

**KIMBERLY-CLARK AGREEMENT**



**And**

**United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied  
Industrial Service Workers International Union, AFL-CIO-CLC, on behalf of Local  
10-448**

**April 1, 2015 – April 1, 2018**

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## LABOR AGREEMENT

Agreement made the 12<sup>th</sup> day of February 2015, between Kimberly-Clark Pennsylvania, LLC. for its Chester plant, located at One Avenue of the States, Chester, Pennsylvania, (hereinafter referred to as the Company), and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial Service Workers International Union, AFL-CIO-CLC, on behalf of Local 10-448 (hereinafter referred to as the Union).

### Section 1 - GENERAL PURPOSE OF THE AGREEMENT

The general purpose of this Agreement is to promote the mutual interests of the Company and its employees by providing for the operation of the Company's Chester plant under conditions which will further the safety and welfare of the employees, efficiency of operations, quality and quantity of output, cleanliness of the plant, and protection of property to the fullest possible extent. It is recognized by this Agreement to be the duty and responsibility of the Union, the Company and the employees to cooperate fully, individually and collectively for the advancement of these conditions.

### Section 2 - RECOGNITION OF UNION

- a. In matters which are properly the subject of collective bargaining as set forth in the National Labor Relations Act, the Company recognizes the Union as the sole collective bargaining agency for all hourly paid production and maintenance employees in the manufacturing operations of the Company's Chester plant, except all clerical employees (other than hourly paid Distribution clerks), professional employees, technicians, guards and salaried leadership as defined in the National Labor Relations Act.
- b. The term "employee" and "employees" when used in this Agreement without any accompanying descriptive terms shall mean only those employees for whom the Union is recognized as sole collective bargaining agency as set forth above.
- c. Neither the Company nor any salaried leadership shall have any private understanding or agreement with an individual employee, or group of employees, in conflict with this Agreement.

### Section 3 - UNION MEMBERSHIP AND DUES

- a. Each employee who is now a member of the Union shall maintain his/her membership as a condition of his/her continued employment. Each new employee, or returning employee not previously a member of the Union, shall become a member of the Union upon completion of thirty (30) days of continuous employment and shall thereafter maintain his/her membership as a condition of his/her continued employment.
- b. The new employees shall be advised at the time of their employment of this agreement between the Company and the Union and the terms thereof and the Company will give each new employee the opportunity to sign a Union dues authorization form.
- c. Upon receipt by the Company of an individual signed authorization from any employee in a form satisfactory to the Company, the Company, during the term of this Agreement, will deduct from the employee's wages the amount specified by the duly authorized officers of the Union to cover the employee's Union initiation fee (if any) and regular monthly Union dues and will transmit the amounts so deducted to the financial secretary of Local No. #10-448. Each such authorization will

remain in effect for a period of one (1) year from the date thereof (or for the remaining term of the then current Agreement between the Company and the Union if less than one (1) year) at the end of which time it may be revoked by the employee by giving written notice to the Company at any time during the last ten (10) days of such period. If such notice is not given, the authorization will remain in effect for successive periods of one (1) year thereafter with the same privilege of revocation at the end of each one (1) year period.

- d. The Union agrees to save the Company harmless against any claims, demands or liability with respect to any action taken by the Company for the purpose of complying with the provisions of this Section.
- e. Dues Collection -- the Company agrees to deduct the regular monthly Union dues from earned wages of those employees who individually authorize such deduction in writing on "Authorization Cards" and send such to Secretary-Treasurer of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC within ten (10) days of the said deduction.

#### Section 4 - MANAGEMENT OF PLANT

The Company retains the exclusive right to manage the business of the Company and its Chester plant and to direct the work force. To do this, the Company has chosen the High Performance Work System (HPWS) model, as the method it will utilize to advance the interests of both the Company and its employees. This right includes but is not limited to the right to plan, direct and control all plant operations; to establish, modify and eliminate plant facilities, production methods, and production and quality standards; to discontinue the performance of any process or operation by employees; to determine the number of employees required; and except as expressly modified by specific provision of this Agreement, the right to select, hire, assign, promote, demote, transfer, discipline, suspend or discharge employees for proper cause or to relieve them from duties because of lack of work or for other legitimate reasons. All rights, powers, functions or authority possessed by the Company prior to the execution of any Agreement with the Union are retained by the Company except as specifically modified by this Agreement.

#### Section 5 – HIGH PERFORMANCE WORK SYSTEM

On January 19, 2015 the parties have recommitted to the principles contained in the Chester High Performance Work System Memorandum of Agreement. On July 19, 1994, the parties to this contract signed the Chester High Performance Work System Memorandum of Agreement. The contents of this Agreement have become the framework for the Union and local Management to work jointly to significantly improve the cost-competitive position of the Chester Mill. The parties remain committed to the principles contained in this document and fully understand that our future job security is based on being the most competitive manufacturer in our marketplace in all dimensions.

Training is a key and vital ingredient for a successful working environment. The Company and Union agree and are committed to providing the needed training systems required to have the best trained and most skilled people in our industry. The training program will include technical, operational, business, process, interpersonal and team skills.

## Section 6 - HOURS OF WORK

- a. The hourly team is responsible for creating a rolling two-week schedule each week to include Operation and Reliability that adheres to the guidelines established by the Company. That schedule will be posted by Thursday of each week. The working schedule of each division, department or portion of a department, and of each employee, will be determined by the Company and may be changed at any time by the Company. If such schedules are subsequently changed for any reason other than an Act of God to require an employee to work more than one (1) hour on a scheduled day off on the posted schedule, the employee will receive a payment of two (2) hours at his/her HPWS rate, in addition to pay for time worked for each previously scheduled day off which he/she subsequently works.
- b. If an employee fails to report for their scheduled shift, the hourly operating team leader with the support of the team will determine if that opening needs to be filled. If it does, the team will attempt to cover that opening without incurring overtime – safety and cost are the two most important considerations when covering openings. Shift employees whose relief fails to report will remain on their job until suitable relief can be arranged.

The Union will establish procedures at the appropriate divisional or departmental level to insure that overtime work opportunities will be distributed as equally as possible among employees in the same division or department. Employees have the obligation to perform a reasonable amount of overtime work when requested to do so. Employees will be given as much advance notice as possible of overtime work requirements.

- c. An employee who has been required to work on his/her scheduled day(s) off will not be required to lose time from his/her scheduled workdays in the workweek, for the purpose of avoiding the payment of weekly overtime.
- e. An employee will not work more than sixteen (16) consecutive hours unless job continuity requires a temporary exception in which case the employee may work an additional two (2) hours not to exceed eighteen (18) hours. Under this paragraph, an employee is required to be off work for a minimum of six (6) hours.
- f. Employees having worked a twelve (12) hour scheduled shift or more will not be forced to work on a scheduled basis unless the employee has been off the clock for a minimum of six (6) hours.

## Section 7 - WAGE RATES AND SHIFT DIFFERENTIAL

- a. The High Performance Work System pay levels covered by this Agreement are set forth in Exhibit A, and will be in effect during the term of this Agreement except as provided in Paragraph b. of this Section.
- b. As employees transfer to different areas of the plant, the following will be used to determine the appropriate pay rate:
  1. New employees hired after 5/1/10 will continue to adhere to the 5 year New Hire Rate Progression. After the fifth year of service, follow #2, 3, 4 or 5 below.

2. Employees have a rate less than the Level 1 in area transferred into, will maintain his/her current rate upon transfer and must certify at Level 1 within time standard of the new Division.
  3. Employees have a rate greater than Level 1 but less than Level 2 in the area transferred into will move to Level 1 rate in the new area upon transfer and must certify within time standard of the new Division.
  4. Employees that move across Divisions will keep their current level (i.e. L3 to L3; L4 to L4). If the associated wage rate is higher in the receiving Division, the employee will maintain their current rate until they certify at the new level in the receiving Division. If the associated wage rate is lower in the receiving Division, the employee's current rate will be set at the Receiving Division's rate of pay. Within the time standard of the new Division, if the employee does not certify within that time standard, the employee's rate will be adjusted to the level for which they can certify.
  5. Employees that are above the gate (Level 5 & 6) will be moved to highest non-gated rate in the new area upon transfer and must certify to that new level within time standard of the new Division.
- c. If the Union and/or the Company desire to review a competitive pay for skill rate issue, the parties will first sit down and discuss the request. If the parties are unable to reach a satisfactory resolution, they will follow the process listed below:
- A competitive review of pay for skill rates (job rates for Stores, Building Services and General Labor) may be made at least once during the life of the contract. The Union and/or Company may initiate a request for a review when it is believed that the skill or work expectations have changed such that the existing rates of pay no longer reflect the level of pay that has been established by the those expectations. When a request has been made, a review will be scheduled within 30 days. The review shall include the Plant Manager, Union President, appropriate Team Leaders, Vice Presidents and any resources needed to conduct an appropriate review. A detailed review process will be developed. If after such review takes place an agreement between the parties can be reached, the wage rate or rates will be adjusted retroactive to the date of the original request for such review.
- In the event an agreement cannot be reached after a review is conducted, the Union has the right to challenge the disputed wage rate or rates in the Grievance Arbitration Procedure of the Labor Contract or other mutually agreed to processes. If during the process new wage rates are established, the new rate shall be retroactive back to the date of the original request for review of the disputed rate or rates.
- d. For employees who perform work on a shift schedule, a shift differential of 35 cents per hour will be paid for all work performed during the second shift hours and 45 cents per hour for third shift hours. Day workers required to work outside their regular hours will receive shift differential for the hours worked. NOTE: For those employees whose normal schedule is a twelve-hour rotation, 54 cents an hour will be paid for the back twelve hours.

Section 8 – PREMIUM PAYMENTS FOR OVERTIME AND SUNDAY WORK

- a. The term "workday" as used in this and subsequent Sections of the Agreement shall mean any period of twenty-four (24) consecutive hours beginning at the employee's designated day work or first shift starting time. The term "workweek" shall mean any period of seven (7) consecutive workdays beginning on Sunday.
- b. Time and one-half will be paid for all hours worked by any employee in excess of eight (8) consecutive hours; or in excess of eight (8) hours in any workday; or in excess of forty (40) hours in any workweek; except that if both daily and weekly overtime occur in the same workweek, the overtime rate will be paid only for employee's daily overtime hours or for his/her weekly overtime hours, whichever is the greater number, but not both. NOTE: For employees whose normal schedule is a 12-hour rotation, time and one-half will be paid for all hours worked in excess of twelve (12) hours in any workday or in excess of forty (40) hours in any workweek.
- c. Double time will be paid for all work performed on the workday beginning on Sunday.

When required to work sixteen (16) consecutive hours the employee shall receive two (2) hours pay at their job rate in addition to their pay for the time actually worked. If an employee starts into the 15th consecutive hour and leaves before the 16<sup>th</sup> consecutive hour is completed, the employee will receive the two hours (2) additional payment.

- d. Overtime and/or premium payments as provided by any of the Sections of this Agreement will not be pyramided. Whenever two (2) or more reasons for such payments apply to the same hours, only the one reason resulting in the highest weekly pay will be applied.
- e. Employees may be permitted to swap shifts, provided the swap does not result in a payment of any legally required overtime or any other overtime/premium payments, which may result from the swap. However, if the business requires overtime that is not associated with the swap, the employee will be eligible for the work and paid accordingly. When the team cannot accommodate the swap, the hourly team leader will inform the employees of the reason for this decision.

Section 9 - HOLIDAYS

- a. The following will be recognized as Paid Holidays:

- New Year's Day
- Good Friday  
(4/03/15, 3/25/16, 4/14/17)
- Memorial Day  
(5/25/15, 5/30/16, 5/29/17)
- July 4<sup>th</sup>
- Labor Day  
(9/07/15, 9/05/16, 9/04/17)
- Thanksgiving Day  
(11/26/15, 11/24/16, 11/23/17)

December 24<sup>th</sup>

December 25<sup>th</sup>

December 26<sup>th</sup>

Floater (3) - \*Refer to Exhibit E

When any holiday (other than December 24 and December 25) falls on a Sunday, the following Monday will be recognized as the holiday.

- b. Each employee who is on the company's payroll on any Paid Holiday, and who meets the other conditions set forth in this paragraph, will receive eight (8) hours holiday pay at their rate.

To be eligible for such holiday pay, employees must actually be at work on their last normally scheduled workday before and their first normally scheduled workday after the holiday and on the holiday itself if so scheduled, and must work all hours for which they are scheduled to work on each of those three (3) days unless their failure to do so is caused by one of the following reasons:

- (1) Specific instruction by the Company.
- (2) Absence due to temporary disability due to work-connected injury for which the employee is receiving Workers' Compensation benefits at the time the holiday occurs.
- (3) Absence due to non-work-connected injury or illness (subject to medical proof if requested by the Company) commencing not more than ninety (90) calendar days prior to the holiday.

NOTE: Employees entitled to holiday pay under the exceptions provided in Section 9b (2) and (3) will receive such pay as soon as reasonably possible after the holiday occurs.

- (4) Leave of absence granted by the Company under Funeral Leave or Jury Duty Sections of this Agreement.
- (5) Absence because of a State-declared emergency.

If employees fail to work all scheduled hours on their last normally scheduled workday before and their first normally scheduled workday after the holiday and on the holiday itself, if so scheduled, the amount of scheduled time not worked will be deducted from their holiday pay.

- c. In addition to any Holiday pay to which he/she may be entitled under Paragraph b, of this Section, any employee who is required to work on a Paid Holiday will be paid time and one-half for all hours worked.
- d. When an employee is scheduled off on a Holiday which he/she would have worked under his/her normal work schedule, his/her hours of Holiday Pay shall count as hours worked in calculating his/her weekly overtime pay for any work performed later in the work week in which the Holiday occurs.

For employees who work any portion of either December 24 or December 25, under the provisions of Section 9e below, their hours of Holiday Pay for that day shall count as hours worked in

calculating their weekly overtime pay for any work performed later in the workweek in which these holidays occur.

- e. The Company may schedule production work on December 24 and December 25 by seeking volunteers. In addition, during this period, work may be performed necessary to the protection of life and property, the treatment of water, and the supply of utilities (steam, air, gas, water, and electricity). On December 24, repair and maintenance work deemed necessary by management will be held to a minimum consistent with the prevention of subsequent curtailment of employment of an appreciable number of employees. On December 25, repair and maintenance work except what is necessary for the protection of life and property, treatment of water, the supply of utilities and work necessary to prepare for startup following the shutdown will be on a voluntary basis.

#### Section 10 - CALL-IN PAY

An employee who is called to come into work at the Company's request will be paid 2 hours Call-In pay at his/her HPWS rate in addition to the time worked unless he/she is notified 12 hours before the desired starting time or notified before he/she rings out at the end of his/her last preceding work period.

If employee is on-site but has not rung-in and is asked or voluntarily responds to a request to start work, call-in pay is not applicable. The employee will be paid at their HPWS rate for the time worked.

#### Section 11 - REPORTING PAY AND MINIMUM PAY

- a. If any employee reports for work on his/her regular shift or on other occasions at Company request and no work is available, he/she will receive four (4) hours work or Reporting Pay at his/her HPWS rate provided, however, that if the employee has been notified not to report at least eight (8) hours in advance of his/her scheduled or requested starting time, or if his/her failure to receive such notice results from circumstances beyond the control of the Company, or if the Company has been unable to notify the employee after making a reasonable effort, no allowance for so reporting shall be paid.
- b. Any employee who begins work on his/her regular shift will receive a minimum of four (4) hours work or pay at his/her HPWS rate provided, however, that if the employee works to within two (2) hours of the end of his/her regular shift, he/she will be provided with work, or if no work is available will be paid for the balance of the regular shift, unless he/she discontinues work for personal or disciplinary reasons or unless his/her work is interrupted for reasons beyond the Company's control.

#### Section 12 - REST PERIODS

- a. Employees on an Eight (8) Hour Schedule:

- Except in the event of an emergency, the Company agrees to permit two (2) paid fifteen (15) minute rest periods per shift: one during first half of shift and one during second half of shift and subsequently one fifteen (15) minute paid rest period during each four (4) hours of overtime. Employees are not permitted to leave the plant premises during these periods.
- b. Employees on a Twelve (12) Hour Schedule:
- Except in the event of an emergency, the Company agrees to permit three (3) paid fifteen (15) minute rest periods during their twelve (12) Hour Shift. Employees are not permitted to leave the plant premises during these periods.

**Section 13 – VACATIONS**

All employees in an active status on December 31 of the previous year will be eligible for vacation during the current year under the following terms and conditions:

- a. The length of the vacation to which an employee is entitled shall be determined by the number of years of continuous service with the Company in accordance with the following schedule:

|   |         |
|---|---------|
| Those completing 25 or more years of service during the current year                  | 6 Weeks |
| Those completing 18 or more but less than 25 years of service during the current year | 5 Weeks |
| Those completing 12 or more but less than 18 years of service during the current year | 4 Weeks |
| Those completing 6 or more but less than 12 years of service during the current year  | 3 Weeks |
| Those completing 1 or more but less than 6 years of service during the current year   | 2 Weeks |

Employees can defer one week of vacation into the following year. Employees may sell back up to two weeks of vacation anytime during the calendar year provided the sell-back week is not needed to cover a scheduled vacation week pursuant to Section 14 (E) of this Agreement. Employment prior to any "break" in service will not be counted except as covered in Section 18-n. Service will be considered "broken" by discharge, resignation, or lay-off which results in a loss of seniority.

NOTE: The Company must notify the Union before March 1st of any shutdowns or the "sell back week" does not have to be taken by the employee during scheduled shutdowns.

- b. To assure an equitable basis of vacation time for each employee, the calendar week will be used for scheduling all vacations. Therefore, vacation time will commence at the beginning of the first shift on Sunday and terminate at the end of the last shift on Saturday.
- c. Any employee on inactive status on December 31 of the previous year as the result of an approved leave of absence or lay-off will not be eligible for a vacation unless he/she returns to full-time active employment for at least 1 full week of employment before October 1 of the current year. The full period of any military leave of absence, educational leave of absence and the period of any other approved leave of absence will be counted as Company service in determining the length of the vacation to which an employee is entitled.
- d. When an established Paid Holiday occurs during an employee's vacation period, the employee will be entitled to an extra day's pay based on his/her normally scheduled daily hours (maximum payment of 8 hours). This extra day's pay will be provided to the employee with his/her first regular paycheck following his/her return from vacation.

- e. The hourly operating team is responsible for managing the selection and tracking of vacation in accordance with the operating needs established by the Company. Vacations may not be postponed or accumulated from one year to the next (refer to Section 14, paragraph a). At the discretion of the Company, employees in any division, department or departments or portion of a division or department may be required to schedule part or all of their vacations in any calendar year during a shutdown period designated by the Company. Vacation shutdown periods for the summer vacation period may be established or changed up to and including April 15. Vacation shutdown periods may be scheduled outside the summer vacation period provided that no employee will be required to so schedule his/her vacation unless notice of the shutdown has been posted in writing on plant bulletin boards at least ninety (90) calendar days prior to the first day of the shutdown.
- f. Vacation will be paid in accordance with the following schedule:  
 Effective - 1/01/2005: Rate - 56 hours x HPWS rate per week  
 Employees hired after 4/05/2004 will receive 50 hours x HPWS rate per week.  
 All normal deductions will be made from Vacation Pay in accordance with existing and established practices.
- g. Employees whose employment terminates during the year by retirement or for any other reason, after completing at least one (1) year of service with the Company, but before they have taken the full vacation to which they are entitled under this Vacation Plan, shall receive at the time of their termination, the Vacation Pay for that period of their vacation which has not been taken.
- h. Employees will have the flexibility to schedule one (1), two (2) or three (3) weeks of vacation in days given that there is no increased cost and it is done in accordance with Exhibit E.
- i. If you meet the requirements under Leave of Absence and you have not used your vacation for the calendar year, then all of the earned vacation weeks and unused floating holidays (twelve (12) hours) will be paid out during the last pay period in January of the following year.
- j. New employees hired on or after October 1<sup>st</sup> will receive one (1) week of vacation for that year.

#### Section 14 - LEAVE OF ABSENCE

- a. Leave of Absence for personal reasons may be granted to any employee by the Company upon written application to the employee's Salaried Team Leader stating good cause for such leave. The Company will be the sole judge as to the adequacy of the cause shown. Leave of absence for personal reasons will not exceed one (1) month in duration unless extended by the Company, and in any event will not exceed one (1) year in duration.

Seniority shall continue to accrue during a leave of absence for personal reasons for a period of up to one (1) month and shall be retained thereafter for the balance of the authorized leave period.

Approved Leave of Absence for illness or injury will not exceed eighteen (18) months.

- b. If an employee is medically unable to safely or efficiently perform the essential elements of his/her regular job, or one offered to him/her by the Company, due to injury or illness, the employee will be placed on a Disability Leave of Absence provided the Leave is approved by our Disability Claims

Administrator.

Seniority will continue to accrue during any authorized leave of absence for illness or injury.

- c. Group insurance coverage shall be maintained during the period of approved Disability Leaves of absences provided the employee pays his/her portion of premium on a monthly basis. **Failure to pay this premium will result in the cancellation of their group insurance coverage for that plan year.** In addition, the employee will be given Seniority, as outlined in this Agreement, and credited employment, as provided in the Retirement Plan.
- d. Under no circumstances will a Disability Leave continue for more than eighteen (18) months. If an employee has not returned to active employment by the expiration of a Disability Leave, he/she will be terminated or retired.

(Note: Even though an employee's disability leave has expired and he/she has been terminated, he/she can still receive LTD if he/she meets the Plan's definition of disability.)

- e. Leave of Absence for military service will not be for a longer period than the maximum period during which the employee involved retains reemployment rights under applicable law.
- f. If any employee accepts other employment during any leave of absence, except as specifically authorized in writing by the Company, his/her employment with the Company will be terminated automatically as of the first day on which he/she accepts such other employment.

#### Section 15 - FUNERAL LEAVE

- a. All employees who request time off due to the death of a member of his/her immediate family will be granted up to three (3) days leave of absence with pay (twenty-four (24) hours for an eight (8) hour schedule, and thirty-six (36) hours for a twelve (12) hour schedule) during the period commencing with the date of the death, and continuing through the day after the funeral and/or the day of the burial. One of the days of the leave must be the day of the funeral and/or the day of the burial. The "immediate family" includes the employee's spouse, father, mother, father-in-law, mother-in-law, grandparents, step-father, step-mother, child, brother, sister, grandchildren, son-in-law, daughter-in-law, step-children or legal guardian. Payment for scheduled hours missed will be at the employee's HPWS rate plus any shift differential, which would have been paid on the days on which the leave occurs. Funeral leave payment will not be made for any portion of the employee's period of absence which coincides with a recognized holiday, vacation, scheduled days off, lay-off, or disability for which Workers' Compensation or Weekly Disability Income (WDI) benefits are payable. Hours of funeral leave pay shall count as hours worked in calculating weekly overtime pay for any work performed later in the workweek in which the funeral leave of absence occurs.
- b. All employees who request time off due to the death of a member of his/her immediate family (brother-in-law, sister-in-law, and grandparents-in-laws) will be granted up to one (1) day leave of absence with pay for scheduled hours missed on the day of the burial. Payment of hours will follow the language in section 15a.
- c. Funeral leave application forms must be completed and approved by the Asset Leader before processing by Payroll. Proof of death and date of funeral and/or burial in the form of a death certificate, a web page article or newspaper obituary may be required.

## Section 16 - JURY DUTY

- a. Any employee who is required to perform jury duty or is subpoenaed as a witness will be granted a leave of absence for the hours during which he/she is necessarily absent from scheduled work as a result of such jury or witness duty. The time necessarily absent from scheduled work shall include the night shift immediately preceding the first day the employee is required to serve jury duty and the night shift, if scheduled, of the day of the jury duty.
- b. Employees will be required to provide satisfactory evidence of jury or witness duty.
- c. Employees will be paid for all scheduled hours missed during a leave under this section, plus Holiday Pay, if applicable as hours worked.

## Section 17 - SENIORITY

- a. Seniority and qualifications will be the determining factors in the selection of employees for promotion, demotion, lay-off and recall, as set forth in this Agreement. Qualifications will be determined on the basis of a review of the employee's record with the Company, including the ability, fitness, knowledge, training, experience and skill on one or more jobs that are necessary to satisfactorily discharge the duties and responsibilities of the job involved. When tests are used as a means to help determine an employee's qualifications, such tests will be related to the job in question and will be evaluated as a component part of determination of the employee's total qualifications. Should the employee request, training will be made available prior to taking the test. Seniority, as provided in this Agreement, will prevail only when the qualifications of all employees under consideration for a particular job are relatively equal. When evaluating the qualifications that are relevant to the performance of the job in question, the Company decides that the qualifications of the employees under consideration are not relatively equal; it will so advise the appropriate Union Steward and will provide an opportunity for discussion and review of that decision between the Company and the Union.
- b. **Classification of Employees**
  - (1) Only permanent employees will have seniority under this Agreement. Qualifying and summer vacation replacement employee(s) will have no seniority and the Company will have the right to discharge, lay-off or transfer such employees without such action being subject to the grievance procedure or to arbitration.
  - (2) A qualifying employee is any employee with less than ninety (90) days of continuous employment. Upon completion of ninety (90) days of continuous employment, such an employee will become a permanent employee with seniority dating back to his/her most recent hiring date.
  - (3) A summer vacation replacement employee is an employee so designated at the time of hire. No employee who starts work prior to the workweek, which includes May 1 in any calendar year, may be so designated. No summer vacation replacement employee will have seniority under this Labor Agreement. No summer vacation replacement employee will work beyond the workweek, which includes September 30 of any year.
- c. **Types of Seniority**
  - (1) Plant Seniority - the length of an employee's continuous full-time service in the Chester Plant.

- (2) Division Seniority - the length of an employee's continuous full-time service in his/her present division since permanently assigned to that division.
- (3) Department Seniority - the length of an employee's continuous full-time service in his/her present department since permanently assigned to that department.

Note: It is agreed that Plant seniority is the highest level, with Division and Department seniority, in that order, as successively lower levels of seniority.

d. **Permanent Job Openings**

If an employee has a desired career path, the employee should meet with the Level 6 in the Division he/she has an interest in, to understand the work and the High Performance Work System prior to posting into the Division.

- (1) Permanent vacancies within operating teams or positions not in the High Performance Work System will be posted throughout the plant for ten (10) business days and will be filled by the senior qualified employee(s) who have bid for them.

- a) The Site posting process is an electronic process across the site.

The postings will show:

Job Title (Number of Openings)  
Division and Department  
Wage Rate – Refer to Section 7, sub-section b    Current Working Schedule  
Brief Outline of Duties and Qualifications  
Deadline Date for Application

- b) Once an employee signs a posting and the posting comes down, all candidates will be notified via email and need to respond within five (5) business days if he/she does not want to accept this posting.
  - Once the five (5) business days are completed, the successful employees will then be released to their new department within thirty (30) days.
  - No response from the employee is considered to be his/her acceptance of the posting.
    - Level 6's of the affected areas will coordinate appropriate release dates within thirty (30) days.
- c) If no employee bids on the posted job, the job will be filled by:
  - Transfer of an unassigned permanent employee
  - Transfer of a qualifying employee
  - Hiring of a new employee
- d) Successful bidders for posted jobs will be ineligible to apply for other opportunities for three (3) months following the date of their successful bids or the date of their return to their former HPWS area under the provisions of subparagraph (e) below, whichever is later.
- e) Employees who successfully bid on a job posted in accordance with d (1) above may

return to their former HPWS area within a period of thirty (30) days from the date of transfer without loss of seniority. Other employees who are displaced as a direct result of an employee returning to his/her former HPWS area will return to his/her-former HPWS area without loss of seniority.

1. Before the employee returns to his/her original Division, he/she needs to meet with the Asset Leader and Level 6 in the Department that he/she is currently working to define the reasons for the requested return. Understanding the issues may assist the Department in rectifying the concerns.

e. **Temporary Vacancies**

When an employee's temporary assignment is completed, said employee will return to his/her Division, Department and crew. If there is an opening within his/her Department then said employee will have an option to fill that vacancy. The employee that backfilled the vacancy of the temporary assignment will be assigned to a position within the Department/Division until a permanent position opens.

f. **Seniority Check List**

A seniority list will be published annually or more often if required. Employees are urged to check such published lists to make certain their seniority dates are accurate. If any dates are in error, the Level 6 Leader should be notified immediately.

g. **Seniority Ties**

When two (2) or more employees have the same seniority date, ties will be broken by Department Seniority, Division Seniority, and Plant Seniority in that order. Any remaining ties will be broken by the alphabetical order of the letters of their last name and then first and then middle names at the time of employment.

h. **Loss of Seniority**

Seniority will be lost under the following circumstances:

- (1) A voluntary quit or termination by the Company.
- (2) Failure to return to work following an authorized leave of absence.
- (3) Failure to respond to recall from lay-off.
- (4) Expiration of period of recall rights.

- i. Temporary transfers of thirty (30) days or less may be filled by assignment by the Company of the junior qualified employee in the HPWS Department from which the transfer is made. Such

assignments may be extended by mutual consent. When an employee is so assigned, he/she shall continue to accrue seniority in his/her permanent HPWS Department. Seniority shall not accrue in the temporary HPWS Department.

- j. In HPWS opportunities, which include both day and shift work on a continuing basis, preference for assignment to day or shift work will be given based on Division/department seniority for a permanent opening when it occurs, provided the employee is qualified.
- k. No department or portion thereof will be moved from one division to another for the purposes of the application of seniority except by mutual agreement of the Union and the Company. This shall not restrict the Company's right to determine the physical location of any operation or the management organization of that operation.
- l. Employees who had at least one (1) year of full-time permanent employment and who are rehired by the Company will be credited with their previous period of service for the purpose of vacation eligibility and for credited service under the retirement plan when they reach their third (3<sup>rd</sup>) anniversary after rehire.

#### Section 18 - REDUCTION IN WORK FORCE

##### a. Reduction in Force

- (1) Whenever any plant operation is curtailed for any reason, with a resulting reduction in the number of available jobs, the employees whose jobs are most directly affected may be laid off during the first 24 hours following the shift in which the curtailment begins. If the curtailment continues beyond this period, permanent employees who have been laid off will be entitled to exercise their Department seniority to displace those employees with the least Department seniority in their department, with the requirement that the performance of the team is capable of achieving the current operating plan/budget. Penalty payments (call-time, reporting and minimum pay) will be waived when schedule changes are made in accordance with the provisions of Section 19a.
- (2) If curtailment continues through more than ten (10) consecutive workdays, work assignments in each affected area will be adjusted effective at the beginning of the eleventh (11) consecutive work day by moving employees from the affected departments to other departments in the affected Division, displacing the employees with the least amount of Division seniority. Any employee who is moved out of his or her Division will have a right to exercise his/her plant seniority, to displace the employees with the least plant seniority, with the requirement being that the performance of the team is capable of achieving the current operation plan/budget. Permanent employees displaced from their Division will:
  - a) First be assigned by the company to fill any vacant jobs of a temporary nature, for which they are qualified to perform.
  - b) Employees leaving their Division will then displace the least senior person (Plant Seniority) in any of the Divisions, with the requirement being that the performance of the team is capable of achieving the current operating plan/budget.
  - c) Some employees in the Divisions receiving the new people as a result of Section 19

may be asked to move to other crews (teams), to optimize and balance the total skills of all individuals to maximize the team(s) performance. This would be a temporary move so as to allow the total performance of the teams to continue on and grow. If people do not volunteer to move, people with the least amount of department seniority, and the critical skills, will be moved in a way that the teams will continue to function effectively.

- d) In all cases, the guideline will be to minimize the total number of individuals moved in order to accomplish the preceding sections.
- (3) The Company will give at least three (3) days advance notice of curtailment to the union whenever possible. If in the judgment of the Company, a curtailment is expected to continue for more than ten (10) work days, the procedures specified in Section 18a – (1) and (2) will be made effective with the first day of lay-off, or as soon thereafter as possible.
- (4) Executive Board and Chief Stewards have super seniority and stay in their Department/Divisions. If Shop Steward maintains enough seniority to stay in the Division they can exercise their steward seniority and stay in their department. If they do not maintain enough seniority to stay in the current Division they will get displaced. Stewards will be scheduled on a weekly basis in a way that maximizes their opportunity to work on the shift they represent, provided qualified employees are available to perform all necessary weekly assignments.
- (5) If employees moving to a new assignment as a result of Section 19a need orientation training to effectively utilize their HPWS skills, they will have up to 40 hours of orientation training (to adapt existing skills to their new Department or Division ) and in conjunction with new skills required to allow their new team to function. The employee in his or her new assignment does not have to be totally certified at any given level at the end of the orientation-training period, but must be able to allow his or her new team to continue to operate effectively. During this time, employees slated to be laid off may continue to work for the orientation-training period, so as to allow the team, or teams, to continue to function effectively. This will provide for the safest as well as the most efficient movement of people to take place, and rely on the broad skill base developed in HPWS to minimize displacements. Orientation Training will be accomplished in the safest, most cost effective way possible.
- (6) Employees moving to a new assignment as a result of Section 18a and have completed their training period will continue to receive the level rate they brought with them from their original Division. To maintain their rate they would have to certify at the equivalent pay-rate level in their new Division, within the period of time designated in their area HPWS.

**b. Lay-off and Recall**

- (1) Any permanent employee who is laid off or displaced from a division or department in accordance with the provisions of Section 18-a will continue to accrue plant, division and department seniority and will be eligible for recall in reverse order of lay-off to his or her division or department for a period of time determined by division or department seniority on the date of lay-off or displacement, as follows:

| Division or Department Seniority | Rights and Seniority Accrual Period of Recall |
|----------------------------------|---|
| 3 months but less than 3 years   | Amount of division or department seniority at |

|                 |                                     |
|-----------------|-------------------------------------|
|                 | the time of lay-off or displacement |
| 3 years or more | 3 years                             |

The above specified recall rights will be forfeited if the employee applies and is accepted for a posted permanent job.

- (2) Permanent employees on lay-off will continue to receive Medical coverage for the periods indicated below provided they make their normal contribution for the full period of continuation from their last paycheck or by the end of the week following layoff.

|  |  |
|--|--|
| Length of Service of Permanent Employees | Period of Continuation                   |
| Less than one year                       | Balance of month in which lay-off occurs |

|  |   |
|--|---|
| One (1) year or more but less than two (2) years | Balance of month in which lay-off occurs plus one (1) month |
|--|---|

|   |  |
|---|--|
| Two (2) years or more but less than three (3) years | Balance of month in which lay-off occurs plus two (2) months |
|---|--|

|                         |   |
|-------------------------|---|
| Three (3) years or more | Balance of month in which lay-off occurs plus four (4) months |
|-------------------------|---|

- (3) Any employee on lay-off will, upon occurrence of any of the following events, be immediately terminated for all purposes of this Agreement, without any further seniority or recall rights:
- a) Expiration of his or her period of recalls rights while still on lay-off.
  - b) Failure of the employee, without acceptable excuse to report for work within 72 hours after the Company has recalled the employee for a permanent job opening. Recall will be deemed to occur when the Company notifies the employee in person, or files a telegram or mails a letter (which provides a receipt of delivery) to the last known address advising the employee to return to work. The fact that a notification receipt is returned to the Company because it failed to reach the employee at his or her last known address of record shall be considered proof that the employee has failed to keep the Company advised of his or her current address; consequently, recall rights will be forfeited.

**c. Severance Pay**

- (1) An employee who has completed one (1) year or more of continuous employment who is laid off for a period which is expected by the Company to continue for more than three (3) weeks or which actually continues for more than (3) weeks will be eligible to receive severance pay as set forth below, provided he/she has actually worked 1200 hours or more during the continuous period of one (1) year immediately preceding the lay-off, and subject to all the other terms and conditions of this Section.

| Years of continuous Employment Completed before Lay-off | Amount of Severance Pay (Computed Under Vacation Pay Formula) |
|---|---|
| One (1) year but less than two (2) years                | Three (3) week's pay  |
| Two (2) years but less than five (5) years              | Four (4) week's pay   |
| Five (5) years but less than ten (10) years             | Five (5) week's pay   |
| Ten (10) years or more                                  | Six (6) week's pay  |

- (2) If the lay-off is expected by the Company to continue for more than three (3) weeks, the first week of severance pay will become payable on the first payday following the first week of lay-off, and the second week of severance pay will become payable on the next payday, and third week of severance pay will become payable on the next following payday. If the lay-off is not expected by the Company to continue for more than three (3) weeks, no severance pay will become payable until the lay-off has actually continued for more than three (3) weeks, at which time all severance pay due in connection with the lay-off will become payable at the next payday.
- (3) If an employee is recalled from lay-off before a particular severance payment becomes payable the employee will not be entitled to that payment. Recall will be deemed to occur as defined and conditioned in Section 18-b-3 and advising the employee to return to work on a day which is three (3) weeks or less from the date of his or her lay-off.
- (4) If an employee on lay-off accepts and begins work in a temporary or permanent position with Kimberly-Clark Corporation in a plant or position which is not covered by this Agreement, before a particular severance payment becomes payable to him/her, he/she will not be entitled to that payment. However, if such an employee is laid off again by Kimberly-Clark Corporation within the continuous period of three (3) months following his/her last previous lay-off, he/she will be eligible to receive the unpaid balance of the severance pay for which he/she was eligible in connection with such last previous lay-off. That unpaid balance, will become payable to him/her in accordance with the preceding paragraphs of this Section, as though he/she had just been laid off from any position covered by this Agreement.
- (5) Any employee who receives the maximum severance pay for which he/she is eligible in connection with a lay-off and who is later recalled will not become eligible for severance pay again unless he/she is continuously employed in a permanent position for a period of one or more years following the recall. If he/she is then laid off again, his/her eligibility for severance pay will be determined by applying the formula set forth in paragraph c(1) of the Section, but taking into account only his/her years of continuous employment and hours worked following his/her recall from the last previous lay-off for which he/she received severance pay. Any employee who is eligible for the maximum number of weeks' severance pay in connection with a lay-off, but who has received less than the amount of severance pay for which he/she is eligible, will be eligible for the balance of such severance pay for his/her next future lay-off, but will not be eligible for additional severance pay for such next future lay-off unless he/she is continuously employed in a permanent position for a period of one (1) or more years following his/her recall and unless he/she has actually worked 1200 hours or more during the continuous period of one (1) year immediately preceding such next future lay-off.
- (6) Severance pay will not be due in connection with any lay-off, which results from storm, flood, accident, power breakdown, strike, or other emergency beyond the control of the Company. Also, if any employee is laid off in connection with a sale or other disposition of all or any part of the Company's plant facilities, and the new owner offers him/her employment beginning

three (3) weeks or less after his/her lay-off, he/she will not be eligible for severance pay under this Section.

#### Section 19 -- NO INTERRUPTION OF WORK

- a. The Union agrees that there will be no strike, stoppage, slowdown, sit-down, refusal to perform work, or other interference with operations, nor any picketing, or refusal to enter upon the Company's premises, on any account during the term of this Agreement. The Company agrees that it will engage in no lockouts during the term of this Agreement.
- b. The foregoing undertaking of the Union is binding upon its officers, agents, stewards, committeemen and other representatives, who are obligated not to cause or condone any of the prohibited activity and who are obligated to take affirmative steps to prevent or halt any such activity on the part of any employee. Failure of any such representative who is an employee to carry out his/her obligation shall subject him/her to discharge or other disciplinary action on that account. Participation by any employee in any of the prohibited activities will be just cause for discharge or other disciplinary action.

#### Section 20 -- ADJUSTMENT OF COMPLAINTS AND GRIEVANCES

- a. For the purpose of representing its members, the Union will designate certain employees as Stewards, and will also designate a Grievance Committee. The Union will furnish the Company with the names of such employees and will promptly notify the Company of any changes in assignment. No more than five (5) members of the Grievance Committee shall attend any meeting with the Company. However, this limitation to five (5) members of the Grievance Committee will not include the International President of the Union or his/her representative nor the grievant(s), nor necessary witnesses specifically related to the grievance. Time lost from scheduled work hours for attendance at a grievance meeting or arbitration hearing shall count as hours worked in calculating an employee's daily or weekly overtime pay.
- b. Each employee is encouraged to discuss complaints and problems with his/her Asset Leader, with the aid of a Steward if desired, in an attempt to resolve prior to it becoming a written grievance.
- c. If a grievance or misunderstanding shall arise as to the meaning or application of this Agreement or compliance with its provisions, an earnest effort will be made to settle the matter as promptly as follows:

First Step: Between the employee and Steward and the employee's Salaried Asset Leader. This grievance will first be reduced to writing, dated and signed by the employee involved and presented, within five (5) working days after the event, which caused the grievance, to the supervisor with a copy to the proper Steward. If not settled within five (5) working days after being presented at this Step, the grievance may be referred within five (5) additional working days to the employee's Salaried Team Leader.

Second Step: The Union's International Representative or his/her representative and the Labor Relations Leader and Salaried Team Leader of the Chester Plant or his/her representative shall meet within ten (10) working days after the grievance has been referred to the Second Step. The Labor Leader and Salaried Team Leader or his/her representative shall within ten (10) working days after the meeting report in writing to the International Representative of the Union or

his/her representative the disposition made of the grievance. If the disposition of the grievance is not satisfactory, the grievance may within twenty (20) additional working days be referred to Arbitration as provided in Section 22 of this Agreement.

- d. "Working days" for purposes of this Section 21 and of Section 22 will mean plant operating days but excluding Saturdays, Sundays and Paid Holidays.
- e. No action or event will be considered the proper subject of a grievance under this Section or under Section 22 unless it is presented in writing at the proper Step in the Grievance procedure within the period of five (5) working days following its occurrence. Discharge cases shall be referred directly to the Second Step of the Grievance Procedure. If at any Step in the Grievance Procedure, the Company representative fails to announce any decision within the time limit for settlement, such failure will be considered a denial of the grievance and the grievance may be referred immediately to the next Step. Any grievance not referred to the proper Step within the time limit for the Step will be considered settled and may not again be presented as a grievance.

#### Section 21 - ARBITRATION

- a. The arbitration procedure here set forth shall extend only to those grievances, which are arbitrable under this Agreement. In order for a grievance to be arbitrable, (1) it must have been processed through the Grievance Procedure properly and within the applicable time limits as set forth in Section 21 of this Agreement; (2) it must genuinely involve the interpretation of a specified provision or provisions of this Agreement; and (3) it must not require the Arbitrator, in order to rule in favor of the grievant, to exceed the scope of his/her jurisdiction as defined in this Section 22.
- b. The issue of arbitrability of any grievance may be determined by mutual agreement of the parties, or by an Arbitrator, as provided below.
- c. The Union may elect to seek arbitration of any arbitrable grievance, and in that event the following procedure will be followed:

Within five (5) working days after the Company has received written notice of referral of the grievance to arbitration, the Union will request the American Arbitration Association to submit one or more panels of names from which the Company and Union shall choose an arbitrator. The choice of the Arbitrator and the conduct of the hearing shall be in accordance with the Voluntary Labor Arbitration Rules of the American Arbitration Association, except to the extent that such rules conflict with any of the provisions of this Agreement. The decision of the Arbitrator will be final and binding on the parties of this Agreement. The Company and the Union will each pay one-half (1/2) of the fees and expenses of the Arbitrator.

- d. The fact that a claim or dispute has been processed under the Grievance Procedure set forth in Section 21 of this Agreement will not preclude the raising of the question of arbitrability with respect to such claim or dispute before the Arbitrator selected to hear such claim or dispute.
- e. The jurisdiction and authority of the Arbitrator to make an award shall be confined to the interpretation or application of the provisions of this Agreement. The Arbitrator shall not have jurisdiction or authority to make an award which has the effect of amending, altering, enlarging, or ignoring any provision of this Agreement; nor shall he/she have jurisdiction or authority to determine that the parties by practice or implication have amended or added to this agreement, unless the parties shall have expressly submitted to the Arbitrator the question as to whether

such an amendment or addition by practice or implication was made.

- f . No more than one (1) grievance shall be submitted to the same Arbitrator at a single hearing, except by mutual agreement of the parties.

#### Section 22 - DISCRIMINATION PROHIBITED

The Company and the Union agree that neither party nor any of their representatives will discriminate and/or harass any employee because of membership in the Union or proper activity on its behalf or because of race; color; sex; pregnancy; sexual orientation; gender identity; age; religion; creed; national origin; disability; military/veteran status; legally protected leave; and other categories protected by applicable law. The words "employee", "he/she", "his/her" and "him/her" as used in this Agreement have universal application regardless of sex.

#### Section 23 - BULLETIN BOARDS

The Company shall supply enclosed official bulletin boards for the use of the local union to post officially signed bulletins necessary to the Administration of Local Union business. Other material may be posted with the approval of the Company.

#### Section 24 – SALARIED LEADERSHIP

Salaried employees' who are excluded from the Bargaining Unit will not perform the work of any bargaining unit member covered by this Agreement except in the event of emergency resulting in immediate danger to life or property, for the purposes of instruction, experimentation or starting up new equipment or new processes.

#### Section 25 - MISCELLANEOUS

- a. All disciplinary actions will be voided in an employee's record following an 18-month period during which no further disciplinary action has become a part of the employee's record and will be removed from the employee's file, and destroyed, provided he/she worked four (4) years without incurring further disciplinary action.
- b. A reprimand may become the basis for future disciplinary action only if it has been personally communicated to the employee and he/she has been advised that he/she should have a Union Representative present.

#### Section 26 - PROVISIONS FOUND TO BE IN CONFLICT WITH LAW

If any provision of this Agreement is in conflict with the laws or regulations of the United States or of Pennsylvania, that provision will be replaced by the proper sections of the laws or regulations for as long as they are in effect, but all other provisions of this Agreement will continue in effect. If the Company and Union are not, able to agree whether or not any provision is in conflict with any laws or regulations, that provision will remain in effect until the dispute is settled by a court or other proper governmental authority.

## Section 27 - TERM OF AGREEMENT

- a. The parties acknowledge that during the negotiations which resulted in this contract each had the unlimited opportunity to make proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that all understandings and agreements arrived at by the parties are set forth in this contract. Therefore, the Company and the Union, for the term of this contract agree that neither shall be obligated to bargain collectively with regard to any matter, which is properly the subject of collective bargaining, whether covered, or not by this contract. It is further agreed, however, that during the life of this Agreement issues may arise that were not anticipated or relevant at the time of negotiations, and which cannot be addressed within the bounds of contract language.

In such cases, the Company and the Union have specifically committed that the Joint Leadership (Plant Manager; Union President) has the authority to amend and modify any aspect of the Joint Labor Agreement, other than general wage increases or benefit levels, during the term of the Agreement after review by the Union International Representative and Senior Management.

- b. This Agreement will become effective April 1, 2015 and will continue in effect to and including April 1, 2018 and from year to year thereafter unless either party gives to the other at least sixty (60) days' written notice, prior to April 1 or prior to April 1 of any succeeding year, of its desire to change the Agreement.
- c. If a written notice of desire to change is so given in any year and the parties do not agree in writing prior to April 1 of that year on the changes to be made, this Agreement will nevertheless continue in effect unless any time after April 1 of such year either party gives to the other at least ten (10) days' written notice of its intention to terminate the Agreement, in which event the Agreement will terminate on the date specified for termination in such written notice.
- d. For the purposes of this Section, a written notice from the Union will be considered as having been given to the Company only when it has been delivered in person to the Plant Manager, Chester Plant, or sent by registered mail addressed to him/her at the Chester Plant. A written notice from the Company will be considered as having been given to the Union only when it has been delivered in person to the President of Local No. #10-448 or sent by registered mail addressed to him/her at the address listed at the time on Company personnel records.
- e. This Agreement and all its terms and conditions shall be binding during the life of this Labor Agreement upon any individual(s), company(s), or corporation(s) that acquires by purchase, merger, and any form of reorganization, the plant covered by this Agreement and continues to operate the plant or any portions thereof substantially in the same manner as the plant or portions thereof was operated by the predecessor owner.

## Section 28 - GROUP INSURANCE AND RETIREMENT BENEFITS

- a. Group Benefits – Active Employees

(1) The Company's Group Benefits Plan (Medical, Dental, WDI, LTD, Life Insurance) providing insurance coverage for employees and, when applicable, spouse and eligible dependents will continue in effect for the term of this Agreement. Information contained in this section is intended to be a brief description. Such a summary cannot present all the details of eligibility, benefits and other Plan(s) provisions. The Benefits will be provided by the Company as defined in the Plan documents and as administered

through contracts with insurance carriers. The provisions of such contracts and Plan documents shall govern in all matters.

- (2) All benefits become effective the first day of continuous full-time employment.
- (3) New Hires must enroll, including spouse and eligible dependents, within 30 days of the date posted on the Health & Welfare Enrollment Worksheet sent by the Benefits Center. If the employee fails to enroll per the guidelines, he/she will be assigned default coverage. Default coverage is enrollment in any benefit provided by the Company at no cost to the employee and single medical coverage.
- (4) Family members eligible for coverage are defined as spouse and dependent children as defined by Federal legislation. In the absence of such legislation, the age requirements are subject to change to match the definition related to salaried employee coverage.
- (5) Employee contributions will be collected by payroll deduction. Employees will have the advantage of paying contributions for certain benefits with before-tax dollars per IRS Rule 125.

Employees on a leave of absence for which they do not receive a paycheck from Kimberly-Clark but are eligible to continue benefits will be set up for direct billing and will begin to receive bills at home from the Benefits Center. Failure to pay the bill in full by the due date will result in cancellation, for the balance of the current year, of any benefits for which a contribution is required.

The Company will calculate plan premiums on an annual basis. Employee contributions will change annually as stated in 8(a) below.

#### (6) Health Care and Dependent Care Spending Accounts

Employees will have an opportunity to allocate up to \$2,500 per year on a pre-tax basis to pay for qualified health care expenses (as defined in Section 213 of the IRS code). In addition, employees can elect to allocate up to \$4,800 per year on a pre-tax basis to pay for dependent care expenses. The dollar amounts that can be allocated are subject to change or limitations as required by the plans or new legislation.

- (7) In the event of the death of an employee, medical coverage only will continue for twelve (12) months for eligible dependents on a cost-sharing basis that matches the contribution paid each year by active employees. At the end of 12 months, eligible survivors will have access to a group medical plan provided they pay 100% of the premium. Dental coverage may be continued if the eligible dependents elect COBRA coverage within 60 days of the death of the employee.

#### (8) Benefits – Active Employees

##### a) **MEDICAL INSURANCE** (Includes Prescription coverage)

Employees will be eligible for coverage under one of Kimberly-Clark's national medical plans. Premiums will be based on ~~at least three~~ tier levels — currently single, two-party and two-party plus. Kimberly-Clark will contribute a set dollar amount for employee medical coverage.

The national medical plans are subject to change during the course of this Agreement to be consistent with Kimberly-Clark's medical strategy. At no time, will an employee pay more for the same national plan design at the same coverage tier than a salaried employee pays.

However, during the term of the contract, Kimberly-Clark will not decrease the overall design value of each of the offered health plans by more than 7% per year as determined by an evaluation by Kimberly-Clark's independent actuarial consultant (currently Towers Perrin). In any year that Kimberly-Clark makes changes of less than 7% per year, then these unused amounts will cumulate and may be used in subsequent years so long as the total decline in the value of the benefits of each plan is not greater than 15% over the term of the contract. Also, during the term of the contract, the overall cost sharing level will not exceed 77/23, with Kimberly-Clark contributing 77%

of the expected overall medical plan premiums for a plan year and employees contributing 23% of the expected overall medical plan premiums for a plan year.

**b) DENTAL INSURANCE**

Employees will be eligible for coverage under either Kimberly-Clark's national dental plan or the United Concordia Dental Plan. The national dental plan design is subject to change during the course of this Agreement to be consistent with Kimberly-Clark's dental plan strategy.

The Company will pay \$51.00 per month toward the cost of single, two-party, or two-party plus coverage. Each year following, the Company will add \$1.00 toward the cost, not to exceed \$53.00 per month, during the life of this Agreement.

Company contribution levels are as follows:

| <b>EFFECTIVE DATE</b> | <b>CONTRIBUTION SCHEDULE</b> |
|-----------------------|------------------------------|
| April 1, 2015         | \$51.00                      |
| January 1, 2016       | \$52.00                      |
| January 1, 2017       | \$53.00                      |

**c) WEEKLY DISABILITY INCOME (WDI)**

Effective April 1, 2015, The Company will pay a Weekly Disability Income (WDI) benefit amount of \$613.00. Each year following, the Company will increase the WDI benefit, not to exceed \$664.00 per week, during the life of this Agreement.

Company payment levels are as follows:

| <b>EFFECTIVE DATE</b> | <b>WEEKLY BENEFIT</b> |
|-----------------------|-----------------------|
| April 1, 2015         | \$613.00              |
| January 1, 2016       | \$638.00              |
| January 1, 2017       | \$664.00              |

Disability for both the WDI and LTD plans is determined by the Disability Claims Administrator's policy.

Effective for illnesses or injuries beginning on or after April 1, 2015, the WDI plan will cover work or non-work related illnesses or injuries, including secondary illnesses or injuries, which occur while an employee is off work for a WDI or Workers' Compensation illness or injury, if the employee is deemed disabled by the disability claims administrator (currently Prudential). Medical data must support the disability, and the determination of disability is made solely by the disability claims administrator. Any Workers' Compensation benefits received by the employee will reduce any benefit payable by the disability claims administrator by way of an offset of the WDI payment.

**d) LONG TERM DISABILITY (LTD)**

Effective April 1, 2015, the Company will pay a Long Term Disability (LTD) maximum benefit amount of \$495.00 per week, converted to a monthly amount. Each year following, the Company will increase the WDI benefit, not to exceed \$550.00 per week, during the life of this Agreement.

The Weekly Benefit will be adjusted per the following schedule:

| <b>EFFECTIVE DATE</b> | <b>WEEKLY BENEFIT</b> |
|-----------------------|-----------------------|
| April 1, 2015         | \$495.00              |

|                 |          |
|-----------------|----------|
| January 1, 2016 | \$522.00 |
| January 1, 2017 | \$550.00 |

Once an employee receives Long Term Disability, his/her maximum amount will not increase during the period of disability. Benefits paid under this plan may be reduced or “off-set”, as described in the Summary Plan Description (SPD).

Employee must meet the definition of disability and be receiving Weekly Disability Income (WDI) or Workers’ Compensation benefits prior to receiving LTD.

Employee must comply with all requests by the Disability Claims Administrator – including physical examinations, tests and other information as required.

The Company reserves the right to make changes to this Plan which is necessary to comply with laws and regulations that may apply to it in the future. The Company also reserves the right to change the insurance carrier or company responsible for administering this Plan.

The following Long Term Disability (LTD) changes will go into effect for anyone with a disability beginning on or after May 1, 2015. These changes do not affect the current LTD benefit of employees receiving LTD benefits prior to May 1, 2015.

Benefits for mental health and substance abuse will be limited to no more than 24 months of LTD benefit per disability on an outpatient basis. If a person is confined as an inpatient in a hospital or treatment facility at the end of the 24 months, benefits will continue.

If the Disability Claims Administrator determines that an employee could be successfully rehabilitated for an occupation, the employee will be offered rehabilitation. If the offer for rehabilitation is refused by the employee, the LTD benefit will end.

**e) TOTAL AND PERMANENT DISABILITY RETIREMENT (T&PD)**

Following is the definition of “disability” as it applies to the Kimberly-Clark Corporation Pension Plan (K-C Pension Plan).

Under the definition, you are generally eligible for a disability retirement benefit from the Plan if:

- you have 10 years of Vesting Service,
- you are disabled and receive a Disability Insurance Benefit award letter under the Federal Social Security Act,
- the award letter states you were disabled on or before your date of termination of employment with K-C,
- you apply for a Total and Permanent Disability (T&PD) retirement benefit after you receive your award letter,
- your request for a T&PD retirement benefit and the award letter are received by the Kimberly-Clark Benefits Center within three years of your termination of employment, and
- you have not applied to receive a Benefit payable based on your retirement as otherwise provided under the terms of the Plan, including a Deferred Benefit.

This definition shall be in effect for as long as it is used for Kimberly-Clark U.S. salaried employees. If and when a different definition for total and permanent disability retirement is adopted for Kimberly-Clark U.S. salaried employees, it is understood and agreed that this definition or approach will be applied to the Chester bargaining unit members as well. If such a change occurs, it shall be effective for Chester bargaining unit members at the same time as such change is effective for Kimberly-Clark U.S. salaried employees without requiring further negotiation with the Union.

**g) GROUP LIFE INSURANCE**

Effective January 1, 2016, active employees will be provided the K-C standard Group Life Insurance. Employees can either opt out of coverage or can elect one of two options for basic coverage which is paid by Kimberly-Clark; (1) two times their annual base pay, or (2) a flat amount of \$50,000 (available only if the employee's two times annual base pay is greater than \$50,000).

Employees who have basic coverage will have the option to elect supplemental coverage of one, two, three or four times annual base pay; however, the employee will pay the full cost of any elected supplemental coverage. The maximum total coverage, basic and supplemental combined, is six times the employee's annual base pay.

If any additional options for employee-paid coverage are added to the standard salaried employee plan they may be added for employees covered under this agreement as well without further negotiation.

The annual life insurance evaluation will be standardized to July 1 of the prior year.

#### **h) RETIREMENT PLANS**

(1) An eligible participant will receive a percentage of regular benefit based on the following table:

| <b>EARLY RETIREMENT PERCENTAGE OF REGULAR BENEFIT BASED<br/>ON AGE AND YEARS OF VESTING SERVICE</b> |            |           |           |           |           |           |           |              |
|---|------------|-----------|-----------|-----------|-----------|-----------|-----------|--------------|
| <b>Vesting Service</b>  | <b>30+</b> | <b>29</b> | <b>28</b> | <b>27</b> | <b>26</b> | <b>25</b> | <b>24</b> | <b>23-15</b> |
| <b>Age</b>  |            |           |           |           |           |           |           |              |
| 65  | 100%       |           |           |           |           |           |           |              |
| 64  | 100%       |           |           |           |           |           |           |              |
| 63  | 100%       |           |           |           |           |           |           |              |
| 62  | 100%       |           |           |           |           |           |           |              |
| 61  | 100%       | 95%       | 95%       | 95%       | 95%       | 95%       | 95%       | 95%          |
| 60  | 100%       | 95%       | 90%       | 90%       | 90%       | 90%       | 90%       | 90%          |
| 59  | 95%        | 95%       | 90%       | 85%       | 85%       | 85%       | 85%       | 85%          |
| 58  | 90%        | 90%       | 90%       | 85%       | 80%       | 80%       | 80%       | 80%          |
| 57  | 85%        | 85%       | 85%       | 85%       | 80%       | 75%       | 75%       | 75%          |
| 56  | 80%        | 80%       | 80%       | 80%       | 80%       | 75%       | 70%       | 70%          |
| 55  | 75%        | 75%       | 75%       | 75%       | 75%       | 75%       | 70%       | 65%          |

(2) Flat Dollar Benefit Plan (This plan would be frozen effective December 31, 2014)

The company will increase the non-contributory retirement plan benefit from \$48.00 per month for all years of service from date of hire in accordance with the schedule below:

| <b>FLAT DOLLAR BENEFIT PLAN SCHEDULE</b> |                                 |
|--|---------------------------------|
| <b>Effective Date</b>                    | <b>Non-Contributory Benefit</b> |
| 4/1/10                                   | 52                              |
| 4/1/11                                   | 53                              |
| 4/1/12                                   | 54                              |
| 4/1/13                                   | 55                              |
| 4/1/14                                   | 56                              |

Anyone who retires anytime between April 1, 2010 and March 1, 2014 will receive \$56.00 per month for all years of credited service from the date of hire.

(3) Defined Contribution Plan (This plan will be eliminated effective December 31, 2014)

- All new hires after September 6, 1998 will participate in the Defined Contribution Pension Plan.
- Effective May 1, 2010, the contribution rate will be equivalent to the following:
- Table of Retirement Contributions

| <u>Employee's Age</u> | <u>Employee Contribution Rate</u> |
|-----------------------|-----------------------------------|
| Under 25              | 3.00%                             |
| 25-29                 | 3.20%                             |
| 30-34                 | 3.45%                             |
| 35-39                 | 3.60%                             |
| 40-44                 | 3.80%                             |
| 45-49                 | 4.45%                             |
| 50-54                 | 5.15%                             |
| 55 & Over             | 5.55%                             |

(4) Kimberly-Clark 401(k) and Profit Sharing Plan

- Effective January 1, 2015, all employees will commence participation in the Kimberly-Clark 401(k) and Profit Sharing Plan.
- Effective December 31, 2014, eligible employees will cease participation in the Kimberly-Clark 401(k) and Retirement Contribution Plan. All 401(k) contribution elections, investment elections, account balances, loans, and beneficiary designations shall automatically be transferred into the 401(k) and Profit Sharing Plan effective January 1, 2015 or as soon as administratively possible thereafter.
- Effective December 31, 2014, no future pay or benefit service will be accrued by eligible employees in the Kimberly-Clark U.S. Pension Plan. An employee will not lose the vested benefit he/she has earned through December 31, 2014. The value of this benefit will be calculated and will be available when an employee terminates employment and reaches his/her earliest retirement age subject to the terms of the Pension Plan, such as early retirement provisions and forms of payment.

(5) "Me Too" Clause

- If any K-C bargaining unit (Mobile, Marinette, Fullerton, Everett, Cold Spring) under the current retirement plan(s) should receive a richer settlement on any element of their retirement plans (RCP, IBR, Blended, Flat Dollar and Contributory) as a result of contract negotiations after Chester settles their contract, Chester will receive the richer benefit.

b. Other Benefits – Actives – Effective January 1, 2011

- The following benefits and policies will be offered to the union employees with the same design and cost as offered to salaried employees. The Company retains the unilateral right to revise, modify or even discontinue the following listed plans or policies, including but not limited to, increasing or decreasing the benefit levels and employee cost contributions.

(1) Adoption Assistance Program

(2) Education Assistance

(3) Vision Care

(4) Dependent Life Insurance

(5) Personal Accident Insurance (PAI) effective 1/1/2016

c. Other Benefits - Retirees

(1) **Retiree Medical Insurance**

a) Employees Hired on or After April 1, 2004

Employees who are hired on or after April 1, 2004, will have access to a Kimberly-Clark group retiree medical plan. These employees will be responsible for paying 100% of the cost of their retiree medical coverage.

b) Employees Hired Prior to April 1, 2004

Employees who are at least 55 years of age at retirement and who have at least 15 years of service are eligible for medical insurance in retirement for themselves and their eligible dependents. For individuals who retire under a T&PD (disability) benefit of the Kimberly-Clark Retirement Plan, the age 55 requirement is waived. Employees who terminate prior to being age 55 and who have 15 years of service with rights to a vested retirement allowance are not eligible for retiree medical coverage.

Retirees under age 65 will have access to the same plan designs as active employees. Retirees and their dependents, who qualify for Medicare, regardless of age, will have access to a Post-65 Plan, by electing a Medicare supplement plan through an outside vendor, currently OneExchange. This plan is subject to change to be consistent with Kimberly-Clark's medical strategy.

Employees may elect retiree medical insurance (1) immediately upon retirement, (2) during an annual enrollment period for coverage beginning the first day of the following year, or (3) within 30 days of a Permitted Election Change. An employee is not required to (1) enroll in retiree medical insurance immediately upon retirement nor (2) if eligible for retirement under the Pension Plan, commence his/her pension benefits immediately after termination of employment.

When an employee under age 65 retires, he/she will be given an opportunity to change health care plans, making the selection from among the medical plans available to active employees at that time. Subsequent medical plan selections will follow the Annual Enrollment process.

These employees will receive Retiree Medical Credits based on their years of service as indicated below to be applied toward the cost of their retiree medical coverage. Retiree Medical Credits may be used to offset all or a percentage of the monthly premiums. When the Retiree Medical Credits are depleted, retirees are responsible for 100% of the monthly premiums. The retiree medical premiums will be based on retirees' claims experience.

| <b>Years of Vesting Service</b> | <b>Credit Allocation</b> |
|---------------------------------|--------------------------|
| 30 and above                    | 104,500                  |
| 29                              | 100,200                  |
| 28                              | 95,900                   |
| 27                              | 91,600                   |
| 26                              | 87,300                   |
| 25                              | 83,000                   |
| 24                              | 78,700                   |
| 23                              | 74,400                   |
| 22                              | 70,100                   |
| 21                              | 65,800                   |
| 20                              | 61,500                   |
| 19                              | 57,200                   |
| 18                              | 52,900                   |
| 17                              | 48,600                   |
| 16                              | 44,300                   |
| 15                              | 40,000                   |

In the event of a retiree's death, surviving dependent(s) may continue coverage, provided all applicable monthly premiums are paid in full. Coverage may be continued regardless if other group medical coverage is available to the surviving dependent(s). Any Retiree Medical Credits remaining at the time of retiree's death are transferable to surviving dependent(s) and may be applied toward the cost of applicable monthly premiums.

Retiree Medical Credits are transferable to surviving dependent(s) even if the retiree did not have coverage as of the date of death. Surviving dependent(s) may elect coverage within 30 days of date of death or during an Annual Enrollment. Once enrolled in the plan, surviving dependent(s) that voluntarily terminate coverage (1) cannot resume coverage in the future and (2) forfeit any remaining Retiree Medical Credits.

Coverage will continue in effect for the retiree and eligible dependents as long as premiums continue to be paid. Coverage can be terminated for failure to pay all or a portion of a premium. Termination of such coverage is irrevocable.

(2) **Retiree Life Insurance**

For those who retire under the normal or early retirement provisions of the Retirement Plan prior to January 1, 2016, life insurance will be provided at Company expense for the retiree. (Employees who terminate prior to retirement with rights to a vested retirement allowance are not eligible.) The amount of life insurance in force prior to retirement will continue until the retiree's 65<sup>th</sup> birthday. At this point, coverage will be reduced by 25% and rounded to the nearest thousand. Each birthday thereafter, coverage will be reduced by the same dollar amount, and rounded, until a minimum of \$6,000 is reached. This amount will be kept in force until the retiree's death.

For eligible employees who are at least 55 years of age and who have at least 15 years of service, at retirement, and who retire on or after January 1, 2016, the amount of coverage will be \$15,000 effective on the date of retirement. The premium for this \$15,000 flat benefit would be completely K-C paid.

Any employee hired on or after January 1, 2018 will not be eligible for Retiree Life Insurance.

d. **Protections against Significant Legislative Change**

During the term of the contract, should federal or state legislation be enacted, or previously enacted federal or state legislation take effect, that (i) substantially changes the economics or tax benefits to the Company in offering medical plan benefits or (ii) mandates changes to coverage that substantially impact the ability of the Company to offer the current national plan designs, then the Company and the Union shall reopen the contract to negotiate a change in medical coverage and cost sharing to provide substantially the same economic benefits to each party as contemplated when the contract was entered into and the bargaining shall be limited to such issue.

**SIGNATURE SHEET**

**This Agreement** made and entered into this 12<sup>th</sup> day of February 2015 by and between Kimberly-Clark Corporation, Chester Pennsylvania Operations and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC on behalf of Local 10-448 and to be in effect April 1, 2015 through April 1, 2018.

**USW**

**USW LOCAL 10-448**

**KIMBERLY-CLARK  
CORPORATION**

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Leo Gerard  
President

Sean Kelly  
President

Simon Woods  
Mill Manager

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Stan Johnson  
Secretary-Treasurer

Union Negotiating  
Committee  
James Cowan  
First Vice President

Ken Kline  
Human Resources Team  
Leader

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Tom Conway  
Vice President  
Administration

Union Negotiating  
Committee  
Eric Crile  
Vice President  
Tissue Manufacturing

Patricia Langdon  
HR Generalist

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Fred Redmond  
Vice President  
Human Affairs

Union Negotiating  
Committee  
Glenn Brooks  
Vice President -  
Utilities

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Jon Geenen  
Vice President  
Paper Bargaining

Union Negotiating  
Committee  
Steve Downs, Jr.  
Vice President -  
Logistics

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Robert McAuliffe  
Director - District 10

Union Negotiating  
Committee  
Lou Litwin  
Vice President -  
Converting

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Joe Pozza  
Sub Director - District 10

Union Negotiating  
Committee  
Bill Petrasky  
Vice President -  
Maintenance

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Carl R. Jones  
Staff  
Representative District 10

**EXHIBIT A**

**Utilities New Rate Schedule**

|          |          | Current | <u>4/1/2015</u> | <u>4/1/2016</u> | <u>4/1/2017</u> |
|----------|----------|---------|-----------------|-----------------|-----------------|
|          |          | Rate    | 2%              | 2%              | 2%              |
| Level 1  | 50093845 | 22.53   | 22.98           | 23.44           | 23.91           |
| Level 2  | 50078415 | 23.85   | 24.33           | 24.81           | 25.31           |
| Level 3  | 50078414 | 26.11   | 26.63           | 27.16           | 27.71           |
| Level 4  | 50078413 | 29.53   | 30.12           | 30.72           | 31.34           |
| Level 4A | 50078412 | 31.77   | 32.41           | 33.05           | 33.71           |
| Level 5  | 50078411 | 34.06   | 34.74           | 35.44           | 36.14           |
| Level 6  | 50078410 | 35.51   | 36.22           | 36.94           | 37.68           |

**New Hires After**  
**5/2/10**

|   |          |       |       |       |       |
|---|----------|-------|-------|-------|-------|
| Start                                     | 50055021 | 15.30 | 15.61 | 15.92 | 16.24 |
| 6 Months                                  | 50103237 | 15.60 | 15.91 | 16.23 | 16.55 |
| 1 Year                                    | 50103238 | 16.10 | 16.42 | 16.75 | 17.09 |
| 18 Months                                 | 50103239 | 16.40 | 16.73 | 17.06 | 17.40 |
| 2nd Year                                  | ***      |       | --    | --    | 18.11 |
| 3rd Year - Level 1                        | 50093845 |       | --    | --    | --    |
| 4th Year<br>Contract % on Level 1<br>Rate | ***      |       | --    | --    | --    |
| 5th Year - Level 2                        | 50078415 |       | --    | --    | --    |

|          |   |
|----------|---|
| Level 3  | <p align="center">See Rates Above<br/>Follow Division's Demonstration Periods and Gates</p> |
| Level 4  |   |
| Level 4A |   |
| Level 5  |   |
| Level 6  |   |

**EXHIBIT A**

**Fiber Prep New Rate Schedule**

|         |          | Current | <u>4/1/2015</u> | <u>4/1/2016</u> | <u>4/1/2017</u> |
|---------|----------|---------|-----------------|-----------------|-----------------|
|         |          | Rate    | 2%              | 2%              | 2%              |
| Level 1 | 50073367 | 22.03   | 22.47           | 22.92           | 23.38           |
| Level 2 | 50073368 | 24.75   | 25.25           | 25.75           | 26.26           |
| Level 3 | 50037668 | 27.45   | 28.00           | 28.56           | 29.13           |
| Level 6 | 50093993 | 29.62   | 30.21           | 30.81           | 31.42           |

**New Hires After 5/2/10**

|  |  |       |       |       |       |
|--|--|-------|-------|-------|-------|
| Start                                  | 50055021   | 15.30 | 15.61 | 15.92 | 16.24 |
| 6 Months                               | 50103237   | 15.60 | 15.91 | 16.23 | 16.55 |
| 1 Year                                 | 50103238   | 16.10 | 16.42 | 16.75 | 17.09 |
| 18 Months                              | 50103239   | 16.40 | 16.73 | 17.06 | 17.40 |
| 2nd Year                               | ***  |       | --    | --    | 18.11 |
| 3rd Year - Level 1                     | 50073367   |       | --    | --    | --    |
| 4th Year<br>Contract % on Level 1 Rate | ***  |       | --    | --    | --    |
| 5th Year - Level 2                     | 50073368   |       | --    | --    | --    |
| Level 3                                | See Rates Above<br>Follow Division's Demonstration Periods and Gates |       |       |       |       |
| Level 6                                |  |       |       |       |       |

**EXHIBIT A**

**Paper Mill New Rate Schedule**

Current    4/1/2015    4/1/2016    4/1/2017  
 Rate            2%            2%            2%

| Level 1 | 50093878 | 23.03 | 23.49 | 23.96 | 24.44 |
|---------|----------|-------|-------|-------|-------|
| Level 2 | 50056491 | 25.76 | 26.28 | 26.80 | 27.34 |
| Level 3 | 50045841 | 28.45 | 29.02 | 29.60 | 30.19 |
| Level 4 | 50055296 | 32.40 | 33.05 | 33.71 | 34.38 |
| Level 5 | 50065183 | 35.50 | 36.21 | 36.93 | 37.67 |
| Level 6 | 50093802 | 36.63 | 37.36 | 38.11 | 38.87 |

**New Hires After 5/2/10**

|  |  |       |       |       |       |
|--|--|-------|-------|-------|-------|
| Start                                  | 50055021   | 15.30 | 15.61 | 15.92 | 16.24 |
| 6 Months                               | 50103237   | 15.60 | 15.91 | 16.23 | 16.55 |
| 1 Year                                 | 50103238   | 16.10 | 16.42 | 16.75 | 17.09 |
| 18 Months                              | 50103239   | 16.40 | 16.73 | 17.06 | 17.40 |
| 2nd Year                               | ***  |       | --    | --    | 18.11 |
| 3rd Year - Level 1                     | 50093878   |       | --    | --    | --    |
| 4th Year<br>Contract % on Level 1 Rate | ***  |       | --    | --    | --    |
| 5th Year - Level 2                     | 50056491   |       | --    | --    | --    |
| Level 3                                | See Rates Above<br>Follow Division's Demonstration Periods and Gates |       |       |       |       |
| Level 4                                |  |       |       |       |       |
| Level 5                                |  |       |       |       |       |
| Level 6                                |  |       |       |       |       |

**EXHIBIT A**

**Converting New Rate Schedule**

|          |          | Current | <u>4/1/2015</u> | <u>4/1/2016</u> | <u>4/1/2017</u> |
|----------|----------|---------|-----------------|-----------------|-----------------|
|          |          | Rate    | 2%              | 2%              | 2%              |
| Level 1  | 50059450 | 21.09   | 21.51           | 21.94           | 22.38           |
| Level 2  | 50045842 | 23.88   | 24.36           | 24.84           | 25.34           |
| Level 3  | 50037743 | 26.51   | 27.04           | 27.58           | 28.13           |
| Level 4  | 50037726 | 28.95   | 29.53           | 30.12           | 30.72           |
| Level 4A | 50202558 | 30.33   | 30.94           | 31.56           | 32.19           |
| Level 5  | 50037647 | 31.72   | 32.35           | 33.00           | 33.66           |
| Level 6  | 50037744 | 34.73   | 35.42           | 36.13           | 36.86           |

**New Hires After 5/2/10**

|  |   |       |       |       |       |
|--|---|-------|-------|-------|-------|
| Start                                  | 50055021  | 15.30 | 15.61 | 15.92 | 16.24 |
| 6 Months                               | 50103237  | 15.60 | 15.91 | 16.23 | 16.55 |
| 1 Year                                 | 50103238  | 16.10 | 16.42 | 16.75 | 17.09 |
| 18 Months                              | 50103239  | 16.40 | 16.73 | 17.06 | 17.40 |
| 2nd Year                               | ***   |       | --    | --    | 18.11 |
| 3rd Year - Level 1                     | 50059450  |       | --    | --    | --    |
| 4th Year<br>Contract % on Level 1 Rate | ***   |       | --    | --    | --    |
| 5th Year - Level 2                     | 50045842  |       | --    | --    | --    |
| Level 3                                | <p align="center">See Rates Above<br/>Follow Division's Demonstration Periods and Gates</p> |       |       |       |       |
| Level 4                                |   |       |       |       |       |
| Level 4A                               |   |       |       |       |       |
| Level 5                                |   |       |       |       |       |
| Level 6                                |   |       |       |       |       |

**EXHIBIT A**

**Materials New Rate Schedule**

**Materials Employees hired prior to 4/1/2010 that are Grandfathered in**

|          |          | Current | <u>4/1/2015</u> | <u>4/1/2016</u> | <u>4/1/2017</u> |
|----------|----------|---------|-----------------|-----------------|-----------------|
|          |          | Rate    | 2%              | 2%              | 2%              |
| Level 1  | 50073366 | 21.96   | 22.40           | 22.85           | 23.30           |
| Level 2  | 50073365 | 24.68   | 25.17           | 25.68           | 26.19           |
| Level 3  | 50073364 | 26.34   | 26.87           | 27.40           | 27.95           |
| Level 4  | 50073363 | 28.14   | 28.70           | 29.28           | 29.86           |
| Level 4A | 50073362 | 29.26   | 29.85           | 30.44           | 31.05           |
| Level 5  | 50073361 | 30.72   | 31.33           | 31.96           | 32.60           |
| Level 6  | 50073360 | 33.25   | 33.92           | 34.59           | 35.29           |

**Materials - New Hire (Employees hired since 4/1/04 and new transfers into the department)**

**Only applies to employees in their first 2 years of employment**

|           |          |       |       |       |       |
|-----------|----------|-------|-------|-------|-------|
| Start     | 50055021 | 15.30 | 15.61 | 15.61 | 15.61 |
| 6 Months  | 50103237 | 15.60 | 15.91 | 15.91 | 15.91 |
| 1 Year    | 50103238 | 16.10 | 16.42 | 16.42 | 16.42 |
| 18 Months | 50103239 | 16.40 | 16.73 | 16.73 | 16.73 |
| 2nd Year  | ***      |       | 18.10 | 18.10 | 18.10 |

|            |          |       |       |       |       |
|------------|----------|-------|-------|-------|-------|
| Level 1 NH | 50159933 | 17.75 | 18.14 | 18.14 | 18.14 |
| Level 2 NH | 50180538 | 19.08 | 19.46 | 19.85 | 20.25 |
| Level 3 NH | 50214001 | 19.71 | 20.10 | 20.51 | 20.92 |
| Level 4 NH | 50214028 | 21.40 | 21.83 | 22.26 | 22.71 |
| Level 5 NH | 50214029 | 28.16 | 28.72 | 29.30 | 29.88 |

**Materials - New Hires After 5/2/10**

|                    |          |       |       |       |       |
|--------------------|----------|-------|-------|-------|-------|
| Start              | 50055021 | 15.30 | 15.61 | 15.92 | 16.24 |
| 6 Months           | 50103237 | 15.60 | 15.91 | 16.23 | 16.55 |
| 1 Year             | 50103238 | 16.10 | 16.42 | 16.75 | 17.09 |
| 18 Months          | 50103239 | 16.40 | 16.73 | 17.06 | 17.40 |
| 2nd Year           | ***      |       | --    | --    | 18.11 |
| 3rd Year - Level 1 | 50159933 |       | --    | --    | --    |

|   |          |  |    |    |    |
|---|----------|--|----|----|----|
| 4th Year<br>Contract % on Level 1<br>Rate | ***      |  | -- | -- | -- |
| 5th Year - Level 2                        | 50180538 |  | -- | -- | -- |

|         |  |  |  |  |  |
|---------|--|--|--|--|--|
| Level 3 | <p style="text-align: center;">See Rates Above<br/>Follow Division's Demonstration Periods and Gates</p> |  |  |  |  |
| Level 4 |  |  |  |  |  |
| Level 5 |  |  |  |  |  |

**EXHIBIT A**

**Distribution New Rate Schedule**

**Distribution Employees hired prior to  
4/1/04 that are Grandfathered**

|          |          | Current | <u>4/1/2015</u> | <u>4/1/2016</u> | <u>4/1/2017</u> |
|----------|----------|---------|-----------------|-----------------|-----------------|
|          |          | Rate    | 2%              | 2%              | 2%              |
| Level 1  | 50073366 | 21.96   | 22.40           | 22.85           | 23.30           |
| Level 2  | 50073365 | 24.68   | 25.17           | 25.68           | 26.19           |
| Level 3  | 50073364 | 26.34   | 26.87           | 27.40           | 27.95           |
| Level 4  | 50073363 | 28.14   | 28.70           | 29.28           | 29.86           |
| Level 4A | 50073362 | 29.26   | 29.85           | 30.44           | 31.05           |
| Level 5  | 50073361 | 30.72   | 31.33           | 31.96           | 32.60           |
| Level 6  | 50073360 | 33.25   | 33.92           | 34.59           | 35.29           |

**Distribution - New Hires Since 4/1/04**

|                    |          |       |       |       |       |
|--------------------|----------|-------|-------|-------|-------|
| Start              | 50055021 | 15.30 | 15.61 | 15.61 | 15.61 |
| 6 Months           | 50103237 | 15.60 | 15.91 | 15.91 | 15.91 |
| 1 Year             | 50103238 | 16.10 | 16.42 | 16.42 | 16.42 |
| 18 Months          | 50103239 | 16.40 | 16.73 | 16.73 | 16.73 |
| 2nd Year / Level 1 | ***      |       | 18.11 | 18.11 | 18.11 |

|          |          |                  |       |       |       |
|----------|----------|------------------|-------|-------|-------|
| Level 1  | 50159933 | 17.75            | 18.11 | 18.47 | 18.84 |
| Level 2  | 50180538 | 19.08            | 19.46 | 19.85 | 20.25 |
| Level 3  | 50180539 | 23.09            | 23.55 | 24.02 | 24.50 |
| Level 4  | 50184685 | 26.46            | 26.99 | 27.53 | 28.08 |
| Level 4A | ***      | To Be Determined |       |       |       |
| Level 5  | 50073361 |                  |       |       |       |
| Level 6  | 50073360 |                  |       |       |       |

EXHIBIT A

**Distribution New Rate Schedule**

| <u>4/1/2015</u> | <u>4/1/2016</u> | <u>4/1/2017</u> |
|-----------------|-----------------|-----------------|
| 2%              | 2%              | 2%              |

**Distribution - New Hires Starting 5/2/10**

|           |          |       |       |       |       |
|-----------|----------|-------|-------|-------|-------|
| Start     | 50055021 | 15.30 | 15.61 | 15.92 | 16.24 |
| 6 Months  | 50103237 | 15.60 | 15.91 | 16.23 | 16.55 |
| 1 Year    | 50103238 | 16.10 | 16.42 | 16.75 | 17.09 |
| 18 Months | 50103239 | 16.40 | 16.73 | 17.06 | 17.40 |
| 2nd Year  | 50234359 | 15.30 | 15.61 | 15.92 | 16.24 |

**Frozen at 2 Year Rate until an opening becomes available at Level 2 includes Performance Targets**

|         |          |                  |       |       |       |
|---------|----------|------------------|-------|-------|-------|
| Level 2 | 50180538 | 19.08            | 19.46 | 19.85 | 20.25 |
| Level 3 | 50180539 | 23.09            | 23.55 | 24.02 | 24.50 |
| Level 4 | 50184685 | 26.46            | 26.99 | 27.53 | 28.08 |
| Level 4 | ***      | To Be Determined |       |       |       |
| Level 5 | 50073361 |                  |       |       |       |
| Level 6 | 50073360 |                  |       |       |       |

**EXHIBIT A**

4/1/2015    4/1/2016    4/1/2017

**2%**            **2%**            **2%**

**E-Tech Maintenance**

|         |           |       |       |       |       |
|---------|-----------|-------|-------|-------|-------|
| Level 1 | New Hire  | 29.27 | 29.86 | 30.45 | 31.06 |
| Level 2 | 6 months  | 30.71 | 31.32 | 31.95 | 32.59 |
| Level 3 | 12 months | 32.00 | 32.64 | 33.29 | 33.96 |
| Level 4 | 24 months | 33.59 | 34.26 | 34.95 | 35.65 |
| Level 5 |           | 34.69 | 35.38 | 36.09 | 36.81 |
| Level 6 |           | 36.63 | 37.36 | 38.11 | 38.87 |

**M-Tech Maintenance**

|         |           |       |       |       |       |
|---------|-----------|-------|-------|-------|-------|
|         |           |       |       |       |       |
| Level 1 | New Hire  | 29.27 | 29.86 | 30.45 | 31.06 |
| Level 2 | 6 months  | 30.71 | 31.32 | 31.95 | 32.59 |
| Level 3 | 12 months | 32.00 | 32.64 | 33.29 | 33.96 |
| Level 4 | 24 months | 33.59 | 34.26 | 34.95 | 35.65 |
| Level 5 |           | 34.69 | 35.38 | 36.09 | 36.81 |
| Level 6 |           | 36.63 | 37.36 | 38.11 | 38.87 |

**Apprenticeship Program Levels and Rates will be determined at later date.**

Current    4/4/2015    4/3/2016    4/1/2017  
Rate        **2%**        **2%**        **2%**

**Building Services (Employees who are Grandfathered in the following jobs as of 4/1/10)**

|                 |          |       |       |       |       |
|-----------------|----------|-------|-------|-------|-------|
| Leader          | 50037682 | 23.29 | 23.76 | 24.23 | 24.72 |
| Outside Cleaner | 50037684 | 22.09 | 22.53 | 22.98 | 23.44 |
| Janitor         | 50037683 | 21.12 | 21.54 | 21.97 | 22.41 |

**EXHIBIT A**

|         |                 |                 |                 |
|---------|-----------------|-----------------|-----------------|
| Current | <u>4/1/2015</u> | <u>4/1/2016</u> | <u>4/1/2017</u> |
| Rate    | 2%              | 2%              | 2%              |

**Stores**

|              |          |       |       |       |       |
|--------------|----------|-------|-------|-------|-------|
| Attend A     | 50037701 | 25.59 | 26.10 | 26.62 | 27.16 |
| Attend B     | 50037702 | 22.97 | 23.43 | 23.90 | 24.38 |
| Leader Parts | 50037703 | 26.56 | 27.09 | 27.63 | 28.19 |

|         |                 |                 |                 |
|---------|-----------------|-----------------|-----------------|
| Current | <u>4/4/2015</u> | <u>4/3/2016</u> | <u>4/1/2017</u> |
| Rate    | 2%              | 2%              | 2%              |

**Other Roles**

|                                    |  |                          |
|------------------------------------|--|--------------------------|
| Opex                               |  | HPWS plus \$1.50/hour    |
| Fire Chief                         |  | HPWS plus \$1.50/hour    |
| E- Tech Training Coordinator – L5R |  | See E-Tech Level 5R Rate |
| M-Tech Training Coordinator – L5R  |  | See M-Tech Level 5R Rate |

**General Labor**

4/1/2015   4/1/2016   4/1/2017

|          |          |       |       |       |       |
|----------|----------|-------|-------|-------|-------|
| Start    | 50055021 | 15.30 | 15.61 | 15.92 | 16.24 |
| 6 Months | 50103237 | 15.60 | 15.91 | 16.23 | 16.55 |
| 1 Year   | 50103238 | 16.10 | 16.42 | 16.75 | 17.09 |

**Summer Rate**

|             |     |  |       |       |       |
|-------------|-----|--|-------|-------|-------|
| Summer Rate | *** |  | 12.00 | 12.00 | 12.00 |
|-------------|-----|--|-------|-------|-------|

**EXHIBIT B**  
ENABLING AGREEMENT

Between

KIMBERLY-CLARK PENNSYLVANIA, LLC.

CHESTER OPERATIONS

and

United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial Service  
Workers International Union, AFL-CIO-CLC, on behalf of Local 10-448

GUIDELINES AND AGREEMENT FOR CHANGE

This memorandum is jointly arrived at by Union and Company and intends to be a guideline for an ongoing process, which will enable both parties to change the labor/management relationship through a truly joint, cooperative change effort.

Both parties believe that changing the labor/management relationship is needed, possible and essential to the long-term well-being of the business and all people at the Chester site.

- A. Both parties believe there are many reasons for changing the labor/management relationship. Foremost and among them:
- To develop a better way of dealing with problems.
  - To ensure the long term growth and competitiveness of the mill
  - To create the best possible safe working conditions for employees.
  - To improve the business through working together.
  - To create a “one plant/one workforce” focus to better meet the competition.
- B. Both parties agree that a truly joint, participative labor/management relationship will allow the parties to achieve mutually desirable goals, while still fulfilling their respective responsibilities to their union and to management. Mutually desirable goals include:
- Meet and anticipate customer and consumer needs.
  - Better opportunities for growth and learning for all employees.
  - Return and sustain Chester to flagship status.
  - Employment security for all through continually improving business performance.
  - Business returns that ensure future capital needs.
- C. Both parties agree that in order to achieve a structural improvement in the labor/management relationship, key members representing both sides will have to jointly engage in certain training/learning opportunities designed to help the parties change. Therefore, we commit to:
- Jointly selecting and working with a cooperative labor/management consultant.

- Jointly participate in problem solving skill training, conflict resolution training, meeting skills training, consensus decision-making training, and other appropriate training as jointly agreed to.
  - Joint site visits so as to learn what others are doing around joint labor/management efforts.
- D. Both parties agree to the establishment of the Chester Labor Management Committee made up of equal members, not to exceed sixteen in total.
- E. Both parties agree that this Chester Labor Management Committee (CLMC) will first learn to use and then only use consensus decision making in arriving at agreements. Consensus decision making is defined as follows:
- Everybody takes responsibility for giving opinions/why.
  - Everybody takes responsibility for listening to others.
  - Everybody can live with the decision, even if not his or her first choice.
  - Everybody will support as “ours” – not “theirs.”

Resolutions reached by the CLMC will become binding on the parties except, however, specific contract language changes agreed to by the CLMC will first have to be ratified by the local union bargaining committee and the union's ratification procedure, when necessary.

Both parties agree to make every effort to ensure that this joint, participative effort is kept free of issues outside the scope of this agreement.

And finally, the parties agree to develop a way to measure and monitor the progress made in changing the relationship, as well as the effect and extent of improvement resulting from work jointly accomplished.

## EXHIBIT C

### KIMBERLY-CLARK PENNSYLVANIA, LLC. CHESTER OPERATIONS DRUG AND ALCOHOL POLICY

Kimberly-Clark Pennsylvania, LLC. Chester, Pennsylvania facility management and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial Service Workers International Union, AFL-CIO-CLC, on behalf of Local 10-448 agree to the procedures in this policy regarding the use, sale or possession of alcohol and controlled substances. This policy pertains to all Kimberly-Clark Chester employees, both Hourly and Salaried.

The abuse of drugs and alcohol is recognized as a major contributor to poor job performance and an unsafe work environment. It is also recognized as a disruption of family and social life, and contributes to deterioration in emotional and physical well-being. It is regarded as a disease having many causes both personal and social, but a disease, nevertheless, which can be arrested and successfully treated provided the affected individual is sufficiently motivated and rehabilitation efforts are aided by an understanding family, employer and associates.

Chester management and the local union are committed to the objective of creating a workplace free of drug and alcohol abuse. Procedures in this policy are intended to accomplish this goal. It is not our intent to mandate morality but to take appropriate action when conduct appears to impact job performance or bring public discredit to the company, union, or employees.

The four (4) key methods by which we intend to accomplish our objective are:

1. Education of both management and bargaining unit personnel.
2. Rehabilitation through the effective use of an Employee Assistance Program (EAP).
3. Testing, as defined by this policy, of employees.
4. Investigation and appropriate action as circumstances warrant.

#### I. EDUCATION

- A joint union-management policy statement will be developed around education needs of the Chester site.
- A joint union-management Health and Wellness Committee will be established and provided with adequate resources and time to assure high quality education and training programs are developed for the site.
- All employees will receive a copy of this policy and will be informed of the commitment to work toward an environment free of Drug and Alcohol issues.
- Appropriate management, labor officials, Health and Wellness Committee members will receive training in the recognition of drug and alcohol abuse and methods to deal with it. Basic training will be provided.

## II. REHABILITATION

An effective means to motivate drug and alcohol abusers to receive treatment is through the successful utilization of an Employee Assistance Program. The EAP at Kimberly-Clark Company in Chester will be modified to include the following:

1. A joint union-management policy statement.
2. The Education/EAP Committee will sponsor joint union/management EAP orientation sessions developed to educate designated personnel of the EAP's purpose and the support it provides to our employees.
3. A review of the effectiveness of the EAP provider by the committee. Recommendations to be made regarding improvements of programs, services and utilization.

## III. TESTING

### Controlled Substance Testing:

Using standard/laboratory procedures, urine samples will be screened for the following classes of drugs. CompuChem will use the most current manufacturer's recommended cut-off limits for negative/positive sample determination:

| <u>Drug</u>                        | <u>Cut-Off Limit</u> |
|------------------------------------|----------------------|
| Amphetamines                       | 300 ng/ml            |
| Barbiturates                       | 300 ng/ml            |
| Benzodiazepines                    | 300 ng/ml            |
| Benzolecgoine (Cocaine Metabolite) | 300 ng/ml            |
| Cannabinoids (THC, Marijuana)      | 100 ng/ml            |
| Methaqualone (Quaaludes)           | 300 ng/ml            |
| Opiates                            | 300 ng/ml            |
| Phencyclidine (PCP, Angel Dust)    | 25 ng/ml             |

The Emit drug abuse assays are rapid, semi-quantitative immunochemical tests, which, by assay of the respective urinary drug or drug metabolites, detect the use of the above drugs. These assays are designed as a primary screening test to detect positive samples. With regard to Amphetamines, CompuChem will use the fluorescent test as the primary screening test. A negative result is strong evidence that the drugs in question are not present in excess of the detection limit of the assay.

Any positive result obtained during the screening procedure will automatically be scheduled for confirmation by Gas Chromatography/Mass Spectroscopy according to the attached cut-off limits.

| <u>Drug Class</u>                  | <u>Compounds Analyzed ByGC/MS For Confirmation Limit (ng/ml)</u>                                  |
|------------------------------------|---|
| Amphetamines                       | Amphetamine 300<br>Methamphetamine 300  |
| Barbiturates                       | Amobarbital 200<br>Butobarbital 200<br>Pentobarbital 200<br>Phenobarbital 200<br>Secobarbital 200 |
| Benzodiazepines                    | N-desmethyldiazepam 300<br>Oxazepam 300   |
| Benzolecgoine (Cocaine metabolite) | Benzolecgoine 150   |
| Cannabinoids (THC)                 | Delta-9-carboxy-tetra- 15<br>Hydrocannabinol  |
| Methaqualone                       | Methaqualone 100  |
| Opiates                            | Morphine/Codeine 300  |
| Phencyclidine (PCP)                | Phencyclidine (PCP) 25  |

#### Employee Testing:

The initial screening test will be the Emit drug abuse assays as described earlier. As described above, the initial screening test for Amphetamines will be the fluorescent test. If the results for this test are positive, a confirmation test (GC/MS) will automatically be administered. If the GC/MS or the fluorescent test is positive, it will be considered conclusive and final. If the employee questions the accuracy for the confirmation test, the employee may request the sample be retested at the employee's own expense. If inconsistency exists between the results of the two confirmation tests, the company will have a third test conducted at company expense, which will resolve the issue.

The same laboratory techniques, chain of custody requirements and cut-off limits will be used for pre-employment testing and present employee testing. Any new scientific advancement in testing for controlled substances and alcohol abuse will be evaluated for incorporation into this policy. Testing for controlled substance abuse will be by a urine sample. Testing for alcohol presence will be a blood sample or breathalyzer.

#### Alcohol Testing

In testing for the presence of alcohol, a blood sample will be obtained and submitted to local laboratory for determination of level of presence of alcohol. Alternately, the use of breathalyzer to determine the level of presence for alcohol is authorized. It is recognized that a blood alcohol level exceeding the State of Pennsylvania's definition of "under the influence of alcohol" will be the standard used.

## Decision to Test

As described previously, it is the Company's intent to perform employee testing as well as pre-employment testing. With respect to the decision to test, it is understood that observable behavioral changes, health concerns, safety/work related accident(s) and retesting after rehabilitation are all legitimate reasons for the Company to require drug and/or alcohol testing. Specifics are provided for below:

1. Employee behavioral changes - Any employee displaying signs of erratic behavior, which could be attributed to physical or mental/emotional impairment, will be approached relative to his/her condition. The decision to approach an employee will be based upon more than one sign of change. Some examples of such changes are:
  - Motor instability/staggered gait, etc.
  - Blurred or double vision
  - Impaired reflex action
  - Reduced mental functions
  - Increased pulse rate/decreased blood pressure
  - Flushing of skin
  - Drowsiness/stupor
  - Slurred speech
  - Excessively talkative or loud
  - Dilated pupils or bloodshot eyes
2. On-the-Job Accidents - All employees who are involved in an on-the-job accident and who give cause to believe that he/she may be impaired will be tested for substance abuse within a reasonable period of time after the accident.
3. Retesting after Rehabilitation - All employees who return to work following a rehabilitation program, which the Company required the employee to attend as a condition of continued employment, may be tested for substance abuse, and is subject to random testing for a period up to twelve months.
4. Testing Implementation - There will be a minimum of a 60-day waiting period between announcement of this policy and implementation of any actual testing of current employees.

In situations where it has been determined that there exists legitimate reasons to address/test an employee in accordance with the above criteria, it is agreed that any formal discussions with the employee will be conducted in the presence of a Union Steward or Union Official. It will be the Company's general practice in these situations to coordinate with the Plant Nurse, the Human Resources Department and/or appropriate middle/upper Management personnel. Several issues must additionally be considered:

In event of the need to address the situation:

- Involve Security Force members as appropriate.
- Do not permit the employee to continue working.
- Coordinate with the Plant Nurse or local Medical Personnel if testing is involved.
- Dissuade employee from driving any vehicle. Arrange for transportation.
- Keep in mind responses to questions and requests may be affected by controlled substances or alcohol. Refusal to submit to required testing may be a manifestation of denial rather than intentional insubordination. Nevertheless, the employee needs convincing his/her condition will not be tolerated.
- Document the event completely.

IV. ADMITTANCE TO A DRUG/ALCOHOL DEPENDENCY:

Employee who:

- comes forward and indicates he/she has a drug/alcohol dependency -- offer one time drug/alcohol rehabilitation, and follow Section III, Decision To Test #3 of this Exhibit.
- comes forward and indicates he/she has a drug/alcohol dependency during the disciplinary process -- administer corrective action, offer one time drug/alcohol rehabilitation, and follow Section III, Decision To Test #3 of this Exhibit.
- comes forward and indicates he/she has a drug/alcohol dependency during the final steps of the disciplinary process or during a Last Chance Agreement will NOT be offered one-time rehabilitation.

V. INVESTIGATION AND APPROPRIATE ACTION

Employees who:

- have a confirmed positive test for controlled substances;
  - report for duty or being on duty under the influence of or in unauthorized possession of intoxicants or drugs - General Rules and Regulations, #33;
  - engage in the unauthorized use, sale or possession of alcohol or controlled substances while on the job or on company property;
  - are convicted by a court of law of any illegal controlled substance activity;
  - refuse to submit to testing as defined in this policy;
  - refuse to comply with the treatment prescribed by the EAP provider, including after care
- must be held responsible for this unacceptable action.

The extent of appropriate action imposed will depend on many considerations. General guidelines will be developed by the Company and attached to this policy and are intended to act as a deterrent to this unacceptable behavior.

VI. OTHER UNDERSTANDINGS

While we do not intend to legislate the degrees of appropriate action through this policy, we do want to clearly communicate to our entire work force that the unauthorized use, sale or possession of alcohol or controlled substances while on the job or on Company property will not be tolerated.

There should be no misunderstanding by any employee as to the Company's and the Union's intent of this policy, which is to remove drug and alcohol problems from the workplace. While there is genuine interest in employee rehabilitation, offenders of this policy will be dealt with appropriately.

Employees suffering lost time as a result of taking a drug test and who are not allowed to work pending test results, will be made whole for all lost time should the test results prove negative.

## EXHIBIT D

### STATEMENTS OF INTENT Chester Operations

#### 1. CONTRACTED MAINTENANCE AND CONSTRUCTION FOR THE SITE

This statement reconfirms the understanding reached during 1967 negotiations on the company's policy at Chester regarding the contracting of maintenance and construction work.

It is the Company's desire and intention to award as much maintenance work as possible to Local #10-448, United Steel Workers International AFL-CIO Union. This will be done within the limitations of the crafts, skills, and equipment existing in the Chester plant. It is recognized by the Union and the Company that during times of peak workloads, beyond the capabilities of a normal size maintenance crew to absorb, it may be necessary to supplement the maintenance effort with outside contractors or other source of labor as dictated by the circumstances and economics of the situation.

In the case of construction work, the same effort will be made to award the work to Local #10-448. This will be dependent, however, on the estimated cost of so doing being competitive with outside contractors, and can only be done when the skills, equipment and manpower available from the Chester plant are sufficient to complete work.

Due to the peaks and valleys frequently experienced in construction work, it must be recognized by the Union that the volume of such construction work will be limited to the level of regular day in and day out opportunities and that the peak levels will for obvious economic reasons normally be contracted.

The company agrees to periodically review with the Union, action it has taken in areas covered by this letter.

2. In the event of a total and permanent shutdown of the Chester Plant, consideration will be given for employment opportunities at other Company plants for those laid off employees who express an interest in being considered.
3. Employees involved in a work related incident and required by the Company to attend a meeting outside their normally scheduled hours to discuss and/or investigate that incident will be paid at their HPWS rate for the time spent at the meeting; such time will not be counted toward weekly overtime.
4. Consistent with High Performance Work Systems, when administration of hours or work, both overtime and scheduled, is transferred to the hourly team through work redesign, each area will put into place a system that pay for time not worked (pay for mistakes) is eliminated and the intent of Contract Section 6C is adhered to.

#### 5. COAL/ASH HANDLING AREA

As discussed in our 1990 Negotiations, the Utilities Department presently provides employees working in the coal and/or ash handling areas, the opportunity to wash-up on shift when appropriate. It is the Company's intent to continue with this practice until the working conditions are such that this practice is no longer warranted.

6. UNION BUSINESS GUIDELINES

Union officers and/or Stewards must inform/notify their Asset Leader before conducting union business during working hours.

7. SAFETY SHOE PROGRAM

All Chester Plant employees are eligible to purchase safety shoes. Those styles and types of shoes most appropriate for working purposes are available at sixty (60%) percent of the company cost up to a maximum amount of \$100. A maximum of two (2) pairs of shoes may be purchased in any 12-month period.

Exception: Due to unusual working conditions, employees demonstrating need for more than two (2) pairs of shoes per year may purchase up to three (3) pairs upon approval of the Safety Manager and the Company will again assume sixty (60%) percent of the cost up to maximums stated above.

8. SAFETY EYEGLASS PROGRAM

The Company will supply prescription safety glasses to all employees who normally wear prescription glasses and to other employees whose need for them has been recommended and approved by the Safety Manager. The cost of new prescription lenses and frames for safety glasses paid by the company is limited to one pair per year unless additional needs are approved by the Safety Manager.

9. In the evolution to High Performance Work Systems, the parties understand that certain traditional pay practices interfere with the team based decision-making process; in those cases, the parties will seek fair alternatives so that decisions can be made on the basis of work not pay.

10. Compensation for employees off normal shift rotation to participate in capability development, leadership activities and/or do project work should be based on what the work dictates. Employees will be scheduled up to 48 hours per week, and may work additional hours if approved by the Team Leader.

## EXHIBIT E

### HOLIDAY FLEXIBILITY AND FUTURE AGREEMENT GUIDELINES

#### Floating Holiday Guidelines:

1. Floating holiday pay will be consistent with Section 9(b) first paragraph.
2. Section 9 (b), second paragraph, will not be applicable for floating holidays.
3. Employees may use their three (3) Floating Holidays as sick days if needed (no occurrences) except for an absence before or after a Holiday as described in Section 9(b). The Floating Holiday as sick days must be declared during the employee's department call-off procedure.
4. Employee may take their floating holidays on any scheduled workday.
5. Half days allowed.
6. No employee will work on a scheduled floating holiday.
7. Employees hired by May 1 will be eligible for two (2) floating holidays during the remainder of the calendar year. There will be no payment for unused floating holidays.
8. All floating holidays must be taken in the calendar year.
9. All Floating Holidays will be paid at the rate of twelve (12) hours per Floating Holiday.

#### Holiday Flexibility and Single Vacation Day Guidelines

##### Single Vacation Day Guidelines:

1. Priority format for selection
  - Full Week Vacation
  - Single Vacation Day
  - Floating Holiday
2. Single vacation days unused and/or unscheduled in the current calendar year should be scheduled as soon as possible.
3. Employees must notify their shift team leader of their desire to utilize up to 2 weeks' vacation in single days.
4. One single vacation week for 8-Hour employees is considered 5 single days for vacation purposes, and pay is 1/5 of vacation rate.
5. One single vacation week for 12-Hour employees is considered 3 single days for vacation purposes, and pay is 1/3 of vacation rate.
6. Half days allowed.
7. No employee will be allowed to work on a scheduled single vacation day.
8. No payout for future or unused vacations.
9. Operating Teams are responsible for managing and tracking vacations (weeks and single days) and floating holidays. It is expected that the Level 6's/Schedulers will be accountable to lead this change and audit team results. Level 5's will be responsible to administer the process. This will be administered in conjunction with Section 14, Paragraph e for Vacations.

In doing so, each operating team is accountable for:

- The safety of each team member – safety cannot be compromised to allow people off.
- Delivering the day-to-day business results as outlined in each area's High Performance Work System accountabilities.
- Scheduling these days off in a way that overtime is not required. Exceptions should be minimal and must be documented.

