	Public Policies Activities		219
CBA-34-1	45	Workforce Training Program		223
CBA-35	46	Employment Security		229
CBA-36-3	47	Executive compensation		232
CBA-37-5	48	Cost Reduction Commitment		233
CBA-38-3	49	Profit Sharing		236
CBA-40-2	50	Neutrality		242
CBA-41-2		Board of Directors		253
CBA-42	29	Outside Contracting Review	Tyler Inside Letter # 32 amended	
CBA-44-1		Contract Printing		256
CBA-45		Time Off-Preferential Hires	Tyler Outside Letter 31 amended	
CBA-46	51	Surveillance Camera		257
CBA-49-4	53	Plant and Product Protection		258
CBA-50-4		Huntsville Closure	Not applicable	
CBA-51-3	54	Transfer of Huntsville Production		265
CBA-52	1	Relocation Operations		267
CBA-53	5	New Facilities		-
CBA-55-2	38	AHE Payment Restriction		269
CBA-56	37	SUB - Recall Refusal		271
CBA-57-2	36	Tyler Plant		272
CBA-58-2		Financial Restructuring		279
CBA-58-2	34	COLA Restoration		284
C-SUB 6	Master Sub 1-B-9	Comprehensive SUB Proposal	Tyler SUB Agreement Amended	

C-SUB 7

SUB Ratification

Tyler Article VII  
Sect. 8-M amended

C-SUB 8

Kelly-Springfield  
And Dunlop "Me Too"  
amended

Tyler SUB Agreement

Those letters are included in the Tyler CBA to facilitate easy reference for the parties to the Tyler Agreement.

Master Letter #40

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 common expiration dates for the Kelly-Springfield tire plants located in Fayetteville, NC, Freeport, IL, and Tyler, TX was discussed. As a result, the parties agreed to a common contract expiration date in 2006 for these Kelly-Springfield plants which will be identical to the expiration date of the Master Agreement Plants.

Sincerely yours,

J.L. Allen

Director

*Global Labor Relations*

Agreed: \_\_\_\_\_

Andrew V. Palm

**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: \_\_\_\_\_  
Andrew V. Palm

## **COMPANY PROPASAL: CBA-19-2**

August 15, 2003

### **EFFECTIVE DATE, AMENDMENT AND TERMINATION**

- (a) This agreement shall become effective at each plant at the time the local supplement to this agreement is completed, by ratification of the Local Union and approval of the International Union, provided this agreement has been ratified under the USWA R/PIC ratification procedures. Except as provided in Paragraph (c) of Article XII, it shall continue in effect until and including July 22, 2006, 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 terminate or amend the agreement. In the event such notice is given negotiations shall begin within the thirty (30) day period prior to July 22, 2006. 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, this agreement shall terminate unless extended by mutual agreement. This agreement and the local supplements thereto are also subject to termination in accordance with the provisions of the Pension and Insurance Agreement between the parties thereto.

**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: \_\_\_\_\_  
Andrew V. Palm

LETTER 33

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 new employee orientation was discussed. It was agreed that the involvement of both management and the Union is of value to the orientation process for new employees. The parties recognize the importance of proper new employee orientation and that it is imperative that new employees receive necessary information about the Company and the Union. To accomplish this objective, the parties agreed that employees who are hired as part of the bargaining unit will be allowed to meet with local union leadership during their first week of employment.

The Company will pay up to a maximum of eight (8) hours of time lost during the employee's regular shift for this orientation. The logistics of the meeting(s) during this week will be handled by the parties at each plant.

Sincerely yours,

J.L. Allen  
Director  
Global Labor Relations

Agreed: \_\_\_\_\_  
Andrew V. Palm

LETTER 32

October 25, 2000

Mr. Richard H Davis  
International Vice President of Administration  
United Steelworkers of America  
Five Gateway Center  
Pittsburgh, PA 15222

Dear Mr. Davis:

During the course of the 2000 Master negotiations, the parties agreed that the Dunlop plants in Buffalo, New York, and Huntsville, Alabama, and the Kelly/Springfield plants in Fayetteville, North Carolina, Freeport, Illinois, and Tyler, Texas will be included in the preferential hiring process in accordance with the provisions of Article X, Section 1(a) 7., 8., and 9. of the Master Labor Agreement.

Sincerely yours,

J.L. Allen  
Director Global Labor Relations

Agreed: \_\_\_\_\_  
Richard H Davis

**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: \_\_\_\_\_  
Andrew V. Palm

**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 SWA 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 key reductions shall not be credited toward achieving any Targeted Savings.

Sincerely yours,

L. Allen  
Director  
Global Labor Relations

Witnessed: \_\_\_\_\_  
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 gainsharing 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 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: \_\_\_\_\_  
Andrew V. Palm

LETTER 44

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 Public Policy Activities was discussed. The parties agreed to the following:

1. Effective January 1, 2006, the Company and Union hereby agree to establish a jointly administered public policy fund (Public Policy Fund) meeting the following guidelines.

a. Purpose and Mission: The purpose of the Fund shall be to:

(1) Support public policies promoting the mutual interests of the Company and the Union on such subjects as health care, legacy costs, currency valuation, and other public policy issues of importance to the parties;

(2) To contribute to and promote greater cooperation between labor and management; and

(3) To assist the Company and Union in solving problems of mutual concern that are not susceptible to resolution through collective bargaining.

b. The Public Policy Fund will pursue its mission through labor-management cooperative endeavors

such as public and political education, issue advocacy, research, and the coordination of such activities with other like-minded groups.

- c. The Fund will have an eight-person Governing Committee. The Company representatives shall include its Chief Executive Officer (or his designee), the Senior Officer at its North American Tire Division, the Senior Officer at its Engineered Products Division and one other senior officer of the Company. The Union representatives shall include the International President of the USWA or his designee, the Executive Vice-President of the Union's Rubber and Plastic Industry Conference; the Chair of the Union's Negotiating Committee and one other individual designated by the Union.
- d. The Public Policy Fund will be financed as follows:
  - (1) 2.7 cents for each tire sold by the North American Tire Business Unit.
  - (2) .05% of the revenue generated by the Engineered Products Division's North American Business.
- e. All activities of the Public Policy Fund shall be subject to approval by the Governing Committee, provided that :
  - (1) With respect to any aspect of the content, administration, delivery or implementation, of any programs or activities conducted under the auspices of the Fund, the Union Members of the Governing Board shall be free to propose that the Union or its designee take any or all

responsibility for such content or administration, delivery or implementation, subject to the reasonable approval of the Company Members.

(2) 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.

f. It is expected that a portion of the Contribution shall, at the Union's request, be allocated to the industry-wide coalition described below.

g. The parties will develop a report form to track accrued obligations and expenditures on a regular basis.

## 2. Industry-Wide Activities

a. The Company agrees to join an Industry-Wide Labor/Management Committee (IWC) effective on the agreement of at least one other major tire Company's agreement to join such committee.

b. The parties agree that the IWC will serve as a focal point for industry-wide joint activities as agreed to by the parties. The parties will continue to pursue other activities separately as appropriate.

c. The IWC will have a Governing Board consisting of an equal number of Union and Company representatives. The Board will be co-chaired by the President of the USWA and a CEO (or his designee) selected by the participating companies.

d. All activities conducted under the banner of the IWC shall be approved by the Governing Board.

Sincerely yours,

J.L. Allen

Director

Global Labor Relations

Agreed: \_\_\_\_\_

Andrew V. Palm

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 coordination 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: \_\_\_\_\_  
Andrew V. Palm

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.

**I. 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: \_\_\_\_\_  
Andrew V. Palm

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: \_\_\_\_\_  
Andrew V. Palm

LETTER 48

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 Reduction Commitment:

1. Mutual Understandings:

The Company and the Union acknowledge and agree that:

- A. The Union has agreed, in the interest of enhancing the Company's competitive position and financial condition, to significant modifications in the collective bargaining agreement that will result in substantial reductions in the Company's costs.
- B. Such modifications have been agreed to in the context of the Company's commitment to an overall cost reduction program that encompasses an extremely broad range of initiatives, particularly those focused on costs associated with corporate overhead and salaried personnel.

2. Company Representation:

The Company has provided the Union with confidential information detailing the staffing level as of December 31, 2002 associated with its North American Tire and North American Engineered Products Business Units, excluding retail operations and research and

development (Staffing Level).

### 3. Company Commitment

A. The Company agrees to reduce its Staffing Level by 115% of the percentage reduction of bargaining unit employees from their respective levels of December 31, 2002, exclusive of any net increase in the use of contractors.

B. In addition, the Company agrees to achieve a ratio of no more than one (1) non-bargaining unit employee at the plants with USWA represented employees, including: (i) contractors (full-time equivalents); and (ii) other employees of the Company working at other locations; who perform work historically performed by the Company's non-bargaining unit employees at the plants, for:

- every four (4) bargaining unit employees in the EPD plants as a group, aggressively progressing toward one (1) to five (5); and
- every six (6) bargaining unit employees in the tire plants as a group, aggressively progressing toward one (1) to seven (7)

### 4. Company Compliance

The Company agrees to provide the Union with quarterly reports documenting its performance in achieving the reductions outlined above. Such reports shall be certified by the Company as being true and complete. The Company further agrees to provide such additional information as the Union may request in order to clarify and/or substantiate the information presented.

Sincerely yours,

J.L. Allen  
Director  
Global Labor Relations

Agreed: \_\_\_\_\_  
Andrew V. Palm

## 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 percentage 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: \_\_\_\_\_

Andrew V. Palm

**LETTER 50**

**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 Neutrality.**

**1. Introduction**

**The Company and the Union have developed a constructive and harmonious relationship built on trust, integrity and mutual respect. The parties place a high value on the continuation and improvement of that relationship.**

**2. Neutrality**

- a. To underscore the Company's commitment in this matter, it agrees to adopt a position of Neutrality regarding the unionization of any production and maintenance employees of the manufacturing and retread factories of the Company, it being understood that the term production and maintenance employees shall include any employees who perform functions similar to those performed by employees of the Company represented by the Union.**
- b. Neutrality means that, except as explicitly provided herein, the Company will not in any way, directly or indirectly, involve itself in any matter which involves the unionization of its production**

and maintenance employees of the manufacturing and retread factories, including but not limited to efforts by the Union to represent the Company's employees or efforts by its employees to investigate or pursue unionization.

- c. The Company's commitment to remain neutral as defined above may only cease upon the Company demonstrating to the arbitrator under Paragraph 7 below that in connection with an Organizing Campaign (as defined in Paragraphs 3(a) through 3(c) below) the Union is: materially misrepresenting to the employees the facts surrounding their employment; is unfairly demeaning the integrity or character of the Company or its representatives; or is threatening, intimidating, coercing or harassing any person to secure signed authorization cards.

### 3. Organizing Procedures

- a. Prior to the Union distributing authorization cards to non-represented employees at a manufacturing or retread factory owned, controlled or operated by the Company, the Union shall provide the Company with written notification (Written Notification) that an organizing campaign (Organizing Campaign) will begin. The Written Notification will include a description of the proposed bargaining unit.
- b. The Organizing Campaign shall begin immediately upon provision of Written Notification and continue until the earliest of: (1) the Union gaining recognition under Paragraph 3(d)(5) below; (2) written notification by the Union that it wishes to discontinue the Organizing

Campaign; or (3) ninety (90) days from provision of Written Notification to the Company.

- c. There shall be no more than one (1) Organizing Campaign in any particular manufacturing or retread factory in any twelve (12) month period.
- d. Upon Written Notification the following shall occur:

(1) Notice Posting

The Company shall post a notice on all bulletin boards of the facility where notices are customarily posted as soon as the Unit Determination Procedure in Paragraph 3(d)(3) below is completed. This notice shall read as follows:

**"NOTICE TO EMPLOYEES**

We have been formally advised that the United Steelworkers of America is conducting an organizing campaign among certain of our employees. This is to advise you that:

1. The Company does not oppose collective bargaining or the unionization of our employees.
2. The choice of whether or not to be represented by a union is yours alone to make.
3. We will not interfere in any way with your exercise of that choice.
4. The Union will conduct its organizing effort over the next ninety (90) days.
5. In their conduct of the organizing effort, the Union and its representatives are prohibited

from: misrepresenting the facts surrounding your employment; unfairly demeaning the integrity or character of the Company or its representatives; and threatening, intimidating, coercing or harassing any person to secure signed authorization cards.

6. If the Union secures a simple majority of individual authorization cards of the employees in [insert description of bargaining unit provided by the Union] the Company shall recognize the Union as the exclusive representative of such employees without a secret ballot election conducted by the National Labor Relations Board.
7. Each authorization card must unambiguously state that the signing employee desires to designate the Union as his/her exclusive representative.
8. Employee signatures on the authorization cards will be confidentially verified by a neutral third party chosen by the Company and the Union."

Following receipt of Written Notification, the Company may only communicate to its employees on subjects which directly or indirectly concern unionization on the issues covered in the Notice set forth above or raised by other terms of this Neutrality Section and consistent with this Section and its spirit and intent.

## (2) Employee Lists

Within five (5) days following Written

Notification, the Company shall provide the Union with a complete list of all of its employees in the proposed bargaining unit who are eligible for Union representation. Such list shall include each employee's full name, home address, job title and work location. Upon the completion of the Unit Determination Procedure described in Paragraph 3(d)(3) below, an amended list will be provided if the proposed unit is changed as a result of such Unit Determination Procedure. Thereafter during the Organizing Campaign, the Company will provide the Union with updated lists monthly.

(3) Determination of Appropriate Unit

As soon as practicable following Written Notification, the parties will meet to attempt to reach an agreement on the unit appropriate for bargaining. In the event that the parties are unable to agree on an appropriate unit, either party may refer the matter to the Dispute Resolution Procedure contained in Paragraph 7 below. In resolving any dispute over the scope of the unit, the arbitrator shall apply the principles used by the National Labor Relations Board.

(4) Access to Company Facilities

During the Organizing Campaign the Company, upon written request, shall grant reasonable access to a well-traveled non-work location to the Union for the purpose of distributing literature and meeting with unrepresented Company employees. The

exact times and location shall be determined in joint discussions between the parties. Distribution of Union literature shall not compromise safety or production or unreasonably disrupt ingress or egress or the normal business of the facility. Distribution of Union literature and meetings with employees shall be limited to non-work areas during non-work time.

(5) Card Check/Union Recognition

(a) If, at any time during an Organizing Campaign which follows the existence of a substantial and representative complement of employees in any unit appropriate for collective bargaining, the Union demands recognition, the parties will request that a mutually acceptable neutral (or an arbitrator from the American Arbitration Association if no agreement on a mutually acceptable neutral can be reached) conduct a card check within five (5) days of the making of the request.

(b) The neutral shall confidentially compare the authorization cards submitted by the Union against original handwriting exemplars of the entire bargaining unit furnished by the Company. If the neutral determines that a simple majority of eligible employees has signed cards which unambiguously state that the signing employees desire to designate the Union as their exclusive representative for collective bargaining purposes, and that

cards were signed and dated during the Organizing Campaign, then the Company shall recognize the Union as the exclusive representative of such employees without a secret ballot election conducted by the National Labor Relations Board.

- (c) The list of eligible employees submitted to the neutral shall be jointly prepared by the Union and the Company.

#### **(4) Hiring**

- a. Laid-off employees described in Article X of the Agreement may apply for employment at plants not covered by the Agreement. A laid-off employee must make written application for employment at a specific plant of interest. Upon such request, the laid-off employee will receive priority consideration in the plant's hiring selection process and will be required to satisfy the normal selection process requirements at the respective plant in order to attain status.
- b. In determining whether to hire any applicant (whether or not such applicant is an Employee covered by the Agreement), the Company shall refrain from using any selection procedure which, directly or indirectly, evaluates applicants based on their attitudes or behavior toward unions or collective bargaining.

#### **5. Definitions and Scope of this Agreement**

This agreement is limited to the production and maintenance employees at the Company's manufacturing and retread factories.

- a. Rules with Respect to Affiliates

- (1) For purposes of this Section, the Company includes (in addition to the Company) any entity, which is an Affiliate of the Company.
- (2) An Affiliate shall mean any business enterprise that Controls, is under the Control of, or is under common Control with Goodyear.

Control of a business enterprise shall mean possession, directly or indirectly, of either:

- (a) fifty percent (50%) of the equity of the enterprise; or
- (b) the power to direct the management and policies of said enterprise.

**b. Rules With Respect to Existing Affiliates**

The Company agrees to cause all of its existing Affiliates that are covered by the provisions of Paragraph 5a above, to become a party to this Section and to achieve compliance with its provisions.

**c. Rules with Respect to New Affiliates**

The Company agrees that it will not consummate a transaction which would result in the Company having or creating an Affiliate without ensuring that the New Affiliate, if covered by the provisions of Paragraph 5a above, agrees to and becomes bound by this Section.

- d.** In the event that an Affiliate is not itself engaged in the operations described in Paragraph 5a above, but has an Affiliate that is engaged in such operations, then such Affiliate shall be covered by all provisions of this Section.

## 6. Bargaining in Newly-Organized Units

Where the Union is recognized pursuant to the above procedures, the first collective bargaining agreement applicable to the new bargaining unit will be determined as follows:

- a. The employer and the Union shall meet within fourteen (14) days following recognition to begin negotiations for a first collective bargaining agreement covering the new unit.
- b. If after ninety (90) days following recognition the parties are unable to reach agreement for such a collective bargaining agreement, they shall submit those matters that remain in dispute to the Chair of the Union Negotiating Committee and the Chair of the Company Negotiating Committee, who shall use their best efforts to assist the parties in reaching a collective bargaining agreement.
- c. If after thirty (30) days following the submission of outstanding matters the parties remain unable to reach a collective bargaining agreement, the matter may be submitted to final offer interest arbitration in accordance with procedures to be developed by the parties.
- d. If interest arbitration is invoked, it shall be a final offer package interest arbitration proceeding. The interest arbitrator shall have no authority to add to, detract from or modify the final offers submitted by the parties, and the arbitrator shall not be authorized to engage in mediation of the dispute. The arbitrator shall select one or the other of the final offer packages submitted by the parties on the unresolved issues. The interest arbitrator shall select the final offer package found to be the more

reasonable when considering (1) any matters agreed to by the parties and therefore not submitted to interest arbitration and (2) the fact that the collective bargaining agreement will be a first contract between the parties. The decision shall be in writing and shall be rendered within thirty (30) days after the close of the interest arbitration hearing record.

- e. Throughout the proceedings described above concerning the negotiation of a first collective bargaining agreement and any interest arbitration that may be engaged in relative thereto, the Union agrees that there shall be no strikes, slowdowns, sympathy strikes, work stoppages or concerted refusals to work in support of any of its bargaining demands. The Company, for its part, likewise agrees not to resort to the lockout of Employees to support its bargaining position.

## 7. Dispute Resolution

- a. Any alleged violation or dispute involving the terms of this Section may be brought to a joint committee of one (1) representative each from the Company and the Union. If the alleged violation or dispute cannot be satisfactorily resolved by the parties, either party may submit such dispute to the arbitrator. A hearing shall be held within ten (10) days following such submission and the arbitrator shall issue a decision within five (5) days thereafter. Such decision shall be in writing and need only succinctly explain the basis for the findings. All decisions by the arbitrator pursuant to this article shall be based on the terms of this Section and the applicable provisions of the law.

The arbitrator's remedial authority shall include the power to issue an order requiring the Company to recognize the Union where, in all the circumstances, such an order would be appropriate.

- b. The arbitrator's award shall be final and binding on the parties and all employees covered by this Section. Each party expressly waives the right to seek judicial review of said award; however, each party retains the right to seek judicial enforcement of said award.
- c. For any dispute under this Section and the interest arbitration procedure described in Paragraph 6 above, the parties shall choose the arbitrator from the list of arbitrators described in the grievance procedure of the Collective Bargaining Agreement, contacting them in the order listed, and retaining the first to indicate an ability to honor the time table set forth above for the hearing and the decision.

Sincerely yours,

J.L. Allen  
Director  
Global Labor Relations

Agreed: \_\_\_\_\_  
Andrew V. Palm

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 a seat on the Board of Directors.

1. The Company and the Union acknowledge that every member of the Company's Board of Directors (Board, members of such Board, Directors) has a fiduciary duty to the Company and all of its stockholders.

2. The Company agrees that the Union shall have the right, as described below, to designate one (1) individual to serve on the Board.

a. The International President shall provide the Board's Chairman with the name and resume of the individual whom s/he wishes to have serve on the Board. The individual may not be currently an employee of the Company, the USWA, or associated in any manner with any competitor of the Company. The individual must also meet the normal Board selection criteria.

b. Provided that the individual is acceptable to the Chairman, such acceptance to not be unreasonably withheld, the Chairman shall promptly recommend such individual to the

Board's Nominating Committee, who absent compelling reason to the contrary, shall promptly recommend such individual to the full Board for election at its next meeting.

- c. Once elected, the individual shall be recommended by the Board for election by the shareholders to serve a regular term at the Company's next Annual Meeting of Shareholders.
3. If after election, the individual becomes unwilling or unable to serve or the Union wishes to replace him/her, the International President shall provide the Board's Chairman with the name of a new individual whom s/he wishes to have serve on the Board and the process outlined above shall thereafter be followed. In such case the individual previously named by the International President may be removed from or not nominated for re-election to the Board.
4. At the time that any person is nominated by the Union as provided herein, said nominee shall acknowledge in whatever fashion such acknowledgement is given by all of the Company's other Directors, that such nominee, if elected to the Board, would have a fiduciary duty to the Company and its stockholders. The person selected to serve on the Board shall, consistent with all other Board members, take all necessary steps to avoid the appearance of a conflict of interest, including excusing him/herself when necessary from Board meetings.

Sincerely yours,

J.L. Allen

Director

Global Labor Relations

Agreed: \_\_\_\_\_

Andrew V. Palm

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 printing of the contract books was discussed. The parties agreed that all mistakes, errors and any deletions that were made in the printing of the 2000 contract, local letters and Memorandums books will be corrected and a more detailed index will be included. Local contract booklets with the USWA seal on the cover, color to be determined by the local union and paid for by the company will be furnished to the members within 90 days of ratification of local agreement or a mutually agreed upon date. A maximum of 100 of hole-punched or wire-bound booklets as determined by the local union will be provided.

Sincerely yours,  
J.L. Allen  
Director  
Global Labor Relations

Agreed: \_\_\_\_\_  
Andrew V. Palm

LETTER 51

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 parties engaged in discussions regarding the use of technology for surveillance, in whatever form, to watch employees during work hours. To resolve this issue the Company agrees that it will not install or use any new surveillance device (i.e., video cameras, live monitors, etc.) in any bargaining unit work area, without notice to the local union. It is understood that it is not the intention of the parties to restrict the use of devices used solely for the purpose of equipment and product/process monitoring.

Sincerely yours,

J.L. Allen  
Director  
Global Labor Relations

Agreed: \_\_\_\_\_  
Andrew V. Palm

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: \_\_\_\_\_  
Andrew V. Palm

LETTER 53 - ATTACHMENT A  
 (Plant capacity determination based on plant work schedule as of August 1, 2003.)

PLANT	ACTIVE HOURLY STAFFING (8-1-03)	WORK SCHEDULE	PLANT PRODUCT
Darville	2033	6 Day Traditional 7 Day Continuous Operation	Aero & Bias Truck MRT
Gadsden	1158	7 Day Flexible Continuous Operation	Entire Plant
Topeka	1432	8 Day Traditional 5 2/3 Day Continuous Operation	CTR & Bias Truck MRT/LT/Hummer
Union City	2287	6 Day Traditional	Entire Plant
Fayetteville	2224	6 Day Traditional	Entire Plant
Freeport	715	6 Day Traditional	Entire Plant
Tyler	1072	7 Day Flexible Continuous Operation	Entire Plant
Huntsville	1020	6 Day Traditional	Entire Plant
Buffalo	1052	7 Day Continuous Operation	Entire Plant
St. Marys	486	7 Day Continuous Operation 6 Day Traditional	Rubber Track Rest of Plant
Marysville	182	6 Day Traditional	Entire Plant
Sun Prairie	263	6 Day Traditional 7 Day Continuous Operation	Brake Hose A/C Hose
Lincoln	768*	6 Day Traditional	Entire Plant
Akron	471	6 Day Traditional	Entire Plant

\*Excludes hourly staffing for Lincoln GDC

LETTER 54

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, there was considerable discussion concerning plant closures. As a result, it was agreed that with the closing of the Huntsville Plant 100% of its factory production as of 8-1-03 will be transferred to other USWA represented plants.

In the transition of these tires from the Huntsville Plant to other protected facilities as identified in the Plant and Product Protection Letter, such plants receiving these product codes will have their staffing numbers, as identified in Attachment A of the Plant and Product Protection Letter, adjusted accordingly.

It is also understood that the Huntsville Plant product codes referenced in this letter become part of the ticket protection paragraph of the Plant and Product Protection Letter at the new protected facility.

Finally, it is agreed that the Company will transfer 1,000,000 tires and increase Gadsden capacity to accommodate the scheduled tires from an other than protected facility or facilities to the Gadsden Plant.

Sincerely yours,

J.L. Allen

Director  
Global Labor Relations

Agreed: \_\_\_\_\_  
Andrew V. Palm

LETTER 1

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:

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,

J.L. Allen  
Director  
Global Labor Relations

Agreed: \_\_\_\_\_  
Andrew V. Palm

(Original letter dated April 15, 1959 from F J Carter to Goodyear Section  
International Policy Committee)

**LETTER 5**

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:

In the event that the Company opens a new manufacturing facility or acquires a manufacturing facility within the confines of the United States for the manufacture of products of a type produced in existing plants covered by the Company-Wide Agreement, the Company will provide any laid-off employees or surplus employees scheduled for layoff, the hiring rights provided for in the Neutrality Letter.

Sincerely yours,

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

Agreed: \_\_\_\_\_  
**Andrew V. Palm**

(Original letter dated July 24, 1967 from Nelson G Bull to Kenneth Oldham)

**LETTER 38**

**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 discussed the issue of payment for non-incentive work. To that end, the parties agreed that "Average Hourly Earnings" (A.H.E.) payments should only be paid for non-incentive work at the Goodyear Master and Kelly-Springfield plants that have participated in these Master negotiations, in the following situations:**

- 1. Temporary transfer - when earning, or but for the interruption, would be earning piecework wages**
- 2. Company called meetings - when earning, or but for the interruption, would be earning piecework wages**
- 3. Experimental work - when earning, or but for the interruption, would be earning piecework wages**
- 4. Labor Trainer/instructor during instruction time that interrupts the ability to earn piecework wages, (excludes full time labor trainers)**
- 5. Local union representative payment as specified in Article VIII, Section 11 (a) and (b) of the Agreement**

**This letter applies to all current and future operations that have A.H.E. wage payments as defined in Article**

VIII, Section 10 (a) of the Collective Bargaining Agreement.

Sincerely yours,

J.L. Allen  
Director  
Global Labor Relations

Agreed: \_\_\_\_\_  
Andrew V. Palm

**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: \_\_\_\_\_  
Andrew V. Palm**

LETTER 36

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 for the Tyler, Texas facility 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 the Tyler facility:

1. The Company agrees that the Tyler facility will not be closed during the term of the collective bargaining agreement.

2. Minimum Staffing Level

The Company agrees that during the 2003 Collective bargaining Agreement it shall maintain a minimum of 60% of the total hourly staffing level as of August 1, 2003 and shall not, with the exception of scheduled overtime, materially reduce the work schedule as being applied on August 1, 2003, after adjusting for the productivity gains; however upon completion of a Local Improvement Plan as outlined in the Productivity Agreement, the Minimum Staffing Level will be raised to 70%.

3. Conditions

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

Commitment to the Tyler 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 Tyler facility 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. Said consideration shall be given to the extent that the Tyler facility has, or it could be demonstrated that it could develop, a cost structure that allows the tires to be competitively produced and the necessary capacity and capability is available or could be made available through capital expenditures which could be able to earn a fair rate of return.

#### 5. Imports

The Company shall be permitted to import tires that Tyler is currently producing or is capable of producing provided the Company is working on the development and execution of the BEP.

#### 6. Transfer Restriction

The Company agrees that it will not transfer product currently produced in Tyler to other facilities in North America.

#### 7. Capital Spending

The Company agrees to provide Tyler with a meaningful level of capital expenditures provided that some portion of such investment is provided by

sources other than Goodyear e.g. state, local or federal funds. The Company further agrees that Tyler shall be given meaningful first consideration and priority for capital expenditures which increase capacity or modernize the facility for production of products for sale principally in North America.

#### 8. Development of the BEP

##### A. Break - Even Plan

A Break-Even Plan (BEP) shall be defined as an operating and financial plan under which the Tyler facility generates, on an annual basis, operating income, excluding half of the fixed and allocated expenses that would remain as expenses of the Company in the event of a closure of the facility.

##### Assumptions:

- The assumptions underlying the BEP shall be as outlined below and where not specified shall be reasonable.
- Market competitive prices for products produced at the facility.
- The facility operates at 85% of full capacity - at least eight and one half (8.5) million tires per year.
- The Company materially increases the production of larger tires at Tyler.
- The Company agrees to provide Tyler with a meaningful level of capital expenditures provided that some portion of such investment is provided by sources other than Goodyear e.g. state, local or federal funds. The Company further agrees that Tyler shall be given meaningful first consideration and priority for capital expenditures which increase capacity or modernize the facility for

production of products for sale principally in North America.

#### **Cost Reduction:**

The BEP shall include the following cost reductions:

- Reductions in hourly staffing at least as large as those outlined in Attachment A of the Productivity Agreement, to be achieved in accordance with the procedure outlined in said Agreement, except as modified below.
- Reductions in non-represented staffing that move the Facility to a staffing ratio (as that concept is described in #3B of Letter 48) of at least 8 to 1 as of 7-1-04 and 10 to 1 by the end of the Agreement.
- A significant reduction in the number of hourly job classifications.
- Other cost reductions necessary to achieve a BEP.

#### **B. Process**

By no later than thirty (30) days following ratification of the Master Agreement the Parties shall have established a Joint Committee consisting of members of the Local Union Bargaining Committee and members of the local plant management and the Committee shall have agreed upon a process to complete the development of a BEP by June 30, 2004.

The Union members of the Committee shall be compensated by the Company for all joint meetings.

The Company shall provide the Union and the Committee with all internal support and resources and shall fund the cost of outside consultants, reasonably necessary to support this process.

The process shall include:

- A comprehensive assessment of the current and potential products and markets which could be served by the Tyler facility.
- A thorough analysis of all opportunities to improve the profitability of the facility.
- A study of capital projects necessary to accommodate the transferred tires described in above and other opportunities to use capital spending to enhance the profitability of the Facility.

The timelines outlined in the Productivity Agreement shall be adjusted so that the changes made as part of the Productivity Agreement shall be consistent with and part of the BEP.

#### C. Achievement of Letter 53 Protections

In the event that the parties have agreed upon or the Union shall have tabled a BEP; the BEP has been initiated and is progressing; and the Union has demonstrated sincere commitment to the success of the BEP in accordance with the procedures and as defined above, then this letter shall be modified to provide Tyler with the protections of Letter 53 modified to the changes envisioned in the BEP.

#### 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. 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.

#### 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.

#### 11. Dispute Resolution

Any dispute regarding the application or interpretation of this agreement, including matters concerning the process deadlines, etc., shall be promptly placed before an Arbitrator to be selected by the parties who shall have full authority to resolve the matter as s/he deems fit. The selected Arbitrator shall resolve all such disputes unless s/he becomes unable to continue in this role in which case another Arbitrator shall be selected by the parties to shall assume the role.

*It is agreed that the question of whether a plan tabled by the Union meets the parameters of a BEP shall be an appropriate matter for the Arbitrator.*

Sincerely yours,

J.L. Allen  
Director  
Global Labor Relations

Agreed: \_\_\_\_\_  
Andrew V. Palm

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 debt restructuring was discussed in great detail. The parties arrived at the following understanding on this issue:

- 1) **UP-FRONT FINANCING:** The Company will consummate the following capital market transactions by December 31, 2003:
  - a) At least \$250 MM of debt-securities; and
  - b) At least \$75 MM of equity linked securities,If the Company fails to consummate the above capital market transactions by the proposed date, the Union may file a grievance and may strike, subject to the provisions of the Special Dispute Resolution Procedure in Attachment A.
- 2) **COVENANT COMPLIANCE:** The Company shall remain in compliance with its' prevailing principal bank financial covenants. If the Company fails to remain in compliance, it will immediately vigorously pursue and make it's best efforts to expeditiously consummate an investment into the Company by an outside entity (acceptable to the USWA) of a substantial amount of private equity. Such investment would be expected to provide the investor with significant influence in the management and direction of the Company. The

process for seeking such investment, including the role of the USWA, and the consummation of a transaction, will be subject to the Board of Directors normal fiduciary duty.

- 3) **BANK LOAN REFINANCING:** The Company will refinance its' current bank facilities (approximately \$1.3 billion) by launching a syndication of new loans or securities by no later than December 1, 2004 with the expectation that the transaction would close shortly thereafter. The new loans or securities must mature no earlier than the later of three (3) years from the closing of the transaction and September 30, 2007.
- a) If the Company fails to comply with the Bank Loan Financing requirements as outlined in this paragraph 3., the following remedy will be available:
- i) The Union may file a grievance and strike, subject to the provisions of the Special Dispute Resolution Procedure in Attachment A; and
  - ii) The Company will pay each active USWA bargaining unit employee covered by the Master Agreement \$1000 and \$500 to each retiree that has retired from a facility covered by the Master Agreement.

The Company and the Union agree to complete full documentation of this "side letter" by September 15, 2003.

Sincerely yours,

J.L. Allen

Director

Global Labor Relations

Agreed: \_\_\_\_\_

Andrew V. Palm

**Debt Restructuring - Attachment A**  
**Special Dispute Resolution Procedure For Union**  
**Grievance Over Debt**  
**Restructuring**

The parties agreement on debt restructuring as set forth in the debt restructuring letter agreement (Debt Restructuring Agreement or DRA) is an integral component of the 2003 Settlement Agreement, and the Company recognizes that the Union would have bargained for substantially different provisions in the 2003 Settlement Agreement but for the willingness of the Company to promise and perform the commitments set forth in the DRA. In recognition of the importance of the DRA to the overall 2003 Settlement Agreement, the parties hereby enter into this Special Resolution Procedure for a Union Grievance Over the Debt Restructuring Agreement (Special Procedure).

- A. A claim by the Union that the Company has not complied with an obligation under the DRA is not arbitrable (except as provided in paragraph E below) and shall not be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. Nor shall such claim be subject to judicial or administrative review or resolution.
- B. If the Union has a good faith belief that the Company has failed to comply with an obligation under the DRA, the Union may file a grievance under this Special Procedure by having the Chairperson of the Union Negotiating Committee provide written notice, either by certified mail or personal delivery, of the claimed violation to the Chairperson of the Company Negotiating Committee and the Company's Chief Financial Officer and within seven

(7) business days of receipt of the grievance, the Chairpersons (or their respective designees) shall meet for the purpose of resolving the grievance. The Union, at this meeting, must document, with objective evidence, its' good faith belief that the Company has failed to comply with an obligation under the DRA.

C. If the grievance referred to in paragraph B remains unresolved by the eleventh (11th) business day following the Company's receipt of the grievance, the Union may, at anytime thereafter, and notwithstanding Article (no strike section) of the Collective Bargaining Agreement, provide written notice, either by certified mail or personal delivery, to the Chairperson of the Company's Negotiating Committee of the intent of the Union to conduct, effective upon seventy-two (72) hours notice, a strike to remedy the grievance.

D. Upon the expiration of the seventy-two (72) hour notice period referred to in paragraph C above, the Union shall be free to conduct a strike to remedy the grievance referred to in this Special Procedure, and any such strike shall not be a violation of the Basic Labor Agreement or any other agreement between the parties. The Company agrees that the subject matter of any strike undertaken pursuant to this Special Procedure will not be a basis for treating the strike as either unprotected or unlawful. The parties agree to treat the subject and substance of the DRA as a mandatory subject of bargaining. The Company waives its right, in any forum, to assert that the subject or substance of the DRA is a non-mandatory or permissive subject of bargaining, whether in furtherance or defense of any action before a court,

administrative agency, arbitrator, or other public or private tribunal.

- E. If the Union has not exercised its' right to strike within sixty (60) days of the expiration of the seventy-two (72) hour notice period referred to in paragraph D above, the grievance shall be placed before an Arbitrator to be selected by the parties who shall have full authority to resolve the matter as he/she deems fit. The selected Arbitrator shall resolve the dispute unless he or she becomes unable to continue in this role in which case another Arbitrator shall be selected by the parties to shall assume the role.
- F. The provisions of this Procedure shall provide the exclusive method of resolving disputes over the Company's compliance with the DRA.

Sincerely yours,

J.L. Allen  
Director  
Global Labor Relations

Agreed: \_\_\_\_\_  
Andrew V. Palm

**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: \_\_\_\_\_  
Andrew V. Palm

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## 2004

January							February							March						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3	1	2	3	4	5	6	7	1	2	3	4	5	6	
4	5	6	7	8	9	10	8	9	10	11	12	13	14	7	8	9	10	11	12	13
11	12	13	14	15	16	17	15	16	17	18	19	20	21	14	15	16	17	18	19	20
18	19	20	21	22	23	24	22	23	24	25	26	27	28	21	22	23	24	25	26	27
25	26	27	28	29	30	31	29							28	29	30	31			
April							May							June						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3						1		1	2	3	4	5		
4	5	6	7	8	9	10	2	3	4	5	6	7	8	6	7	8	9	10	11	12
11	12	13	14	15	16	17	9	10	11	12	13	14	15	13	14	15	16	17	18	19
18	19	20	21	22	23	24	18	17	18	19	20	21	22	20	21	22	23	24	25	26
25	26	27	28	29	30		23	24	25	26	27	28	29	27	28	29	30			
							30	31												
July							August							September						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3	1	2	3	4	5	6	7			1	2	3	4	
4	5	6	7	8	9	10	8	9	10	11	12	13	14	5	6	7	8	9	10	11
11	12	13	14	15	16	17	15	16	17	18	19	20	21	12	13	14	15	16	17	18
18	19	20	21	22	23	24	22	23	24	25	26	27	28	19	20	21	22	23	24	25
25	26	27	28	29	30	31	29	30	31					26	27	28	29	30		
October							November							December						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2		1	2	3	4	5	6			1	2	3	4		
3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11
10	11	12	13	14	15	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18
17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25
24	25	26	27	28	29	30	28	29	30					26	27	28	29	30	31	
31																				

## 2005

January							February							March								
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S		
						1			1	2	3	4	5			1	2	3	4	5		
2	3	4	5	6	7	8	6	7	8	9	10	11	12	6	7	8	9	10	11	12		
9	10	11	12	13	14	15	13	14	15	16	17	18	19	13	14	15	16	17	18	19		
16	17	18	19	20	21	22	20	21	22	23	24	25	26	20	21	22	23	24	25	26		
23	24	25	26	27	28	29	27	28						27	28	29	30	31				
30	31																					
April							May							June								
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S		
					1	2	1	2	3	4	5	6	7			1	2	3	4			
3	4	5	6	7	8	9	8	9	10	11	12	13	14	5	6	7	8	9	10	11		
10	11	12	13	14	15	16	15	16	17	18	19	20	21	12	13	14	15	16	17	18		
17	18	19	20	21	22	23	22	23	24	25	26	27	28	19	20	21	22	23	24	25		
24	25	26	27	28	29	30	29	30	31					26	27	28	29	30				
July							August							September								
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S		
					1	2			1	2	3	4	5	6						1	2	3
3	4	5	6	7	8	9	7	8	9	10	11	12	13	4	5	6	7	8	9	10		
10	11	12	13	14	15	16	14	15	16	17	18	19	20	11	12	13	14	15	16	17		
17	18	19	20	21	22	23	21	22	23	24	25	26	27	18	19	20	21	22	23	24		
24	25	26	27	28	29	30	28	29	30	31				25	26	27	28	29	30			
31																						
October							November							December								
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S		
					1				1	2	3	4	5						1	2	3	
2	3	4	5	6	7	8	6	7	8	9	10	11	12	4	5	6	7	8	9	10		
9	10	11	12	13	14	15	13	14	15	16	17	18	19	11	12	13	14	15	16	17		
16	17	18	19	20	21	22	20	21	22	23	24	25	26	18	19	20	21	22	23	24		
23	24	25	26	27	28	29	27	28	29	30				25	26	27	28	29	30	31		
30	31																					

## 2006

January							February							March						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7			1	2	3	4			1	2	3	4		
8	9	10	11	12	13	14	5	6	7	8	9	10	11	5	6	7	8	9	10	11
15	16	17	18	19	20	21	12	13	14	15	16	17	18	12	13	14	15	16	17	18
22	23	24	25	26	27	28	19	20	21	22	23	24	25	19	20	21	22	23	24	25
29	30	31	26	27	28	26	27	28	29	30	31									
April							May							June						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1	1	2	3	4	5	6				1	2	3		
2	3	4	5	6	7	8	7	8	9	10	11	12	13	4	5	6	7	8	9	10
9	10	11	12	13	14	15	14	15	16	17	18	19	20	11	12	13	14	15	16	17
16	17	18	19	20	21	22	21	22	23	24	25	26	27	18	19	20	21	22	23	24
23	24	25	26	27	28	29	28	29	30	31	25	26	27	28	29	30				
30																				
July							August							September						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1	1	2	3	4	5				1	2				
2	3	4	5	6	7	8	6	7	8	9	10	11	12	3	4	5	6	7	8	9
9	10	11	12	13	14	15	13	14	15	16	17	18	19	10	11	12	13	14	15	16
16	17	18	19	20	21	22	20	21	22	23	24	25	26	17	18	19	20	21	22	23
23	24	25	26	27	28	29	27	28	29	30	31	24	25	26	27	28	29	30		
30	31																			
October							November							December						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7			1	2	3	4				1	2			
8	9	10	11	12	13	14	5	6	7	8	9	10	11	3	4	5	6	7	8	9
15	16	17	18	19	20	21	12	13	14	15	16	17	18	10	11	12	13	14	15	16
22	23	24	25	26	27	28	19	20	21	22	23	24	25	17	18	19	20	21	22	23
29	30	31	26	27	28	29	30	24	25	26	27	28	29	30						
													31							



***FOR A LONG TERM FUTURE,  
INVEST IN QUALITY!***

