
2009

BASIC LABOR AGREEMENT

Between

THE TIMKEN COMPANY

And

**UNITED STEEL, PAPER
AND FORESTRY, RUBBER,
MANUFACTURING, ENERGY,
ALLIED INDUSTRIAL AND SERVICE
WORKERS INTERNATIONAL UNION**

THE TIMKEN COMPANY

CANTON, OHIO



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THIS AGREEMENT, dated as of November 2, 2009, hereinafter referred to as the "2009 Basic Labor Agreement" to become effective at 12:01 a.m., November 1, 2009, is between THE TIMKEN COMPANY, hereinafter referred to as the "Company", and UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION on behalf of itself and LOCAL UNION 1123, said International Union and Local Union collectively being referred to hereinafter as the "Union".

ARTICLE I - CERTIFIED BARGAINING UNITS

A. The terms "employee" or "employees", as used in this Agreement, apply: To all production and maintenance workers in the bearing, steel and tube plants at Canton, Ohio, the steel and tube plant and bearing plant at Gambrinus (just outside of the City of Canton), and the steel plant on Faircrest Street, S.W., Stark County, Ohio, of the Company, excluding supervisors, assistant supervisors, or supervisors in charge of any class of labor, bricklayers, watchmen, guards, factory clerks, or other clerical workers and salaried employees.

B. It is understood and agreed that in connection with the establishment of the bargaining units heretofore described, consent election contracts were executed between the Company and the Union and representatives of the National Labor Relations Board, and eligibility lists of employees and occupations were agreed to in connection with such elections and contracts. In the event a dispute arises as to whether an employee or an occupation is in the bargaining unit heretofore described, the Local Union President shall write to the Superintendent of Industrial Relations in the plant in which such employee or employees are working, setting forth the employee's and Union's position. At a mutually satisfactory time after receipt of such letter by the Company, a meeting shall be arranged between such Local Union President and the Superintendent of Industrial Relations at which time the portion of such eligibility lists affecting the occupation on which such employee or employees are working shall be exhibited to the Local Union President.

Within ten (10) days after such meeting, the Company shall mail its written disposition of the matter to the Local Union President, which written disposition shall be treated as a Step 3 disposition and shall be

eligible for appeal to arbitration at the time and in the manner specified in Step 3, Step 4 of the grievance procedure set forth in Article IX hereof.

ARTICLE II - RECOGNITION

A. The Company recognizes the Union as the exclusive representative of the employees of the Company who are covered by terms and provisions of this Agreement for the purposes of collective bargaining within the meaning and subject to the terms and provisions of the Labor-Management Relations Act, 1947, as amended.

B. The Company recognizes and will not interfere with the rights of its employees to become members of the Union. There shall be no discrimination, interference, restraint, or coercion by the Company, or any of its agents, against any employees who are members of the Union because of their membership in the Union.

C. The Union agrees not to intimidate or coerce employees into membership and not to solicit membership or collect dues on Company time.

D. Each employee who, on the date of this Agreement, is a member of the Union in good standing and each employee who shall hereafter become a member after that date shall, as a condition of employment, maintain his membership in the Union.

E. Each employee hired on or after the date of this Agreement shall, as a condition of employment, beginning on the 31st day following the beginning of such employment, acquire and maintain membership in the Union.

F. For the purposes of this Section, an employee shall not be deemed to have lost his membership in the Union in good standing until the International

Treasurer of the Union shall have determined that the membership of such employee in the Union is not in good standing and shall have given the Company a written notice of that fact.

G. Each new employee may sign and furnish to the Company at the time of his employment an application card, in duplicate, for membership in the Union, in a form agreed to by the Company and the Union. Such application card shall provide that it shall not become effective until the expiration of thirty (30) days after the date of his employment.

H. The Union shall submit to the Company, in writing, on or before the 25th day of each month, a list showing separately for each plant the name and badge number of each employee who shall have become a member of the Union in good standing since the last previous list of such members was furnished to the Company.

I. During the term of this Agreement, the Company will check off monthly dues, assessments, and initiation fees, as designated by the International Treasurer of the Union, as membership dues in the Union, and United Steelworkers Political Action Committee (hereinafter USW PAC) voluntary contributions, on the basis of individually signed voluntary checkoff authorization cards in a form agreed to, in writing, by the Company and the Union. All such amounts shall be promptly remitted to the International Treasurer of the Union at the address which he authorizes for this purpose, except for USW PAC contributions which shall be promptly remitted to the Treasurer of the USW PAC at the address which he authorizes for this purpose.

J. The following general conditions will be applicable:

1. New checkoff authorization cards will be submitted to the Company through the Financial

Secretaries of the Local Unions at intervals no more frequent than once each month. On or before the 25th day of each month, the Union shall submit to the Company a summary list of cards transmitted in each month.

2. Deductions on the basis of authorization cards submitted to the Company shall commence with respect to dues for the month in which the Company receives such authorization card or in which such card becomes effective, whichever is later.

3. Unless the Company is otherwise notified, the only union membership dues to be deducted for payment to the Union from the pay of the employees who have furnished an authorization shall be the monthly union dues. The Company will deduct initiation fees when notified by notation on the list referred to in 1. above, assessments as designated by the International Treasurer, and USW PAC voluntary contributions as designated by the Treasurer of the USW PAC. With respect to checkoff authorization cards submitted directly to the Company, the Company will not deduct initiation fees, unless specifically requested to do so by the Financial Secretary of the Local Union after the checkoff has become effective.

4. The Company shall pay forty (40) hours of pay per week, computed at Labor Grade 12, to Local Union No. 1123 for its Local Union purposes.

K. The Union shall indemnify and save the Company harmless against any and all claims, demands, suits, or other forms of liability that shall arise out of or by reason of action taken or not taken by the Company in reliance on any list, notice, or assignment furnished to the Company by the Union or for the purpose of complying with any of the provisions of this Article II.

L. It is mutually agreed that, in the application of this Agreement, neither the Union nor the Company will discriminate in any manner prohibited by law between or among any employees of the Company because of race, color, religion, sex, age, national origin, disability, or being a veteran. Wherever in this Agreement the male gender is used, it shall also be construed to include the female gender.

M. The foregoing provisions shall be effective in accordance and consistent with applicable provisions of federal and state law.

N. On the effective date of this Agreement, the Company has an existing contract to have work performed by an outside contractor, which contract, it is understood and agreed, shall remain in effect and the work covered by such contract shall not be subject to the provisions of this Section N until the date upon which such contract shall expire. Provided, however, that the exemption from this Section N shall only apply to the existing contract if the Company is subject to liability, damages, costs, or expenses, based upon or arising out of such contract, for the Company's failure to have the work covered by such contract performed by the outside contractor. The following provisions shall be applicable to any new matter related to the use of outside contractors arising on or after the effective date of this Agreement.

**1. Work Performed by Outside Contractors
Within any Plant Covered by this
Agreement**

a. Production, service, all maintenance and repair work; all installation, replacement, and reconstruction of equipment and productive facilities; other than that listed in Paragraph 1.c. below, all performed within a plant, may continue

to be contracted out under circumstances similar to those under which, prior to October 29, 1989, the consistent practice was to have such work performed by employees of outside contractors.

b. Except as may be provided otherwise in Paragraph 1.a. above and 1.c. below, the Company agrees that it will not permit employees of an outside contractor to perform, within a plant, after the effective date of this Agreement, production, service, maintenance and repair work; installation, replacement, and reconstruction of equipment and productive facilities; unless it is determined, that at the time the work is to be performed, it is more reasonable (as defined in Paragraph 6) to have such work contracted out than to have it performed by bargaining unit employees.

c. Major new construction, including major installation, major replacement, and major reconstruction of equipment and productive facilities, as well as work performed on equipment or systems pursuant to manufacturers' warranty work (if it meets the definition of that term set forth in Paragraph 6), within any plant may be contracted out.

The parties will define which work is part of the main body of the major new construction and which work is peripheral. The final decision will be made by the Company. Peripheral work shall be assigned to employees within the bargaining unit, unless it is more reasonable to contract out such work taking into consideration the factors set forth in Paragraph 6.b.

2. Work Performed by Outside Contractors Outside the Plant

a. Production, service, all maintenance and repair work; all installation, replacement, and

reconstruction of equipment and productive facilities; other than that listed in Paragraph 2.c. below, originating from a plant covered by this Agreement and performed outside such plant, may continue to be contracted out under circumstances similar to those under which, prior to October 29, 1989, the consistent practice was to have such work performed by employees of outside contractors.

b. Except as may be provided otherwise in Paragraph 2.a. above and 2.c. below, the Company agrees that it will not permit employees of an outside contractor to perform production, service, maintenance and repair work; installation, replacement, and reconstruction of equipment and productive facilities; originating from a plant covered by this Agreement and performed outside such plant, after the effective date of this Agreement, unless it is determined, that at the time the work is to be performed, it is more reasonable (as defined in Paragraph 6) to have such work contracted out than to have it performed by bargaining unit employees.

c. Major replacement, major rebuild, major reconstruction of equipment and productive facilities, as well as work performed on equipment or systems pursuant to manufacturers' warranty work (if it meets the definition of that term set forth in Paragraph 6), may be performed by employees of outside contractors outside any plant covered by this Agreement.

3. a. A regularly constituted committee for each plant, consisting of not more than four (4) members, half of whom shall be members of the bargaining unit and designated by the District Director of the Union in writing to the Company and the other half designated in writing to the Union by the Company, shall attempt to resolve problems in connection with the operation, application, and administration of the

foregoing provisions.

b. In addition to the requirements of Paragraph 4 below, such committee may discuss any other current problems with respect to contracting out brought to the attention of the committee.

4. a. Before the Company finally decides to contract out an item of work as to which it claims the right to contract out, the Union committee members will be notified. Such notice will be given in advance of the final decision to contract out the work except where, in the Company's judgment, emergency situations or emergencies related to customer requirements prevent such timely notice. Such notice shall be in writing and shall be sufficient to advise the Union members of the committee of the location, type, scope, duration, and timetable of the work to be performed, and the name of the contractor expected to perform the work, so that the Union members of the committee can adequately form an opinion as to the reasons for such contracting out. Should the Union committee believe discussion to be necessary, they will so request the Company in writing within seven (7) working days (excluding Saturdays, Sundays, and Holidays) after receipt of such notice and such a meeting shall be held within three (3) working days (excluding Saturdays, Sundays, and Holidays) thereafter. At such meeting, the parties should review in detail the plans for the work to be performed and the reasons for contracting out such work. On request, the Union members of the committee shall be provided all relevant information in the Company's possession relating to the determination of reasonableness as defined in Paragraph 6 of this Article II, Section N. The Company members of the committee shall give full consideration to any comments or suggestions by the Union members of the committee and to any alternate plans proposed by Union members for the

performance of the work by bargaining unit personnel. In addition to the regularly constituted members of the Union committee, one (1) bargaining unit employee, who works in the area of the plant designated on the notice from the Company, shall also have the privilege of being present at and participating in such meeting. Except in emergency situations or emergencies related to customer requirements, such discussions, if requested, shall take place before any final decision is made as to whether or not such work will be contracted out. Should the committee resolve the matter, such resolution shall be final and binding, provided that the location, type, scope, duration, and timetable of the work to be performed, or the conditions related to the reasonable factors as defined in Paragraph 6 of this Article II, Section N have not changed in a meaningful fashion. Should a discussion be held and the matter not be resolved, then in all cases, except those involving emergency situations or emergencies related to customer requirements, the matter may be appealed by the Union directly to expedited arbitration as outlined in Paragraph 5 below. Should the Company fail to give notice, if notice is required under this Paragraph 4.a. or 4.b., or in those cases involving emergency situations or emergencies related to customer requirements, then not later than thirty (30) calendar days from the date of the commencement of the work or in those cases involving work performed outside the plant where the Company failed to give notice, then not later than thirty (30) calendar days from the date the Union receives notice through the established notification procedure, a complaint relating to such matter may be filed under the complaint and grievance procedure, found in Article IX of this Agreement, commencing at Step 3, but to be decided by an arbitrator selected from the Special Arbitration Panel described in Section Q of this Article, such selection to be made in the manner set forth in said Section. In the processing of such a complaint

under the procedures of Article IX, the Union members of the Contracting Out Committee shall have all the rights of a grieving employee or employees; the arbitrator shall have all remedial powers and back pay authority necessary to enforce this Section and to remedy violations thereof including the awarding of pay for any earnings lost by any employee by reason of any violations, provided, however, that in any case arising under this Article II, Section N, the arbitrator shall have no power to order capital investment or the hiring of new employees; each succeeding incident of contracting out with or without notice may be the subject of another grievance irrespective of the provisions of Article IX, Section G; and the procedures of Article IX shall otherwise be implemented consistent with this Section N. Notwithstanding the provisions of Article IX, back pay, if any, may be awarded by the arbitrator in cases where the Company fails to give notice as required by this Paragraph 4.a. and 4.b. if the arbitrator finds that such remedy is appropriate in the circumstances of the case.

b. In the event of emergency situations or emergencies related to customer requirements, notice shall be given to the Union members of the plant's regularly constituted committee within five (5) days of the commencement of the work.

5. The expedited arbitration procedure and the time limits for such procedure shall be as follows:

a. The Chairman of the Contracting Out Committee for the Union shall mail to the Company written notice of appeal of the matter directly to expedited arbitration, postmarked within five (5) calendar days after the date upon which a discussion was held and the matter was not resolved.

b. Within five (5) calendar days after the

receipt of such notice of appeal, the parties shall meet at the offices of the plant concerned for the selection of an arbitrator. In the event the Union fails to have a representative present within such five (5) calendar-day period to participate in the selection of an arbitrator, the grievance shall be deemed to have been accepted by the Union and the employee(s) on the basis of the Company's position and shall not be eligible for arbitration.

c. The arbitrator shall be selected as provided in Section Q of this Article.

d. The parties shall notify the arbitrator of his selection by filing a joint notice of appeal of the matter to expedited arbitration with the arbitrator.

e. Promptly after receipt of the notice of appeal, the arbitrator shall agree with the parties as to a mutually satisfactory date. The hearing shall be held within thirty (30) calendar days after the date the notice of appeal to expedited arbitration is filed with the arbitrator.

f. If the arbitrator is unable to schedule and hold the hearing within such thirty (30) calendar-day period because of the unwillingness of either party to proceed, the arbitration proceedings shall be dealt with as follows: (1) if the Company is unable or unwilling to proceed within such thirty (30) calendar-day period, the grievance shall be allowed; (2) if the Union is unable or unwilling to proceed within such thirty (30) calendar-day period, the grievance shall be denied; (3) if the arbitrator is not available to proceed within such thirty (30) calendar-day period, upon notice to that effect or the expiration of such thirty (30) calendar-day period, the Company may implement its decision and commence such work; in that event, another arbitrator shall be selected as provided in

Section Q of this Article and the procedure provided in this Section N, Paragraph 5.d., e., and f., shall be repeated.

g. The expedited arbitration hearing shall be conducted in the following manner:

(1) The hearing shall be concluded in no more than two (2) consecutive days. The arbitrator shall assure that each party shall have an equal opportunity to use, if needed, a minimum of one-half (1/2) of the hearing to present its case.

(2) No post-hearing briefs shall be filed. Pre-hearing briefs may be filed on the date of the hearing.

(3) The arbitrator shall issue an expedited decision no later than five (5) calendar days after conclusion of the hearing. The expedited decision shall be limited to a statement that the Company either has a right to contract out the work in question or does not have such a right. This expedited decision shall be explained in a follow-up written opinion which shall be issued no later than fifteen (15) calendar days after conclusion of the hearing.

6. Definitions

a. The term "outside contractor" or "vendor" shall mean any entity, excluding the Company and its subsidiaries, which is a party to a contract with the Company. The term "subsidiary" as used herein shall mean an entity fifty percent (50%) or more directly or indirectly owned or controlled by the Company.

b. It shall be "more reasonable" for the Company to have work contracted out if it is determined, that at the time the work is to be performed:

(1) the Company will not have the employees available at such plant, either active or laid off reduction in force, who possess the necessary skills to perform the work. For Trade and Craft employees, employees in the occupation of Stores Controller, and employees in the occupation of Material Controller/ Attendant, except Bearing Machinists, availability as defined in this Paragraph b.(1), shall mean being fully utilized by performing the duties of the occupation as defined in the job descriptions as of January 1, 2004. For Bearing Machinists, availability shall mean being fully utilized by performing duties of the Machinist/ Finisher occupation and, effective June 30, 2006, a minimum of fifty percent (50%) of the employees in that occupation will be fully utilized as defined in the job description of Machinist as of January 1, 2004. Further, it is understood that any Steel Machinist vacancy filled by post and bid in the Bearing Plant shall be counted for the purpose of calculating the above percentage; or

(2) the Company will not have the necessary existing equipment to perform the work; or

(3) the work cannot be done with the Company's employees who work at such plant at competitive quality; or

(4) the work cannot be done with the Company's employees who work at such plant within the time period desired by the Company, provided such time period is reasonable under the circumstances.

c. The term "manufacturers' warranty work" means work performed pursuant to a warranty for the limited time necessary to make effective the following seller guarantees:

(1) That new or rehabilitated equipment or systems are free of errors in quality, workmanship, or design.

(2) That new or rehabilitated equipment or services will perform at stated levels of performance and/or efficiency subsequent to installation.

It is understood that manufacturers' warranties are commitments associated with a particular product or service in order to assure that seller representations will be honored at no additional cost to the Company. It is further understood that long-term service contracts are not within the definition of manufacturers' warranty work.

7. Notwithstanding the provisions of Article IX, in arbitrations conducted pursuant to either the expedited arbitration procedure or the regular arbitration procedure, the arbitrator shall have the authority to award back pay.

8. Trade and Craft Hours of Pay Guarantee

a. An employee working in a trade and craft occupation, as defined in the Job Classification Manual, shall be guaranteed forty (40) hours of pay, at the Standard Hourly Wage Rate for his occupation, for any week during which trade and craft employees of an outside contractor are working within the plant performing the duties of his occupation that he would otherwise perform. This guarantee shall apply only to affected employees in the trade and craft occupation at the plant. An affected employee is defined as an employee in such trade and craft occupation who receives less than forty (40) hours pay for such week, or who is available for work but on layoff during such week and who would perform such work if not laid off.

b. The number of employees eligible for the forty (40)-hour pay guarantee in any given week shall be the lesser of the number of employees of the outside contractor performing the trade and craft work at issue, or the number of affected employees during such work week. Such guarantee shall not be applicable with respect to outside contractors' employees working in the plant on new construction, including major installation, major replacement, and major reconstruction of equipment and productive facilities, as well as work performed on equipment or systems pursuant to manufacturers' warranty work.

O. BASE FORCE GUARANTEE

1. Subject to the provisions of Paragraph 2, the Company guarantees it shall maintain a Base Force of active and inactive employees in the Steel Plants covered by the Basic Labor Agreement during the term of this Agreement. The Base Force protection shall be monitored and enforced only for the Steel Plants. The Base Force level of bargaining unit employees for the Local Union 1123 plant defined in Article VIII.B.6.(b) as "Harrison, Gambrinus, and Faircrest Steel Plants" shall be 1063 Production employees and 489 Trade and Craft employees (provided, however, that if the Company constructs the X-Mill as outlined in Article VIII.B.7. of this Agreement, the Base Force level of bargaining unit employees at this plant defined in Article VIII.B.6.(b) shall be increased by one (1) Production employee for each one (1) employee who becomes permanently classified in a production occupation at the new X-Mill and by one (1) Trade and Craft employee for each one (1) employee who becomes permanently classified in a Trade and Craft occupation at the new X-Mill).

a. Provided, however, that the Company shall recalculate the number of active and inactive

Production employees with more than three (3) years of continuous service at the "Harrison, Gambrinus, and Faircrest Steel Plants" on October 1, 2011, and compare that number to the modified Production Base Force number on September 30, 2011, as reported to the Union, pursuant to Paragraph 3 of this Section O. Subject to the provisions of Paragraph 2, the Production Base Force level for the "Harrison, Gambrinus, and Faircrest Steel Plants" shall be maintained at the higher of the two (2) numbers during the remaining term of this Agreement.

b. Provided, further, that the Company shall recalculate the number of active and inactive Trade and Craft employees, as defined in Subparagraph c. below, on September 30, 2011, as reported to the Union, pursuant to Paragraph 3 of this Section O, minus the number of Apprentices on September 30, 2011. Subject to the provisions of Paragraph 2, the Trade and Craft Base Force level for the "Harrison, Gambrinus, and Faircrest Steel Plants" shall be maintained at the higher of the two (2) numbers during the remaining term of this Agreement.

c. For purposes of this Section O, the term "Trade and Craft employees" shall mean those employees working in the occupations at the Harrison, Gambrinus, and Faircrest Steel Plants set forth in Article V, Appendix B, including Journeymen and Apprentices; Journeymen who have occupational recall rights to those occupations; and Apprentices who have been reduced from an apprenticeship in one of those occupations. The term "Production employees" shall mean employees working in the bargaining unit occupations at the Harrison, Gambrinus, and Faircrest Steel Plants which are not included in the definition of Trade and Craft employee set forth above.

2. The Base Force levels set forth in Paragraph 1 shall be modified by reducing the Base Force numbers for Production and Trade and Craft employees when an employee leaves the Company for any of the following reasons: voluntarily quits the service of the Company, dies, is discharged, or retires voluntarily from the service of the Company on or after the effective date of this Agreement. Provided, however, that the Base Force level shall only be reduced by one (1) employee for every three (3) employees who retire voluntarily from the service of the Company.

3. The status of the Base Force, as modified under Paragraph 2, shall be reviewed on a monthly basis. Monthly reports will be provided by the Company to the Union. If upon such monthly review the Base Force at a location is below the modified Base Force level, the Company will fill any reduction in the Base Force promptly, but no later than within ninety (90) days, except for occupations which require special skills which shall be filled within one hundred twenty (120) days, following the monthly Base Force review on which it was determined that the Base Force was below the modified Base Force level.

4. If a disaster occurs, the Base Force Guarantee will be terminated. For the purposes of this Section, disaster is defined as:

a. Severe financial difficulties short of bankruptcy filing. Such financial difficulties must represent a clear and present danger to the Company's viability. Termination can occur under this Paragraph by mutual agreement of the parties, or if no mutual agreement is reached, then unilaterally by the Company. Such unilateral termination or other disputes concerning this Paragraph shall be subject to arbitration pursuant to a special emergency procedure

to be agreed upon by the parties. The arbitrator shall be selected from the Special Arbitration Panel described in Section Q of this Article, such selection to be made in the manner set forth in said Section. In the event of unilateral termination which is subjected to arbitration, the termination shall not take effect until the arbitrator has ruled. The sole issue for the arbitrator in an arbitration concerning the Company's unilateral termination under this Paragraph shall be to determine whether the financial difficulty asserted by the Company does, in fact, represent a clear and present danger to the Company's continued viability.

b. A petition in Bankruptcy Court for reorganization or liquidation is filed and the Court finds that it is necessary to reject this Agreement and issues an order under bankruptcy laws authorizing such rejection.

5. In the event of the permanent shutdown of a plant qualifying the employees of such plant(s) for Pension Due To Shutdown under the Pension Agreement, the Base Force numbers set forth above shall be reduced by the Base Force number attributable to such plant(s).

P. SECURITY PAYMENT BENEFIT

1. An employee of the Harrison and Faircrest Steel Plant and an employee of the Gambrinus Steel Plant employed on or before January 1, 2009, having two (2) or more years of continuous service shall have the opportunity to earn a 500-Hour Per Quarter Security Payment Benefit for any quarter in which the employee is paid less than 500 hours, as computed in Paragraph 2 below. Provided, however, that when any such employee who is on layoff for reduction of forces or physical reasons and who at the time such layoff began had less than two (2) years of continuous

service returns to work with unbroken continuous service, such employee shall not be eligible for the opportunity to earn such Security Payment Benefit until the first full quarter after his return to work. For purposes of this Security Payment Benefit, each year shall begin with the beginning date of November 1, and each quarter will be based on calendar months.

2. For the purposes of this 500-Hour Per Quarter Payment opportunity, the following provisions shall apply:

a. A 500-Hour Per Quarter Payment Benefit for a particular three (3)-month quarter will be calculated by multiplying the employee's average standard hourly wage rate, for all occupations in which the employee was permanently classified during the quarter, by the excess of 500 hours over the sum of hours in the quarter equal to that which the employee:

(1) worked in a quarter, and

(2) did not work but was paid by the Company, and

(3) did not work for reasons other than lack of work (no charge for refusal of overtime), and

(4) received payments made by the Company under the Supplemental Unemployment Benefit Agreement (credited at the rate of twelve (12) hours per week of such payments), and

(5) received State Unemployment Compensation Benefits and payments made by the Company under the Supplemental Unemployment Benefit Agreement covering the same time period (credited at the rate of twenty (20) hours per week of such combined payments).

3. In addition, the hours the employee did not work because of any of the following events shall be added to the other reasons considered to be hours the employee "did not work for reasons other than lack of work" under Paragraph 2.a.(3) above:

a. any strike, slowdown, work stoppage, picketing, or concerted action involving employees or members of a Union, which is the collective bargaining agent of the employee, whether at any plant of the Company or elsewhere, and

b. any strike, slowdown, work stoppage, picketing, or dispute of any kind involving persons employed by the Company, when such action interferes with production or the ingress or egress of material or product at the plant where the employee works, and

c. any strike, slowdown, work stoppage, picketing, or concerted action or any labor dispute of any kind involving persons employed by transportation or utility companies which directly interferes with production or the ingress or egress of material or product at the plant where the employee works, and

d. any war or hostile action of a foreign power, which directly interferes with production or the ingress or egress of material or product at the plant where the employee works, and

e. government regulations or controls over amount or kind of material or product which the Company may use or sell, which directly interferes with production at the plant where the employee works, and

f. sabotage or insurrection, which directly interferes with production at the plant where the employee works, and

g. Acts of God or an order issued by a competent court or agency under any Federal or State Environmental Law which requires the Company to reduce or suspend operations at the plant where the employee works.

4. If a disaster occurs, the Benefit will be terminated. For the purposes of this Section, disaster is defined as:

a. Severe financial difficulties short of bankruptcy filing. Such financial difficulties must represent a clear and present danger to the Company's viability. Termination can occur under this Paragraph by mutual agreement of the parties, or if no mutual agreement is reached, then unilaterally by the Company. Such unilateral termination or other disputes concerning this Paragraph shall be subject to arbitration pursuant to a special emergency procedure to be agreed upon by the parties. The arbitrator shall be selected from the Special Arbitration Panel described in Section Q of this Article, such selection to be made in the manner set forth in said Section. In the event of unilateral termination which is subjected to arbitration, the termination shall not take effect until the arbitrator has ruled. The sole issue for the arbitrator in an arbitration concerning the Company's unilateral termination under this Paragraph shall be to determine whether the financial difficulty asserted by the Company does, in fact, represent a clear and present danger to the Company's continued viability.

b. A petition in Bankruptcy Court for reorganization or liquidation is filed and the Court finds that it is necessary to reject this Agreement and issues an order under bankruptcy laws authorizing such rejection.

5. In the event of the permanent shutdown of a plant qualifying the employees of such plant(s)

for Pension Due To Shutdown under the Pension Agreement, Security Payment Benefit payments shall be terminated for the employees of such plant as of the quarter following the date that work ceases at such plant.

6. In addition, in the event of a significant decrease in the level of operations, as outlined and defined on the table marked Addendum 1, and attached to this Section, and such significantly decreased level of operations extends beyond a consecutive two (2)-month period, the 500-Hour Per Quarter Payment Benefit shall be reduced by 166 hours per month for each month after said second consecutive month, until such time as the level of operations rises above the significantly decreased level of operations for a consecutive two (2)-month period.

7. Disputes arising under this Security Payment Benefit are subject to arbitration as provided in Article X of the Basic Labor Agreement. The arbitrator shall be selected from the Special Arbitration Panel described in Section Q of this Article, such selection to be made in the manner set forth in said Section. Grievances involving such dispute shall be entered in Step 3 of the grievance procedure and proceed directly into a Step 3 hearing within ten (10) calendar days. The Company shall respond within ten (10) days of this hearing. To appeal to Step 4, a Representative of the International Union shall mail to the Company written notice of appeal of the grievance to arbitration, postmarked within ten (10) calendar days after the receipt at the address of the Representative of the International Union of the disposition of the duly designated representative of the Company in Step 3. The arbitrator shall have authority only to decide the question in accordance with the applicable provisions of the Security Payment Benefit or this Agreement, but he shall not have authority in any other way to

alter, add to, or subtract from any of the provisions of the Security Payment Benefit or this Agreement.

8. This Plan does not modify, expand, or limit in any way whatsoever the parties' rights and obligations under the Contracting Out provisions (Article II, Section N) of this Basic Labor Agreement.

ADDENDUM 1

PLANTS	LEVEL OF MONTHLY OPERATIONS WHICH TRIGGER REDUCTION UNDER PARAGRAPH 6	DESCRIPTION
Harrison and Faircrest Steel Plants	105,000 tons	Equivalent Ingot Tons
Gambrinus Steel Plant	20,250 tons	Total Pierce Tons
X-Mill if constructed	No trigger	

**Q. IMPARTIAL ARBITRATION FOR
CONTRACTING OUT (SECTION N), BASE
FORCE GUARANTEE (SECTION O), AND
SECURITY PAYMENT BENEFIT (SECTION P)**

1. The parties have agreed upon a panel of eight (8) Impartial Arbitrators who are members of the National Academy of Arbitrators and have expertise in contracting out and job security issues in the steel industry to hear and decide disputes arising under the Contracting Out provision (Section N), the Base Force Guarantee provisions (Section O), and the Security Payment Benefit (Section P).

2. The parties shall select an arbitrator to hear a particular case by drawing the name of the arbitrator from among all the names on the Impartial Arbitration Panel. The procedure for drawing the name of the arbitrator shall be as set forth in the last paragraph of Paragraph b. of Step 4 of Article IX - Adjustment of Grievances.

3. It is agreed, however, that in hearing and deciding disputes arising under the Contracting Out provisions (Section N), the Base Force Guarantee provisions (Section O), and the Security Payment Benefit provisions (Section P), the arbitrator shall have no power to add to or subtract from or modify any of the terms of this Agreement.

ARTICLE III - MANAGEMENT

It is understood and agreed that the Company has all the customary and usual rights, powers, functions and authority of management.

Any of the rights, powers, functions or authority which the Company had prior to the signing of this Agreement, or any Agreement with the Union including those in respect of rates of pay, hours of

employment or conditions of work, are retained by the Company, except as those rights, powers, functions or authority are specifically abridged or modified by this Agreement or by any supplement to this Agreement arrived at through the process of collective bargaining.

ARTICLE IV - STRIKES AND LOCKOUTS

There shall be no strikes by the Union or lockouts by the Company during the life of this Agreement or any extension thereof.

For the purpose of this Agreement, a strike shall be defined as an intentional slowdown in the rate of production, any intentional interruption of production or suspension of work, any work stoppage, labor holiday, continuous meeting or concerted mass sickness.

In the event of a strike, the parties shall not discuss the grievance allegedly causing such strike or any other grievances until such strike is terminated.

Any employee who promotes, advocates, leads, encourages or participates in a strike shall be subject to disciplinary layoff or discharge by the Company during the strike or after its conclusion. Any disciplinary layoff hereunder may be subject to review under the terms of Article IX hereof and any discharge hereunder may be subject to review under the terms of Article X hereof.

ARTICLE V - WAGES

A. WAGE RATES

All existing occupations covered by this agreement have been classified in accordance with the Job Classification Manual dated September 12,

1968, as revised November 13, 1971, August 1, 1977, August 28, 1983, October 12, 1986, October 29, 1989, September 19, 1993, September 21, 1997, September 24, 2000, September 25, 2005, and November 1, 2009; and hourly wage rates to be paid to employees in occupations so classified, and to any new or changed occupations so classified, have been established and are set forth in the table marked Appendix A and attached to this Agreement.

The classified hourly wage rates set forth on said table for non-incentive work and computation of guarantees shall be used whenever an employee is to be paid on an hourly or day-rate basis, including the application of the minimum daily or weekly guarantee as provided in Section D of this Article. The classified hourly wage rates (without the hourly additive) set forth on said table for incentive work paid under Standard Hour Plans shall be used in the computation of incentive earnings under all Standard Hour Incentive Plans now in existence or hereafter established, and the hourly additive earnings shall then be added to the result of such computation.

Such hourly wage rates, together with all incentive rates now in existence, which altogether constitute the wage structure applicable to existing occupations in effect on November 1, 2009, shall remain in effect during the term of this Agreement, except as any of such rates may be changed, adjusted, or supplemented in the manner prescribed in this Article. As new rates are established as provided herein, copies thereof will be supplied to the Union.

For the purposes of this Section, the phrase "wage structure" shall be understood to cover hourly and incentive rates paid as remuneration for work performed and shall not include fringe benefits, such as but not limited to overtime pay, holiday pay, paid

lunch periods, shift differential, premium pay for days worked as such, vacation pay, separation pay, reporting pay, and Sunday premium.

The Union agrees that all data connected with the Company's wage structure, as submitted to the Union, shall be maintained in confidence and will not be revealed in whole or in part to any person or organization without the express consent of the Company.

B. NEW AND CHANGED RATES

It is recognized that the hourly wage rate applicable to a particular occupation will depend upon the job classification of that occupation and that such hourly wage rate for an occupation will change correspondingly if there is a change in the job classification of the occupation in accordance with the provisions of Section H of this Article.

It is recognized that the Company at its discretion may also find it necessary or desirable from time to time to establish new incentive rates or to adjust existing incentive rates because of any of the following circumstances:

1. Changes, modifications, or improvements made in equipment, material, or product. If there is any such change, modification, or improvement in existing equipment or material or on an existing product, the Company may change the elements of the rate or rates affected by such change, modification, or improvement but will not change the elements not affected by such change, modification, or improvement.

2. New or changed standards of manufacture in:

- a. Processes
- b. Methods
- c. Quality

3. Changes in the duties of an occupation covered by incentive rates which affect the existing incentive standards.

4. The placing of occupations not presently covered by incentive rates on incentive rates. It is recognized that the Company will place employees working in a trade and craft occupation, as listed in Appendix B of this Article, who are not presently covered by incentive rates on incentive rates, but instead are being paid based on other trade and craft incentive rates pursuant to this Paragraph 4. If the Company does not establish incentive rates for any such uncovered trade and craft employee(s) by January 1, 2006, the Company shall pay such uncovered trade and craft employee(s), until such time as the Company establishes an incentive rate for such uncovered employee(s), at an incentive percent performance equal to the average percent performance achieved during the last three (3) full pay periods completed prior to January 1, 2006 by all of the trade and craft employees covered by incentive rates who are working in the same plant as such uncovered trade and craft employee(s). For purposes of this Paragraph 4, plant is defined in the same manner as provided in Article VIII, Section B Paragraph 6.

5. Introduction of new products and addition to the present line of products in any plant. If there is an addition to an existing series of products and any of the operations required for such addition are identical to the operations on one (1) or more existing

part numbers in such series, the incentive rates for identical operations on an existing part number in such series will be applied to those operations on such new product, and new rates will be established only for operations on which differences in the product affect any element of the rate. If there are different rates for identical operations on different existing part numbers, in the same series performed on the same equipment, the rate for that operation on the new product shall not be less than the average of such different rates. For the purpose of this Paragraph, the term "identical operation" means that the same equipment, material, tooling, method of operation, starting and finished dimensions, and tolerances are specified.

6. When in the opinion of the Company improved incentive opportunity can be provided by a new or changed incentive plan for all or a majority of the employees covered by an existing incentive plan.

If, as the result of a grievance being processed under this Section B, it is determined that the Company did not have the right to establish a new or adjusted rate, the rate structure in effect prior to the new or adjusted rate shall be reinstated as of the effective date of the new or adjusted rate. The Company will calculate retroactive payment to the extent possible under the applicable rate structure.

C. PROCEDURE FOR ESTABLISHMENT OF NEW AND CHANGED RATES

Whenever any of the changes or events occur that are outlined in the preceding section of this Article and the Company shall deem it necessary or desirable to establish a new incentive rate, the Company shall develop and install such new rate in accordance with the Company's practice in effect on the date of this Agreement. A detailed written explanation of the

reason for the new or changed rate will be provided to the Union.

Except as provided in Section B, Paragraphs 1 and 5, of this Article, new incentive rates shall provide an average employee qualified for the operation the opportunity to earn thirty percent (30%) above the standard when he is working at one hundred thirty percent (130%) incentive effort; provided that lower incentive opportunity may be provided for indirect or service operations where by reason of the operating conditions one hundred thirty percent (130%) incentive effort is not required.

When a new incentive method of pay is being installed or where occupations not presently covered by incentive rates are placed on incentive rates, the new incentive method of pay or new incentive rates being installed shall be explained to the employees who are affected by the new incentive method of pay or new incentive rates either (1) by the production of product thereunder or (2) by being employed on the occupation to which the new incentive method or rates are applicable at the time of the installation of such new incentive method or rates and to the Union Steward, if available, in the department in which such employees are working.

The new rates shall be effective on the date on which work is performed or product is produced by any employee under the rate, unless the Company establishes a trial period of not to exceed six (6) months from the effective date of such new rate. Each employee affected by the new rate shall be notified when the trial period begins and is concluded. Each employee shall make an honest and diligent effort to perform the work covered by any new rate.

In the case of a new or changed incentive plan

established pursuant to Paragraph 6 of Section B above, such plan may be placed on a trial period not to exceed three (3) months from the effective date of the plan, and at the end of the trial period, the Company will submit to all the employees then working on the occupation to which the new or changed plan is applicable, by secret ballot, the question of whether such new or changed plan shall continue in effect, or whether the old plan should be reinstated; and the question shall be decided by a majority vote. No grievance may be filed concerning either the Company's right to establish such new or changed plan under said Paragraph 6 or concerning the new or changed plans or the practices used by the Company in establishing such plans.

In the case of a new or changed incentive rate established pursuant to Paragraphs 1 through 5 of Section B above, a grievance may be filed by any employee who is affected by such new rate either (1) by the production of product thereunder or (2) by being employed on the occupation to which the new rate is applicable within sixty (60) calendar days after such rate becomes effective or after the end of the trial period, when a trial period is established, which grievance shall be processed under the grievance procedure of this Agreement through arbitration, if necessary. Any change in rate resulting from the foregoing procedure shall be retroactive to the effective date of the new rate.

Whenever it is claimed by any employee that any of the changes or events have occurred that are outlined in Paragraphs 1, 2, and 3 of the preceding Section B of this Article V, any employee who is affected thereby, either (1) by the production of product or (2) by being employed on an occupation affected by such claimed changes or events outlined in said paragraphs, may request the establishment

of a new rate by discussing such request with his supervisor. In the event that no agreement is reached in respect of the employee's request, a grievance may be filed by such employee within sixty (60) calendar days after such changes or events have occurred.

D. MINIMUM DAILY WAGE GUARANTEE

Subject to the provisions hereafter set forth, it is agreed that each employee shall be guaranteed and shall receive for each day's work an amount which shall be not less than the classified hourly rate for each occupation on which such employee worked on such day, as set forth in Appendix A, multiplied by the number of hours worked by such employee on each occupation;

1. Provided, however, that any employee who has an established individual hourly rate on any occupation shall be guaranteed and shall receive for all hours worked on such occupation an amount which shall not be less than said individual hourly rate multiplied by the number of hours worked by such employee on such occupation.

2. Provided, further, that the minimum guarantee of wages shall not apply on a daily basis in any of the following cases:

- a. When the applicable wage structure does not measure performance on a daily basis;
- b. When any other factor entering into the calculation of earnings is applied on other than a daily basis; or
- c. On days on which an employee is working under an incentive rate and

the work of the employee or group of employees by which incentive earnings are computed is not completed within an eight (8)-hour turn.

In cases a. and b., the minimum guarantee shall apply on a weekly basis. In case c., the minimum guarantee shall apply by combining all days in a week on which the daily guarantee does not apply.

3. No employee or group of employees shall be entitled to payment on the basis of this minimum daily wage guarantee clause if the normal production of such employee or group of employees is prevented, hindered, or interfered with by the participation of such employee or employees or any other employees in any strike, any intentional slowdown in the rate of production, any intentional interruption of production or suspension of work, any work stoppage, labor holiday, continuous meeting, or concerted mass sickness.

4. This minimum daily wage guarantee clause shall not be construed as any guarantee on the part of the Company of employment for any specific number of hours per day or per week.

E. SHIFT DIFFERENTIAL

1. For hours worked on the afternoon shift, there shall be paid a premium rate of thirty cents (30¢) per hour; for hours worked on the night shift, there shall be paid a premium of forty-five cents (45¢) per hour.

2. For the purpose of applying the aforesaid shift differentials, it is agreed by and between the parties as follows:

a. Subject to the provisions of Paragraph 2.c. of Section E, it is agreed that for all hours worked by an employee during any work day on his regularly assigned shift he shall be paid the shift differential applicable to such shift.

b. Shifts shall be identified as follows:

(1) Night Shift: When the majority of hours on an employee's regularly assigned shift fall between 11:00 p.m. and 7:00 a.m., inclusive, he shall be considered as working on the night shift.

(2) Day Shift: When the majority of hours on an employee's regularly assigned shift shall fall between 7:00 a.m. and 3:00 p.m., inclusive, he shall be considered as working on the day shift.

(3) Afternoon Shift: When the majority of hours on an employee's regularly assigned shift fall between 3:00 p.m. and 11:00 p.m., inclusive, he shall be considered as working on the afternoon shift.

c. It is agreed that any employee who is called in to perform work and does perform work in the shift preceding his regularly assigned shift, or who holds over beyond the termination of his regularly assigned shift and performs work on the succeeding shift, shall be paid the shift differential, if any, applicable to work performed on such preceding or succeeding shift, as the case may be.

F. SUNDAY PREMIUM

1. All hours worked by an employee on Sunday which are not paid for on an overtime basis shall be paid for on the basis of one and one half

(1-1/2) times the employee's regular rate of pay as defined below in Paragraph 4.

2. For the purpose of this provision, Sunday work shall be deemed to be work performed during the shift the majority of the hours of which fall during the twenty-four (24) hours beginning with the turn-changing hour nearest to 12:01 a.m., Sunday.

3. Sunday premium based on an employee's regular rate of pay shall be paid for reporting hour allowances.

4. For purposes of computing Sunday premium, regular rate of pay shall be understood to mean an employee's average straight-time hourly earnings exclusive of any fringe benefits as specified in Section A of Article V.

G. COST-OF-LIVING ADJUSTMENT

Effective November 1, 2009, the seventy-nine cents (79¢) cost-of-living adjustment effective August 2, 2009, shall be added to and incorporated in the rates for non-incentive work and the hourly additives for incentive work and has been included in Appendix A.

1. The cost-of-living adjustment under this Section shall be made on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers, CPI-W (Revised Series), All Items (1967 = 100)", published by the Bureau of Labor Statistics, U. S. Department of Labor, hereinafter called the "Index".

2. During the term of this Agreement, the adjustment dates for any cost-of-living adjustment under this Section shall be November 1, 2009, February 7, 2010, May 2, 2010, August 1, 2010,

November 7, 2010, February 6, 2011, May 1, 2011, August 7, 2011, November 6, 2011, February 5, 2012, May 6, 2012, August 5, 2012, November 4, 2012, February 3, 2013, May 5, 2013, and August 4, 2013.

3. The Base Index shall be determined as follows:

a. For the November 1, 2009, February 7, 2010, May 2, 2010, and August 1, 2010, adjustment dates, the Base Index refers to the Consumer Price Index for the month of June 2009, published by the Bureau of Labor Statistics multiplied by 103%.

b. For the November 7, 2010, February 6, 2011, May 1, 2011, and August 7, 2011, adjustment dates, the Base Index refers to the Consumer Price Index for the month of June 2010, multiplied by 103%.

c. For the November 6, 2011, February 5, 2012, May 6, 2012, and August 5, 2012, adjustment dates, the Base Index refers to the Consumer Price Index for the month of June 2011, multiplied by 103%.

d. For the November 4, 2012, February 3, 2013, May 5, 2013, and August 4, 2013, adjustment dates, the Base Index refers to the Consumer Price Index for the month of June 2012, multiplied by 103%.

4. The cost-of-living adjustment to be determined as of any adjustment date shall be based on the Index for the second calendar month next preceding the month in which the adjustment date falls, herein called the current Index.

5. a. A cost-of-living adjustment shall be in an amount equal to one cent (1¢) per hour for each full three-tenths (0.3) of a point by which the current Index is higher than the Base Index, provided, however,

that in no event shall any part of the current Index which exceeds the Base Index (without the applicable multiplier) multiplied by 106% be used for making any adjustment for any adjustment date.

b. The applicable cost-of-living adjustment shall apply to all hours actually worked, overtime allowance hours, and for any credited reporting allowance hours under Article VI, Section F, of this Agreement incurred after each adjustment date and before the next adjustment date.

c. In calculating the adjustments for November 1, 2009, February 7, 2010, May 2, 2010, and August 1, 2010, there shall be added to the amount calculated in Paragraph 5.a. above an amount equal to the cost-of-living adjustment, if any, which was determined on August 2, 2009.

d. In calculating the adjustments for November 7, 2010, February 6, 2011, May 1, 2011, and August 7, 2011, there shall be added to the amount calculated in Paragraph 5.a. above an amount equal to the cost-of-living adjustment, if any, which was determined as of August 2, 2009 and August 1, 2010.

e. In calculating the adjustments for November 6, 2011, February 5, 2012, May 6, 2012, and August 5, 2012, there shall be added to the amount calculated in Paragraph 5.a. above an amount equal to the cost-of-living adjustment, if any, which was determined as of August 2, 2009, August 1, 2010, and August 7, 2011.

f. In calculating the adjustments for November 4, 2012, February 3, 2013, May 5, 2013, and August 4, 2013, there shall be added to the amount calculated in Paragraph 5.a. above an amount equal to the cost-of-living adjustment, if any,

which was determined as of August 2, 2009, August 1, 2010, August 7, 2011, and August 5, 2012.

6. The cost-of-living adjustment, if any, shall be a special additive after the calculation of earnings in accordance with the method and rate otherwise applicable to each employee and shall be made only in calculating pay for hours actually worked and for the reporting allowance under Article VI, Section F, of this Agreement and in the calculation of overtime premiums, but shall not be considered a part of the employee's pay for any other purpose and shall not be used in the calculation of any other pay, allowance, or benefit, except as expressly provided in this or any other Agreement providing for such benefits.

7. If the Index, in its present form and calculated on the same basis, shall be revised therefrom or discontinued, the parties shall attempt to adjust this clause, or if agreement is not reached, the parties shall request the Bureau of Labor Statistics to provide an appropriate conversion or adjustment which shall be applicable as of the appropriate adjustment date and thereafter.

8. If the current Index is not available by the start of any week for which a change in the cost-of-living adjustment would otherwise be made, such change shall be made effective with the first week beginning after such current Index becomes available.

H. JOB DESCRIPTION AND CLASSIFICATION

1. The Job Description and Job Classification Program in effect on the effective date of this Agreement, including the Job Classification Manual dated September 12, 1968, as revised November 13, 1971, August 1, 1977, August 28, 1983, October 12, 1986, October 29, 1989, September 19, 1993,

September 21, 1997, September 24, 2000, September 25, 2005, and November 1, 2009, shall remain in effect during this Agreement. No employee may file a grievance to claim that any job description or job classification is incorrect or that a different rate of pay should have been established for any occupation that is not changed during the term of this Agreement.

2. The Company, at its discretion, from time to time may establish new occupations or change the job requirements of an existing occupation with respect to any or all of the job classification factors. The Manual shall be used to determine whether the classification of any occupation should be changed because of changes which may be prescribed by the Company during the term of this Agreement in the job requirements of any occupation, to establish the proper classification of any occupation so changed, and to establish the proper classification of any new production or maintenance occupations which may be established by the Company during the term of this Agreement.

3. If a new or changed job description and job classification for a new or changed occupation has been prepared, as provided in the Manual, a copy of the new or changed job description and classification will be furnished promptly to the Union and will be posted in the department where the occupation is or is to be performed. However, before such posting, the proposed change will be discussed with the Chairman of the Job Evaluation Committee for the plant where the occupation is performed. Should the Chairman of the Job Evaluation Committee for the plant where the occupation is performed believe further discussion to be necessary, such chairman may file a written request with the Company for a meeting to be held within five (5) calendar days after receipt of such request. Any such meeting must be held within forty-five (45)

calendar days from the date of such posting, or if no employee is permanently classified on and performing the primary function of such occupation on the date of such posting, then within forty-five (45) calendar days from the date the first employee is permanently classified on and performing the primary function of the occupation. Any employee then working in such occupation, with the approval of the Union, may, at any time within ninety (90) calendar days from the date of such posting, file a grievance alleging that the job is improperly described and/or classified under the Manual and stating in particular in what respect the job description is claimed to be incorrect and/or the factors which are alleged to be improperly classified and the classification which the employee contends should be assigned for such factors. If no employee is permanently classified on and performing the primary function of such occupation on the date of such posting, then the grievance may be filed within ninety (90) calendar days from the date the first employee is permanently classified on and performing the primary function of the occupation. When a new or changed job description and job classification has been prepared in accordance with this Paragraph 3, the Company will provide written notice to the Union of the date when the first employee is permanently classified on and performing the primary function of the occupation. Such grievance shall be processed commencing in Step 3 of the grievance procedure prescribed by Article IX of this Agreement and may be appealed to arbitration in accordance with the further provisions of said Article IX.

If a grievance concerning a job description or job classification is appealed to arbitration, the issue before the arbitrator shall be limited to the portions of the job description or the factors in the job classification specified in the grievance. The Company has the sole right to determine what duties

shall be included in each occupation. In case of a grievance concerning a job description, the arbitrator's sole function shall be to determine whether the job description correctly describes the job in accordance with the principles set forth in Section III of the Manual and, if necessary, to order that the Company prepare a new and correct job description in accordance with such principles. In case of a grievance concerning a job classification, the arbitrator shall determine whether the job has been placed at the proper level or degree in each of the job classification factors alleged in the grievance to be improper and, if not, to determine the correct level or degree at which the job should be placed as to such factors in accordance with the Manual and to order that the job be reclassified, if necessary, in accordance with the Manual. If the arbitrator orders a correction of such job description or of such job classification to comply with the Manual, his decision shall be effective as of the date when the new occupation was established or the change or changes in the occupation were made, and corresponding adjustments in pay shall be made for all employees who have worked on the occupation since that date.

If no grievance is filed within the time provided following the posting of such new or changed job description and/or classification, or if such a grievance is not appealed to arbitration within the time provided, the job description and job classification as prepared by the Company shall be deemed to be correct.

4. If the Company prescribes changes in any occupation which, in the opinion of the Company, do not require a change in the job classification under the Manual, it will post in the department wherein such occupation is performed a copy of the memorandum which has been prepared concerning

such changes and also send to the Union a copy of the memorandum. The failure of any employee then employed on the occupation to file a grievance in accordance with Paragraph 5 of this Section, upon the making of the changes described in such memorandum, shall not constitute the acceptance of the Company's evaluation of the extent of the change, and at any later time when further changes are made in the occupation, the effect of any such prior changes which have not theretofore been the subject of a request for review or grievance may be brought into question. If the cumulative effect of such changes in the occupation is such as to require a change in the job classification under the Manual, and the Company fails to do so, a grievance may be filed in accordance with Paragraph 5 of this Section following the latest change which the employee believes has resulted, cumulatively, in a change of the occupation to the extent that a change in the job classification is required under the Manual.

5. If the Company does not prepare a changed job description and job classification for an occupation which has been changed, and any employee then classified in the occupation believes that a changed job description and job classification are required under the Manual, any such employee, with the approval of the Union, may, at any time within ninety (90) calendar days from the date when such changes in the occupation are alleged to have occurred, file a grievance requesting that a changed job description and/or job classification be established in accordance with the Manual. Such grievance shall be processed as prescribed in Paragraph 3 of this Section. Any changed job classification resulting from such procedure shall be effective as of the date when the change in the occupation occurred, and corresponding adjustments in pay shall be made for all employees who have worked on the occupation

since that date.

6. For trade and craft jobs as defined in the Manual, different job classes are prescribed for each job or training grade and are set forth on the tables marked Appendix B and attached to this Agreement. Training schedules may also be established for non-trade and craft jobs in accordance with the Manual. Employees shall be assigned to the lower grades and shall thereafter advance to the higher grades in accordance with the Manual. The advancement of the employee to the higher grade shall be effective at the start of the next pay period after the employee has qualified for advancement.

7. The term "Trainee", in this Paragraph 7 and in the following numbered Paragraphs 8 through 12, applies to non-trade and craft jobs only. If a Trainee is not advanced at the end of any training period of five hundred twenty (520) hours, the Company will explain to the Trainee the reasons why such advancement was withheld and will offer further assistance in training to qualify for the next higher grade. If such Trainee believes that he is qualified, he may file a grievance claiming that he is qualified for such advancement. Such grievance may be filed at any time after the end of a training period of five hundred twenty (520) hours. If the grievance is granted, the advancement shall be effective as of the date of filing the grievance. If the grievance is not granted, then no other grievance so alleging may be filed until the end of the next five hundred twenty (520)-hour training period. No employee shall have more than one (1) such grievance pending at one time.

8. A Trainee working at a job where an individual-type incentive applies may request that he be placed on a full incentive basis and will be so placed when, in the judgment of his supervisor, he

is capable of performing the work in a satisfactory manner at an incentive pace. When so placed, his earnings will be calculated on his production according to the incentive plan and the hourly rate of the full job class of the job will apply as the minimum guaranteed rate. If the Trainee fails to earn more than the minimum guarantee over any reasonable test period (whether immediately following his placement on an incentive basis of pay or at any time thereafter), he shall then be returned to a non-incentive basis of pay for the training grade to which he is entitled by his total training hours and demonstrated ability. When a Trainee has been so returned to a non-incentive basis of pay, the Company shall thereafter decide at what time the Trainee may be again placed on a full incentive basis. If the Trainee is so placed and again should fail to earn more than the minimum guarantee, then he shall be returned again to the non-incentive basis of pay for the training grade to which he is entitled.

9. When a Trainee who has been placed on an individual incentive basis of pay performs any non-incentive work, he will be paid for any hours so worked at the hourly rate of the full job class of the job, unless and until he is taken off the incentive basis of pay in accordance with Paragraph 8 above.

10. A Trainee working at a job where the employees in the full job class are participants in a group-type incentive plan shall be considered as an extra employee not charged to the incentive group nor participating in the incentive earnings and shall be paid at the applicable Trainee hourly rate.

11. When it is determined by his supervisor that he can make a reasonable contribution to the performance of the group, he shall thereafter participate fully in the group incentive plan and the

minimum guarantee of the full job class shall apply; and when such incentive group, including the Trainee, works at hourly (non-incentive) rate, the Trainee shall be paid at the rate of the full job.

12. If the Trainee leaves the incentive group, either because he is not needed to fill the crew or because he fails to make a reasonable contribution to the group performance, he shall be returned to the training grade to which he is entitled.

13. Occupations may be terminated by the Company at any time when no hours of work have been performed on that occupation for a year prior to the termination of that occupation. Notice of the termination of an occupation shall be given promptly to the Union.

I. RATES DURING TEMPORARY WORK ASSIGNMENTS

The Company at its option may assign an employee on a temporary basis for a period of not longer than thirty (30) working days to perform an occupation other than that in which he is permanently classified. Provided, however, that an employee assigned on a temporary basis to fill a specific temporary vacancy within an occupation other than that in which he is permanently classified may notify his supervisor during said assignment that he does not want to be assigned to that specific temporary vacancy for a period longer than thirty (30) working days and if he so notifies his supervisor during said assignment, he shall not be temporarily assigned again to that specific temporary vacancy during the thirty (30)-day period immediately following the day upon which the Company terminates his assignment to that specific temporary vacancy. The employee right specified in the foregoing sentence shall not apply and is not available to an employee assigned

on a temporary basis to any temporary vacancy created by an emergency, vacation, injury, illness, leave of absence, postponement of transfer, or any other unique and special operating condition. In such cases, during the period of a temporary assignment to an occupation to which a standard hour incentive rate is applicable, the employee will be paid his percent performance applied to the higher of either the Standard Hourly Wage Scale (Incentive Calculation Rate) of the occupation to which the employee is temporarily assigned or the Standard Hourly Wage Scale (Incentive Calculation Rate) for the job class of the occupation to which the employee is permanently assigned; provided, however, that if the amount so calculated is less than an amount equal to the hours on the temporary assignment paid at an hourly rate determined in accordance with Section M plus the cost-of-living adjustment then in effect, the employee will be paid for the total hours worked on the temporary assignment during each week at such higher amount.

In such cases, during the period of a temporary assignment on a non-incentive occupation or on an occupation to which a non-standard hour incentive rate is applicable, the employee will be paid for the total hours worked on the temporary assignment during each week at the higher of, either an amount equal to the hours on the temporary assignment paid at an hourly rate determined in accordance with Section M plus the cost-of-living adjustment then in effect, or an amount computed on the basis of the pay rates then applicable to the temporary assignment.

J. BREAKING IN EQUIPMENT

When the Company installs new production equipment or alters equipment during a major reconstruction or rebuild for which a period of adjustments is expected to be required before such

equipment will operate regularly at a normal level of production, the Company at its option may establish a break-in period of not longer than six (6) months, during which the Company may assign to such equipment employees in any occupation it deems qualified to perform the duties to be assigned to them, without declaring a permanent vacancy in any occupation on such equipment. If the Company determines that such equipment is not operating satisfactorily at the conclusion of such break-in period, it may extend the break-in period for an additional period of not longer than six (6) months. Any employee so assigned shall be paid, for all hours when he is assigned to such work, at an hourly rate determined in accordance with Section M plus the cost-of-living adjustment then in effect.

At the expiration of the break-in period, during a further period of not longer than six (6) months, the employees so assigned will be phased out of such duties, and permanent vacancies will be declared according to a schedule determined by the Company for all occupations which the Company decides to establish for the operation of such equipment, and the employees filling such vacancies will be trained.

When his services are no longer required on such assignment, any employee so assigned during such break-in period shall be returned to a work assignment in the occupation from which he was so assigned, or retrogressed or otherwise assigned, in the same manner as if he had been on vacation during the period of such assignment, unless he is awarded the permanent vacancy in any occupation on such equipment.

K. FUNERAL LEAVE AND PAY

An employee, other than a probationary

employee, shall be granted a leave of absence with pay for a period of up to a maximum of five (5) consecutive days, including the day on which the funeral or memorial event is held, in the event of the death of the employee's spouse or child (including step-child when the step-child has lived with the employee in an immediate family relationship). An employee, other than a probationary employee, shall be granted a leave of absence with pay for a period of up to a maximum of three (3) consecutive days, including the day on which the funeral or memorial event is held, in the event of the death of the employee's parent, mother-in-law, father-in-law, brother, sister, grandparent, or grandchild (including step-father, step-mother, step-brother, or step-sister when they have lived with the employee in an immediate family relationship). An employee regularly scheduled on the night shift may at his option elect leave of absence on the night shift of the day of the funeral leave or the night shift following, but not both. In any event, the leave of absence shall not exceed three (3) consecutive-night shifts or five (5) consecutive-night shifts, whichever is applicable. Payment for each such day shall be eight (8) times the hourly rate determined in accordance with Section M. An employee will not receive pay unless:

1. The employee has attended the funeral service or memorial event during the period of absence;
2. The employee would otherwise have been regularly scheduled and able to work such day(s) during the normal work week;
3. Upon return from such leave, the employee shall apply for such benefit and provide proof as required by the Company.

L. JURY AND WITNESS PAY

An employee who is called for jury service or as a result of being subpoenaed as a witness in a court of law shall be excused from work for the days on which he serves, and he shall receive for each such day of jury or witness service on which he otherwise would have worked eight (8) times the hourly rate determined in accordance with Section M without any deduction for the payment he receives for jury or witness service. The employee will present proof of such service.

M. HOURLY RATE FOR SPECIAL PURPOSES

The hourly rate for the purposes of Sections I, J, K, and L of this Article shall be the employee's average straight-time hourly earnings (excluding shift differential and cost-of-living adjustment) during the last three (3) full pay periods completed prior to the event specified in the applicable section. Such average shall be adjusted by any general wage increase or decrease which has become effective subsequent to any of the pay periods used in computing such average.

N. NEW HIRE RATES

Notwithstanding any provision in this or any other Agreement, any employee hired after November 1, 2009, excluding any employee hired into or already working in an apprenticeship, shall be paid a new hire rate as specified below.

The new hire rate shall be applicable for three (3) years from the date of hire and shall be as follows: eighty percent (80%) of all wages to which he would otherwise be entitled under Article V of the 2009 Basic Labor Agreement for a period of eighteen (18) months

from the date of hire; eighty-five percent (85%) of all wages to which he would otherwise be entitled under Article V of the 2009 Basic Labor Agreement for a period of six (6) months at the completion of eighteen (18) months from the date of hire and ending twenty-four (24) months from the date of hire; ninety percent (90%) of all wages to which he would otherwise be entitled under Article V of the 2009 Basic Labor Agreement for a period of six (6) months at the completion of twenty-four (24) months from the date of hire and ending thirty (30) months from the date of hire; and ninety-five percent (95%) of all wages to which he would otherwise be entitled under Article V of the 2009 Basic Labor Agreement for a period of six (6) months at the completion of thirty (30) months from the date of hire and ending thirty-six (36) months from the date of hire.

At the conclusion of the three (3)-year period the employee shall be paid all wages to which he is entitled under Article V of the 2009 Basic Labor Agreement.

O. MELT PRODUCTION PAYMENT

1. Each employee of the Company on or after the effective date of this Agreement shall be eligible for an annual lump sum payment, as set forth in either 2.a. or 2.b. of this Section O, based upon a percent of his total wages paid for hours worked during the prior calendar year.

2. Such lump sum payment shall be either two percent (2%) or three percent (3%) of such total wages depending upon the calendar year monthly average level of total melt production achieved, as measured in equivalent ingot tons, from both the Faircrest and Harrison Steel Plants, as follows:

a. For each calendar year in which the monthly average level of total melt production is

equal to or exceeds 120,000 equivalent ingot tons per month but is less than 130,000 equivalent ingot tons per month, each employee shall be entitled to one (1) lump sum payment of two percent (2%) of his total wages paid for hours worked during that calendar year; or

b. For each calendar year in which the monthly average level of total melt production is equal to or exceeds 130,000 equivalent ingot tons per month, each employee shall be entitled to one (1) lump sum payment of three percent (3%) of his total wages paid for hours worked during that calendar year.

3. Such a lump sum payment, if earned, shall be paid on the first pay period in March 2010, 2011, 2012, and 2013.

4. Such a lump sum payment, if paid, shall be considered a special additive after the calculation of earnings in accordance with the method and rate otherwise applicable to each employee but shall not be considered a part of the employee's pay for any other purpose and shall not be used in the calculation of any other pay, allowance, or benefit, except as expressly provided in this or any other Agreement providing for such benefits.

WAGES - APPENDIX A

RATES FOR NON-INCENTIVE WORK AND COMPUTATIONS OF GUARANTEES					RATES FOR INCENTIVE WORK PAID UNDER STANDARD HOUR PLANS							
					STANDARD HOURLY WAGE SCALE (INCENTIVE CALCULATION)				HOURLY ADDITIVE			
CLASS	Effective 11/1/2009	Effective 9/26/2010	Effective 9/25/2011	Effective 9/23/2012	Effective 11/1/2009	Effective 9/26/2010	Effective 9/25/2011	Effective 9/23/2012	Effective 11/1/2009	Effective 9/26/2010	Effective 9/25/2011	Effective 9/23/2012
1	20.008	20.408	20.816	21.232	5.750	5.750	5.750	5.750	14.258	14.658	15.066	15.482
2	20.008	20.408	20.816	21.232	5.750	5.750	5.750	5.750	14.258	14.658	15.066	15.482
3	20.213	20.617	21.029	21.450	5.902	5.902	5.902	5.902	14.311	14.715	15.127	15.548
4	20.418	20.826	21.243	21.668	6.054	6.054	6.054	6.054	14.364	14.772	15.189	15.614
5	20.624	21.036	21.457	21.886	6.206	6.206	6.206	6.206	14.418	14.830	15.251	15.680
6	20.828	21.245	21.670	22.103	6.358	6.358	6.358	6.358	14.470	14.887	15.312	15.745
7	21.033	21.454	21.883	22.321	6.510	6.510	6.510	6.510	14.523	14.944	15.373	15.811
8	21.237	21.662	22.095	22.537	6.662	6.662	6.662	6.662	14.575	15.000	15.433	15.875
9	21.442	21.871	22.308	22.754	6.814	6.814	6.814	6.814	14.628	15.057	15.494	15.940
10	21.648	22.081	22.523	22.973	6.966	6.966	6.966	6.966	14.682	15.115	15.557	16.007
11	21.851	22.288	22.734	23.189	7.118	7.118	7.118	7.118	14.733	15.170	15.616	16.071
12	22.056	22.497	22.947	23.406	7.270	7.270	7.270	7.270	14.786	15.227	15.677	16.136
13	22.260	22.705	23.159	23.622	7.422	7.422	7.422	7.422	14.838	15.283	15.737	16.200
14	22.466	22.915	23.373	23.840	7.574	7.574	7.574	7.574	14.892	15.341	15.799	16.266
15	22.671	23.124	23.586	24.058	7.726	7.726	7.726	7.726	14.945	15.398	15.860	16.332
16	22.876	23.334	23.801	24.277	7.878	7.878	7.878	7.878	14.998	15.456	15.923	16.399
17	23.080	23.542	24.013	24.493	8.030	8.030	8.030	8.030	15.050	15.512	15.983	16.463
18	23.286	23.752	24.227	24.712	8.182	8.182	8.182	8.182	15.104	15.570	16.045	16.530
19	23.490	23.960	24.439	24.928	8.334	8.334	8.334	8.334	15.156	15.626	16.105	16.594
20	23.696	24.170	24.653	25.146	8.486	8.486	8.486	8.486	15.210	15.684	16.167	16.660
21	23.899	24.377	24.865	25.362	8.638	8.638	8.638	8.638	15.261	15.739	16.227	16.724
22	24.104	24.586	25.078	25.580	8.790	8.790	8.790	8.790	15.314	15.796	16.288	16.790
23	24.310	24.796	25.292	25.798	8.942	8.942	8.942	8.942	15.368	15.854	16.350	16.856
24	24.514	25.004	25.504	26.014	9.094	9.094	9.094	9.094	15.420	15.910	16.410	16.920
25	24.720	25.214	25.718	26.232	9.246	9.246	9.246	9.246	15.474	15.968	16.472	16.986

APPENDIX BTRADE AND CRAFT JOBS
HARRISON STEEL PLANT

(TABLE OF JOB CLASSES FOR TRAINING PERIODS AND JOB GRADES)

DEPT.	JOB TITLE		APPRENTICE OR TRAINEE								JOB GRADES			
			JOB GRADE - 1040 HOURS EACH								C	B	A	
			1st	2nd	3rd	4th	5th	6th	7th	8th				
B-56	181	Machinist	A	6	7	8	9	10	11	12	13	14	16	18
	181	Maintainer/Welder - Certified	A	6	7	8	9	10	11	12	13	14	16	18
	181	Equipment/Mechanical Maintainer	A	6	7	8	9	10	11	12	13	14	16	18
	181	Die Shop Controller		-	-	-	-	-	-	-	-	-	-	18
	181	Die Maker		5	6	7	8	9	10	-	-	12	14	16
	182	Water Plant Operator		-	-	-	-	-	-	-	-	-	-	19
	182	Mechanical Maintainer	A	6	7	8	9	10	11	12	13	14	16	18
V	183	Electrical Maintainer	A	6	7	8	9	10	11	12	13	15	17	19
	186	Tool Repairer		4	5	6	-	-	-	-		8	10	12

TRADE AND CRAFT JOBS
FAIRCREST STEEL PLANT

(TABLE OF JOB CLASSES FOR TRAINING PERIODS AND JOB GRADES)

DEPT.	JOB TITLE	APPRENTICE OR TRAINEE								JOB GRADES		
		JOB GRADE - 1040 HOURS EACH								C	B	A
		1st	2nd	3rd	4th	5th	6th	7th	8th			
205	Engineer-Steam (Licensed)	-	-	-	-	-	-	-	-	-	-	14
282	Mechanical Maintainer A	6	7	8	9	10	11	12	13	14	16	18
283	Electrical Maintainer A	6	7	8	9	10	11	12	13	15	17	19

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TRADE AND CRAFT JOBS
GAMBRINUS STEEL PLANT

(TABLE OF JOB CLASSES FOR TRAINING PERIODS AND JOB GRADES)

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DEPT.	JOB TITLE		APPRENTICE OR TRAINEE								JOB GRADES		
			JOB GRADE - 1040 HOURS EACH								C	B	A
			1st	2nd	3rd	4th	5th	6th	7th	8th			
182	Mechanical Maintainer - Gambrinus Steel Plant	A	6	7	8	9	10	11	12	13	14	16	18
183	Electrical Maintainer - Gambrinus Steel Plant	A	6	7	8	9	10	11	12	13	15	17	19
183	Electrical/Electronic Maintainer - Gambrinus Steel Plant	A	6	7	8	9	10	11	12	13	17	19	21

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TRADE AND CRAFT JOBS
CANTON BEARING PLANT

(TABLE OF JOB CLASSES FOR TRAINING PERIODS AND JOB GRADES)

DEPT.	JOB TITLE		APPRENTICE OR TRAINEE								JOB GRADES		
			JOB GRADE - 1040 HOURS EACH								C	B	A
			1st	2nd	3rd	4th	5th	6th	7th	8th			
08-1-A	Repairer-Pyrometer		4	5	6	8	-	-	-	-	10	12	14
13-A	Tool and Gauge	A	4	5	6	7	8	9	10	11	12	14	16
	Inspector/A & I												
13-A-21	Tool and Gauge	A	4	5	6	7	8	9	10	11	12	14	16
	Inspector/A & I												
13-A-21	Repairer - Gauge		4	5	6	7	-	-	-	-	8	10	12
	& Instruments												
63-A	Machinist -	A	6	7	8	9	10	11	12	13	14	16	18
	Cages/Finisher												
68-A-3	Tool Hardener		4	5	6	7	-	-	-	-	9	11	13
68-A-21	Machinist/Finisher	A	6	7	8	9	10	11	12	13	14	16	18

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68-A-21	Tool Grinder	A	6	7	8	9	10	11	12	13	14	16	18
91-4-A	Leader		-	-	-	-	-	-	-	-	-	-	19
91-4-A	Sheetmetal Worker	A	5	6	7	8	9	10	11	12	13	15	17
91-4-B	Welder	A	5	6	7	8	9	10	-	-	12	14	16
91-5-A	Leader		-	-	-	-	-	-	-	-	-	-	17
91-5-A	Carpenter	A	5	6	7	8	9	10	-	-	11	13	15
91-6-A	Leader		-	-	-	-	-	-	-	-	-	-	14
91-6-A	Painter		4	6	-	-	-	-	-	-	8	10	12
91-6-A	Sign Painter		4	6	8	-	-	-	-	-	10	12	14
91-8-A	Refrigeration Mechanic	A	5	6	7	8	9	10	-	-	12	14	16

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TRADE AND CRAFT JOBS
GAMBRINUS BEARING PLANT

(TABLE OF JOB CLASSES FOR TRAINING PERIODS AND JOB GRADES)

DEPT.	JOB TITLE		APPRENTICE OR TRAINEE								JOB GRADES		
			JOB GRADE - 1040 HOURS EACH								C	B	A
			1st	2nd	3rd	4th	5th	6th	7th	8th			
13-G	Tool and Gauge Inspector/A & I	A	4	5	6	7	8	9	10	11	12	14	16

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TRADE AND CRAFT JOBS
GAMBRINUS ROLLER PLANT

(TABLE OF JOB CLASSES FOR TRAINING PERIODS AND JOB GRADES)

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DEPT.	JOB TITLE		APPRENTICE OR TRAINEE								JOB GRADES		
			JOB GRADE - 1040 HOURS EACH								C	B	A
			1st	2nd	3rd	4th	5th	6th	7th	8th			
13-R	Tool and Gauge Inspector/A & I	A	4	5	6	7	8	9	10	11	12	14	16
68-R-1	Machinist/Finisher	A	6	7	8	9	10	11	12	13	14	16	18

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APPENDIX D

ADDITIONAL POOL OCCUPATION

<u>Plant</u>	<u>Department</u>	<u>Occupation</u>	<u>Job Code</u>
Harrison and	184	Brickmason Helper	01-1840-01
Gambrinus Steel	189	Labor	01-1890-19
Canton and	64	Material Handler	16-6401-06
Gambrinus Bearing	67	Cage Polisher (Ring)	05-6701-05
and	69	Material Handler	15-6901-07
Gambrinus Roller	75	Product Handler	05-7501-28
	86	Chip Handler	15-8601-03

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APPENDIX E

	<u>Department</u>	<u>Occupation</u>	<u>Work Assignments</u>	
			<u>1</u>	<u>2</u>
	13	Tool & Gauge Inspection/A & I	Tool & Gauge Inspector	Inspection/Assembly
	62	Head Operator/Heat Treat Attendant	Head Operator	Heat Treat Attendant
	62	Operator - Automatic Lathes (Tape-Controlled)/Heat Treat Attendant	Operator	Heat Treat Attendant
	62	Operator - Green/Heat Treat Attendant	Operator	Heat Treat Attendant
	62	Operator - 8"-18" Green Cell/Heat Treat Attendant	Operator	Heat Treat Attendant
	63	Machinist - Cages/Finisher	Machinist	Finisher
	63	Die Setter/Operator	Die Setter	Heat Treat Attendant
	63	Process Attendant	Attendant	Heat Treat Attendant
	63	Operator - Cages	Operator	Heat Treat Attendant
	68	Machinist Finisher	Machinist	Finisher
	91-4	Leader/Heat Treat Attendant	Leader	Heat Treat Attendant
	91-4	Sheetmetal Worker/Heat Treat Attendant	Sheetmetal Worker	Heat Treat Attendant
	91-4	Welder/Heat Treat Attendant	Welder	Heat Treat Attendant
	91-5	Leader/Heat Treat Attendant	Leader	Heat Treat Attendant
	91-5	Carpenter/Heat Treat Attendant	Carpenter	Heat Treat Attendant

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ARTICLE VI - HOURS OF WORK AND HOLIDAYS

A. Sections B and C of this Article are intended to provide a basis for calculating overtime pay and shall not be construed as a guarantee of hours of work per day or per week.

B. Hours worked in excess of eight (8) hours per day or in excess of a total of forty (40) hours in a work week shall be paid for at one and one half (1-1/2) times the normal rate of pay. Overtime payment shall be made on the basis of either daily or weekly overtime hours worked, but an employee shall not be paid both daily and weekly overtime for the same overtime hours worked.

C. The Company agrees to use a normal work schedule as far as possible of five (5) consecutive eight (8)-hour days, Mondays through Fridays, for a total of forty (40) hours per week. It is understood that this provision shall not apply to plants, departments, or employees who are engaged in continuous operations or who are required to work different schedules because of production or operation requirements.

Should the Company find it necessary to establish schedules departing from the normal work week, the Grievance Committee of the plant if an entire plant is involved or a Steward of any affected department if less than an entire plant is involved and representatives of management of the plant, may, at the request of either party, confer to determine whether, based upon the facts of the situation, satisfactorily modified schedules can be arranged, but the right to arrange working schedules rests with the Company; provided, however, that such right of the Company shall not preclude further negotiations between the Local Union President, the Local Plant Grievance Committee, and the Company in an attempt to arrive at more satisfactorily modified schedules upon written request

for such meeting addressed to the Superintendent of Industrial Relations in the plant affected.

Determination of the starting time of the daily and weekly work schedules shall be made by the Company and such schedules may be changed by the Company from time to time; provided, however, that indiscriminate changes shall not be made in such schedules and provided, further, that changes deemed necessary by the Company shall be made known to the affected representatives of the Union in the plant as far in advance of such changes as is possible.

D. In any department or a portion of a department scheduled on a two (2) or one (1) shift per day basis, management may, at its discretion, establish a work schedule calling for eight (8) hours of work per day interrupted by a one-half (1/2) hour lunch period.

E. Employees who are regularly scheduled or who are notified to report and who do report for work at the scheduled starting time shall be paid for four (4) hours' work in the event they are advised by their supervisor that there is no work available, and employees who are scheduled and report and actually begin work at the start of a turn shall be paid for a minimum of four (4) hours' work.

In all cases of emergency where employees are called in after completing a normal day's work or when called in on their regularly scheduled days off, such employees shall receive a minimum of four (4) hours' pay for such call-in, regardless of length of time worked.

All such payments shall be at the occupational rate of the occupation at which they were scheduled or for which they were notified to report. In the event the

occupation for which the employees have reported for work or at which they have worked is regularly paid on an incentive basis, the regular pay shall be based on average hourly earnings for the turn or pay period or the guaranteed occupation rate, whichever is the greater. In the event any employee accepts other work, he shall be paid for the time worked at the prevailing rate or rates paid for the work performed. In the event strikes, work stoppages in connection with labor disputes, breakdowns of any items of equipment, Acts of God, governmental requirements, or other circumstances beyond the control of the Company shall interfere with work being provided, the provisions of Section E do not apply.

F. Active employees will receive pay for holidays in accordance with the following provisions:

1. The following days, or days observed in lieu thereof, shall be considered holidays: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving Day, December 24, and Christmas Day. When a holiday falls on any day of the week but Sunday, the holiday shall be observed on such day only. When a holiday falls on Sunday, the holiday will be observed on the following Monday and Monday only will be the day for which holiday pay will be paid, except that in the event that December 24 falls on Sunday, it will be observed on Sunday. There will be four (4) additional holidays during the term of this Agreement. The holidays shall be December 23, 2009, December 23, 2010, December 23, 2011, and December 26, 2012.

2. Employees will be paid holiday pay of eight (8) hours, computed as hereinafter stated for each of said holidays, except as follows:

a. An employee who has been scheduled or notified that he is required to work on a holiday and

then does not work, will receive no pay for that day.

b. An employee who is absent from work for any reason other than vacation, paid jury service, paid witness service, paid funeral leave, paid military leave, or hospitalization on a regularly scheduled work day immediately preceding or following a holiday, will not receive holiday pay unless he was scheduled to work on a holiday and did work on such holiday. It is agreed that a voluntary extra day on which an employee agreed to work shall not be regarded as a scheduled work day. Any employee who is absent from work the day before or the day after a holiday with the prior knowledge and approval of his supervisor because of an industrial injury sustained in the course of employment with the Company, shall not be regarded as scheduled on any such day.

Holiday pay shall be computed on the basis of the employee's average straight-time hourly earnings determined in accordance with Section M of Article V.

3. Employees who work on a holiday will be paid at the employee's regular rate of pay plus one half (1/2) in addition to pay provided in Paragraph 2 above. Payment for hours worked under this Paragraph will not be duplicated by payment under Section B of this Article.

G. For the purpose of calculating overtime for work performed on the sixth or seventh days of a regularly scheduled work week, holidays shall be considered as days worked whether worked or not and regardless of whether they are scheduled as days of work or days of rest provided, however, that:

1. Any employee who has been scheduled or notified that he is required to work on a holiday and

does not work, shall not have the holiday counted as a day worked for the purposes of this Section H.

2. Any employee who is absent from work on a scheduled work day immediately preceding or following a holiday, shall not have the holiday counted as a day worked for the purposes of this Section H.

ARTICLE VII - VACATIONS

A. VACATION ELIGIBILITY

Each active employee who has completed his probationary period with the Company on or after the effective date of this Agreement shall be entitled to vacation pay as set forth in this Article.

B. VACATION PAY

1. Each eligible employee shall be entitled to vacation pay based upon his continuous service with the Company and upon the percent of his total wages paid for hours worked during the twenty-six (26) pay periods ending with the last pay period that is concluded on or prior to May 31, 2010, 2011, 2012, and 2013, in the amount provided by the following table:

<u>Continuous Service On May 31, 2010, 2011, 2012, and 2013</u>	<u>Vacation Pay Entitlement (1)</u>
60 days and less than 3 years	2%
3 years and less than 8 years	4%
8 years and less than 15 years	6%
15 years and less than 24 years	8%
24 years and over	10%

(1) This percent shall be applied to wages paid for hours worked commencing with the first of the twenty-six (26) pay periods where the employee has the continuous service indicated and continuing for the balance of the twenty-six (26) pay periods, except that commencing in any pay period in which an employee has an anniversary date of 3, 8, 15, or 24 years of continuous service, the percent indicated for continuous service on that anniversary date shall be paid for hours worked in that pay period and during the balance of such twenty-six (26) pay periods.

(2) Each eligible employee shall be paid a vacation bonus payment of \$250 per week for any vacation week taken by the employee during the ten (10) consecutive-week period after the week which includes New Year's Day.

2. If an employee should die after entitlement to vacation pay but before he receives such pay, it shall be paid to his estate or to the individual entitled to receive payment of unpaid wages. If an employee is absent from work during the time that employees normally specify in what increments and at what times they desire to receive their vacation pay, he may so specify following his return to work.

3. Any employee who is separated from the payroll shall be entitled to and be paid all vacation pay accumulated to the date of his separation. If such employee is returned to the payroll prior to the following July 1, the amount so paid shall be deducted from any amount due such employee for vacation pay on such July 1.

4. It is agreed that the amount of weekly compensation paid, pursuant to Section 4123.56 of the Revised Code of Ohio, to any employee who

has been disabled by working for the Company shall be included in calculating total wages under the preceding Paragraph 1 of this Section B.

5. For the purpose only of determining the right to vacation pay, it is agreed as follows:

a. Employees who quit or are properly discharged lose all credit for previous service and, if rehired, are to be considered as starting a new service record.

b. Layoff for a continuous period as specified in Article VIII of the then current Basic Labor Agreement that constitutes a break in accumulated continuous service shall also constitute a break in service and loss of credit for all previous service under this Article VII; provided, however, employees injured while on duty may retain credit for previous service until termination of the period for which statutory compensation is payable.

c. Employees transferred between plants will receive credit for previous service at any plants from which they are transferred.

C. VACATION ALLOWANCE

1. Each eligible employee who has completed at least one (1) year's continuous service with the Company on July 1, 2010, 2011, 2012, and 2013, shall be entitled to a vacation allowance as provided by the following table:

**Continuous Service On July 1,
2010, 2011, 2012, and 2013**

**Vacation
Allowance**

Less than 1 year	0
1 year and less than 3 years	1 week
3 years and less than 8 years	2 weeks
8 years and less than 15 years	3 weeks
15 years and less than 24 years	4 weeks
24 years and over	5 weeks

2. Vacation Years. All vacations must be completed by the end of the vacation year.

**Dates Vacation
Years Commence**

**Dates Vacation
Years End**

June 28, 2009

June 26, 2010

June 27, 2010

June 25, 2011

June 26, 2011

June 30, 2012

July 1, 2012

June 29, 2013

3. An employee, with the approval of his supervisor, may take an unearned future vacation prior to June 28, 2009, June 27, 2010, June 26, 2011, and July 1, 2012, respectively. Such early vacation shall be counted as vacation taken in the subsequent vacation year.

D. ALLOTMENT OF VACATIONS

1. During the month of January and the first fifteen (15) days of February of each year in which this Agreement is in effect, each active employee may specify, in a manner prescribed by the Company, the vacation period he desires during the next vacation

year by indicating his initial request by January 15 and his substitute choice, if necessary, by February 15. At the same time, each eligible employee must also specify, in a manner prescribed by the Company, if he desires to take any vacation in periods of less than one (1) week as described in f. below. Vacations will be scheduled at times most desired by each employee in each department in order of the plant continuous service of the employees, except as follows:

a. Vacation schedules must be based upon operating requirements.

b. If all or part of the employee's vacation cannot be taken as scheduled, he shall be notified of the change thirty (30) calendar days prior to the beginning of his scheduled vacation. Vacations will be unscheduled within occupations or work assignments within occupations in order of plant continuous service, after which vacation shall then be rescheduled within the current vacation year to the extent possible.

c. Selection of vacation preference by an employee shall be applicable only as to the department in which he was working when the selection was made during January and the first fifteen (15) days of February prior to the vacation year. Any employee who is transferred into a different department under the terms of Article VIII of this Agreement may, for a period of fifteen (15) calendar days following such transfer, request the vacation period he desires from the available unallotted vacation time in that department.

d. No employee has a right to vacation preference in order of continuous service after the vacation preference period is closed.

e. The Company may designate up to two (2) weeks of temporary shutdown as a vacation period without regard to the schedule of vacation preference and without reference as to whether such period of temporary shutdown is entirely within a single vacation year.

f. With prior approval of an employee's supervisor, an employee in any vacation year may take his vacation one (1) or more days at a time up to a maximum of fifteen (15) days. All other vacation must be taken on at least a weekly basis. To take vacation on such a daily basis the employee must make the request of his supervisor at least one (1) week prior to the date he is requesting such vacation. The consideration of such requests will be based upon operating requirements and periods of temporary shutdown as provided in Article VII, Section D, Paragraph 1.e. The decision of the supervisor shall be final.

ARTICLE VIII - SENIORITY

A. 1. Seniority shall be deemed to consist of rights based on length of service, of transfer, retrogression, layoff, recall, and shift or schedule selection as specified in this Article. The rights, based upon seniority, shall not cover any other advantages, including, but not limited to work assignments within an occupation, machine selection, equipment selection, employment during temporary reductions of work, or employment for overtime work, but the foregoing shall not preclude any employee from requesting any such advantages from his supervisor with the express understanding that the supervisor's rejection of any such request shall not be arbitrable under Article IX.

Notwithstanding any other provision of this Agreement, the following shall apply when the

Company determines that a permanent vacancy exists in an occupation covered by multiple incentive plans, or when the Company determines that there is a need for an additional employee in 1) the manning of an incentive plan on a shift or schedule in the Steel Plants or 2) a work assignment listed in Appendix E on a shift or schedule in the Bearing Plants, but not in the occupation. When there is a need, as determined by the Company, to fill a permanent need pursuant to this Paragraph, the Company will offer the assignment to all other employees in the same occupation, same shift and schedule, in order of continuous service. The employee placed on the incentive plan will participate when he is fully qualified.

2. Unless otherwise expressly stated in this Article, the relative rights of different employees based on seniority as herein provided shall hereafter be determined by their respective lengths of continuous service in each plant, as hereinafter defined, computed in accordance with Section K of this Article; and the terms "seniority", "length of service", and "continuous service", wherever used in this Article VIII, shall be so construed.

3. Whenever used in this Basic Labor Agreement, the terms "job" and "occupation" will be considered to have the same meaning.

4. For a period of fifteen (15) calendar days after the 15th days of November and May in the years in which this Agreement is in effect, each employee on each occupation may file written application for assignment to a different shift or shifts on such occupation other than the shift on which the employee is working. The application for assignment to a different shift or shifts on such occupation shall remain in effect so long as the employee remains on such occupation but no longer than the term of this

Agreement. The employee's name will be removed from the shift preference list if the employee is transferred or retrogressed from such occupation or for any other reason no longer holds such occupation. The employee shall have the right, however, to change his application in accordance with the terms of this Paragraph 4. Any employee who is transferred, retrogressed, or recalled into the occupation or who is involuntarily assigned to a different shift after such fifteen (15)-day period or who is absent from work because of vacation, physical disability or force reduction during all of such fifteen (15)-day period, may file his application within fifteen (15) days after his transfer, retrogression, recall, shift assignment, or return to work. When a new shift is created by the Company, the Company will fill the vacancies on the new shift by first canvassing, on the basis of continuous service, the employees in the occupation for which a new shift is being created. Thereafter, for a period of fifteen (15) days after the filling of all of such vacancies, all other employees who have not been placed on such shift may file their respective applications indicating preference for assignment to the new shift. When a new schedule is created by the Company, the Company will fill the vacancies on the new schedule by first canvassing, on the basis of continuous service, the employees in the occupation on the shift on which the new schedule is being created. Thereafter, for a period of fifteen (15) days after the filling of all of such vacancies, all other employees who have not been placed on such schedule may file their respective applications indicating preference for assignment to the new schedule. Each employee shall be given a copy of any such application filed. At the end of such fifteen (15)-day periods, the names of the employees who have applied for shift assignment will be arranged on the basis of continuous service on a shift preference list for each shift on each occupation to be maintained

in the department. It is understood, however, that the name of any employee who is transferred into an occupation shall, for a period of six (6) months from the date of transfer, be placed at the bottom of the shift preference list. Following such period, the name of the employee shall be immediately arranged on the shift preference list on the basis of continuous service. Thereafter as vacancies occur on shifts whenever practical in the judgment of the Company, the vacancies will be offered to employees in the same occupation in the order that their names appear on the shift preference list prior to filling such vacancies under the provisions of Section E of this Article. An employee may at any time request that his name be removed from any such list. Any active employee who is absent on the day such shift vacancy would be offered to him shall be deemed to have accepted assignment to the shift offered and shall be assigned to such shift on his return to work. In the case of occupations for which there are rotating or other work schedules in lieu of or in addition to stationary shifts, employees may request assignment from or to such work schedules in the same manner as heretofore described. For the purpose of this Paragraph, an occupation shall be considered to be an occupation for which there is a separate job description and differences in the daily starting time and/or daily lunch period for employees classified on a given occupation shall not constitute a different schedule. In cases where the Company determines that there is a need for additional employees on any shift but not in the occupation, and no one in the occupation has requested assignment to such shift, the Company will assign the most junior employee from another shift to such shift, unless another employee, on the same shift as the most junior employee, has requested the shift assignment, in which event, the shift assignment may be offered to the more senior employee. The provisions in this Paragraph 4 shall not apply to

any movement of employees on shifts or schedules on those occupations into which employees are retrogressing.

5. An employee who is absent due to physical disability for more than one (1) calendar year and thereafter returns to work with unbroken continuous service will be returned to the occupation on which he was working at the time of layoff, provided his continuous service is sufficient to permit him to hold on such occupation, displacing that employee classified on such occupation with the least continuous service. In the event that the returning employee's continuous service is not sufficient to permit him to hold on such occupation, he will be assigned to another occupation in the same job class in the line of occupations if he has more seniority than any other employee on any such occupation, displacing that employee in that job class with the least continuous service; or, in the event his continuous service is not sufficient to hold on any such occupation in the same job class, he will retrogress to an occupation in the next lower job class where his continuous service is sufficient to permit him to hold, displacing the employee with the least continuous service on any occupation in that job class.

B. 1. Transfer is defined as movement from one occupation to a permanent vacancy in another occupation by the procedure specified in Section F of this Article or by action taken in accordance with Section E, Paragraph 3, of this Article.

2. Retrogression is defined as movement or assignment on a permanent basis to an occupation in the same or lower labor grade in a line of retrogression as shown on the line of retrogression currently in effect or movement out of the bottom occupation in a line of retrogression into a pool occupation in accordance with Section G of this Article.

3. The Company agrees that at each plant, and only during any period of time when there are one (1) or more employees involuntarily laid off reduction in force from that plant, it will maintain at that plant a combined total of all employees in the three (3) pools, as defined below, that will equal at a minimum, five percent (5%) of all employees in that plant who are not on laid off reduction in force status. The term "pool occupations" is defined to mean:

a. Production Pool Occupations

(1) All occupations in the Canton and Gambrinus Bearing Plants and Gambrinus Roller Plant and the Harrison, Gambrinus, and Faircrest Steel Plants, which are both a job class 9 or below and the bottom occupation in more than one (1) line of retrogression.

(2) The Company shall limit the maximum number of Production Pool occupations so that:

(a) The total number of Production Pool occupations in all the Bearing Plants combined, defined as Canton and Gambrinus Bearing Plants and Gambrinus Roller Plant, shall never exceed twelve (12) occupations; and

(b) The total number of Production Pool occupations in all the Steel Plants combined, defined as Harrison, Gambrinus, and Faircrest Steel Plants shall never exceed twelve (12) occupations.

All employees working in an occupation in a line of retrogression at the Canton and Gambrinus Bearing Plants and Gambrinus Roller Plant and the Harrison, Gambrinus, and Faircrest Steel Plants shall retrogress into or through a Production Pool occupation.

b. Seniority Pool Occupations

(1) All occupations in the Canton and Gambrinus Bearing Plants and Gambrinus Roller Plant classified in job classes one through five, inclusive; and

(2) All occupations in the Harrison, Gambrinus, and Faircrest Steel Plants classified in job classes one through four, inclusive, with the exception, in both cases of:

(a) occupations covered by incentive rates; and

(b) limited bid occupations, those occupations as to which an employee must have qualifying experience as specified in (c) below; and

(c) qualifying occupations which an employee is required to hold on a permanent basis to be eligible for transfer to a limited bid occupation on an occupation chart, as provided in Section F, Paragraph 3, of this Article; and

(3) All occupations listed in Appendix D.

c. Security Pool Positions

(1) During the term of this Agreement, the Company agrees that employees who during a retrogression are unable to hold in any occupation and would otherwise be placed on laid off reduction in force status shall be eligible for placement in any position in the Security Pool that the Company, in its discretion, establishes. These are Security Pool positions.

(2) The Company retains the right to determine if a position or positions in the Security

Pool should be established. For each plant, and only during any period of time when there are one (1) or more employees involuntarily laid off reduction in force from that plant, the Company will maintain a combined total of employees in the Security Pool and Seniority Pool in that plant equaling, at a minimum, fifty percent (50%) of all employees in that plant working in all three (3) pools.

(3) Employees in retrogressing shall hold in any position in the Security Pool based upon said employee's continuous service provided he has the apparent ability to perform the work.

(4) Employees holding in the Security Pool will be placed in a variety of traditional and non-traditional positions for no less than thirty-two (32) hours per week.

(a) Position examples:

[i] Traditional positions are defined as: production and maintenance work performed on a day-to-day basis in any given plant.

[ii] Non-traditional positions may be positions to be performed either inside or outside of the plant where the employee normally works such as:

[a] Work which management determines needs to be performed in any of said plants.

[b] Civic activities.

[c] Charitable activities.

[d] Services customarily contracted out such as part time assistance.

[e] Customer relations work including visits to customer facilities and customer tours of Company facilities.

[f] Summer camp duties.

[g] Training of employees or customers.

(5) Rate of pay for employees holding in the Security Pool shall be as follows:

(a) When assigned to traditional positions, employees shall be paid under Article V, Section I.

(b) When assigned to non-traditional positions, employees shall be paid at a rate of labor grade one (1) for a minimum of thirty-two (32) hours per week.

(6) Notwithstanding any other Sections of this Agreement, employees retrogressing may refuse an offer of placement in the Security Pool thereby electing to be laid off reduction in force.

(7) The Company shall maintain a list of employees on laid off reduction in force from each plant who desire to be considered for positions established by the Company in the Security Pool for that plant. An employee on laid off reduction in force may place and/or remove his name from the list at any time, in accordance with procedures established by the Company. In order to be considered for any position in the Security Pool, which the Company chooses to fill, an employee must have his name on the Security Pool list for that plant no later than noon of each Wednesday. Only an employee that has placed his name on the list shall be offered a position, based upon continuous service provided he has the

apparent ability to perform the work. Any employee on laid off reduction in force status who refuses two (2) offers of placement into the Security Pool shall be deemed to have voluntarily and permanently removed his name from the list and shall have no further right to be offered placement into the Security Pool. Such an employee, however, shall retain all recall rights provided elsewhere in this Agreement.

(8) An employee in any one of the following categories shall be counted as a pool employee for that plant for purposes of counting the total number of pool employees under the Company's obligation to maintain five percent (5%) of that plant's employees in pool occupations, as provided in this Section:

(a) A retrogressing employee who refuses placement in the Security Pool thereby electing to be laid off reduction in force from that plant.

(b) An employee on laid off reduction in force status from that plant who refuses an offer to be returned to a position in the Security Pool or an offer to return to any occupation in the Production or Seniority Pools.

(c) An employee who has been laid off physical from any of the three (3) pools at that plant.

(9) Positions in the Security Pool will not be described or classified.

(10) An employee placed in the Security Pool, from laid off reduction in force status, shall continue to have his accumulated length of service determined as if he remained on laid off reduction in force status for a period of thirty (30) working days following the return. If the employee is laid off

reduction in force within that thirty (30) working-day period following his return, his rights under Article VIII, Section K, shall be determined as if he had never been returned from laid off reduction in force status. If, however, the employee is still in the Security Pool at the conclusion of the thirty (30) working-day period or if he has been recalled from the Security Pool to an occupation outside the Security Pool, the employee's rights will be reinstated to that of an active employee.

(11) Employees shall have no right to process grievances concerning the following aspects of the Security Pool.

(a) The assignment of duties to any employee in the Security Pool or the location at which those duties shall be performed.

(b) The duties assigned to or removed from the Security Pool.

(c) The duties or work performed by any Security Pool employee or others.

4. All new employees shall be hired into one of the pool occupations for such plant (except for qualified employees hired for trade and craft occupations as listed in the Job Classification Manual), unless a permanent vacancy in such plant has not been filled by any employee by the exercise of seniority rights in accordance with this Article; and all layoffs shall be made from the pool occupations, except as provided in Section G, Paragraph 4, of this Article.

5. Recall is defined as the right of an individual, who has been retrogressed or laid off due to force reduction, to be offered a permanent vacancy as specified in Section H of this Article.

6. For the purposes of this Agreement, each

of the following is defined as a plant: (a) Canton and Gambrinus Bearing Plants and Gambrinus Roller Plant and (b) Harrison, Gambrinus, and Faircrest Steel Plants.

7. a. The X-Mill Commitment

(1) It is acknowledged by the parties that the Company is considering the construction of a new tube manufacturing facility, which is referred to herein as the X-Mill. It is agreed that if the Company does construct the X-Mill, it shall be constructed nowhere but in Stark County, Ohio, and it shall be part of the steel and tube plants of the Company as described in Article I of this Agreement, and for purposes of this Agreement shall be included within the plant, defined in Section B, Paragraph 6(b) of this Article, as "Harrison, Gambrinus, and Faircrest Steel Plants".

(2) The parties recognize that construction and start up of a new facility involves a major commitment to achieve satisfactory operations. Accordingly, in the event there is any conflict between this Section B, Paragraph 7, and any other provisions of this Agreement, or any other Agreement, it is expressly understood and agreed that the provisions of this Section B, Paragraph 7, shall prevail.

b. Selection of Employees for the X-Mill

(1) It is expressly understood and agreed that in filling the initial permanent vacancies associated with the X-Mill, which are those vacancies required to operate the X-Mill on a twenty-four (24) hour per day seven (7) day per week schedule or six (6) months from the start up of the X-Mill, whichever occurs first, the Company retains the following rights, as well as those otherwise retained by it and without limiting its rights otherwise retained:

(a) The Company retains the right, at its option, to hire new employees for the X-Mill and to select and offer assignment to said mill to qualified employees of any of the Company's plants covered by this Agreement, without any break in their continuous service. A minimum of eighty percent (80%) of all the initial permanent vacancies associated with the X-Mill will be selected from and offered to qualified employees of any of the Company's plants covered by this Agreement so long as there are a sufficient number of qualified applicants from said plants to reach this eighty percent (80%) minimum level. The Company also retains the right to lay off employees who are newly hired and to return employees from other plants who have been offered and who have accepted assignment to the X-Mill to their previous occupations in the same manner as that provided in Section F, Paragraph 7, of this Article VIII. In addition to the provisions of Section F, Paragraph 7, of this Article VIII, the returning employees will return to the shift or schedule they held in their previous occupations. Employees may return at their own discretion within sixty (60) days of being assigned to X-Mill in accordance with Section F, Paragraph 7, of Article VIII.

(b) No grievance may be filed regarding:

[i] the hiring or layoff of new employees provided, however, that new hires completing their probationary period (one hundred twenty [120] working days) shall be retrogressed (or laid off) pursuant to this Article VIII;

[ii] the selection, assignment, and qualifications of employees, whether they are or were newly hired or employees from other plants; or

[iii] the return of employees to their previous occupations,

except that in the event any employee is dissatisfied with [a] his return to a plant from which he was transferred in the manner specified in Article VIII, Section F, Paragraph 7, of this Agreement or [b] his layoff from the X-Mill, the affected employee may file a grievance in respect to such matter in accordance with the procedure described in Article IX of this Agreement, and said grievance may be carried through the grievance procedure.

C. The occupations through which employees shall retrogress in accordance with Section G of this Article will be shown on departmental occupation charts. Occupations will be located on such charts in accordance with their relative job classes. These occupation charts have been reviewed and agreed upon by the Company and the Union during the negotiation of this Agreement, and none of such charts shall be revised by the Company during the term of this Agreement unless necessity for such revision shall occur. A copy of the pertinent occupation chart will be posted in the appropriate department or location. No revised occupation chart shall be posted until the Area Manager has discussed it with the Steward, or if requested or if the Steward is not available, with a member of the Plant Grievance Committee. A duplicate copy of all charts now in effect and charts revised in the future will be mailed to the Local Union President.

In the event the revision of an occupation chart is unsatisfactory to any employee affected thereby, it is agreed that a grievance in respect of such revision may be filed in the second step of the grievance procedure as described in Article IX - Adjustment of Grievances and may be carried through Step 3 of the grievance procedure, but shall not be arbitrable under said Article IX.

D. Subject to the provisions of this Section, a permanent vacancy in an occupation will ordinarily be considered to occur in the following cases:

1. The termination of employment of an individual who is then holding such occupation for any reason.

2. The transfer of an employee who is then holding such occupation into a permanent vacancy in another occupation.

3. The authorized absence from work of an employee who has held such occupation, which absence continues for a period of one (1) calendar year. However, if prior to the end of such period, information is made known to the satisfaction of the Company that such absence will continue for a period of at least one (1) calendar year the vacancy shall be treated as permanent. Notwithstanding anything in this Paragraph or in any other provision in this Agreement, an employee who is absent because of physical disability for thirty (30) working days or whose absence on the basis of information received by the Company prior to the end of such thirty (30) days is expected to continue for at least thirty (30) working days, shall be placed in the status of laid off physical.

4. The Company retains the right, however, to determine the number of employees who are required in any occupation, shift, or crew; and notwithstanding the occurrence of any of the events specified above, the Company may elect not to replace the employee who is vacating the occupation, shift, or crew if it determines that a reduced number of employees in that occupation, shift, or crew is sufficient to perform the available work for that occupation, shift, or crew.

5. Any vacancy which is not a permanent vacancy as defined above shall be considered a temporary vacancy and may be filled by the Company by any means at its discretion. However, if there are employees retrogressed from the occupation in which the temporary vacancy occurs, the Company will, whenever practical in the judgment of the Company, first offer to fill the temporary vacancy, on the basis of seniority, from the employees retrogressed from the occupation in which the temporary vacancy occurs.

6. A temporary vacancy which has been filled by assignment of employees on a temporary basis for longer than one hundred eighty (180) working days shall be considered a permanent vacancy unless the need to fill such temporary vacancy continues longer than the above defined one hundred eighty (180) working days because of an injury, illness, leave of absence, or any projects or special conditions and the Company does not anticipate that such temporary vacancy will culminate in a permanent vacancy.

E. Subject to the provisions of Section A of this Article, all permanent vacancies in any occupation covered by this Agreement will be filled in the following manner:

1. Recall to an occupation in accordance with Section H, Paragraph 1, of this Article.

2. Transfer of an active employee requesting transfer into such a permanent vacancy under the provisions of Section F of this Article, provided that if there are any employees in the Security Pool or laid off employees described in Section H, Paragraph 2, of this Article who have greater length of continuous service in the plant than any active employee who has requested a transfer into the permanent vacancy

under Section F of this Article, the vacancy will first be offered to such employees in the order of their continuous service. In all cases, employees in the Security Pool or a laid off employee will be offered such a vacancy only if he has the apparent ability to do the work and is not forbidden by law to do the work.

3. If not filled by either of the foregoing, at the Company's option, by assigning any employee from any occupation who is willing to transfer; provided, however, that before a vacancy is otherwise filled under this Section E, Paragraph 3, it shall first be offered to the senior employee who is on the list of employees who requested transfer to the permanent vacancy but who is not eligible to transfer under the provisions of Section F, Paragraph 3, of this Article. In all cases, an employee on such list shall only be eligible for such an offer if he has the apparent ability to perform the occupation as provided in Section F, Paragraph 3. In determining apparent ability for the purpose of this Section E, Paragraph 3, Subparagraph (1) of Section F, Paragraph 3 shall not be considered as a necessary element of apparent ability.

4. Recall in accordance with Section H, Paragraph 2, of this Article.

5. Any permanent vacancy not filled according to Article VIII, Section E, Paragraph 1, 2, 3, or 4, shall be filled by requesting transfer to another plant in accordance with the provision of Article VIII, Section F, provided that if there are any employees in the Security Pool or laid off employees described in Section H, Paragraph 2, of this Article who have greater length of continuous service in the plant than any active employee who has requested a transfer into the permanent vacancy under Section F of this Article, the vacancy will first be offered to such employees in the order of their continuous service. In

all cases, employees in the Security Pool or a laid off employee will be offered such a vacancy only if he has the apparent ability to do the work and is not forbidden by law to do the work.

6. Hiring of new employees, provided that before hiring of new employees, all laid off employees from all plants, with the apparent ability to do the work, shall be given at least one (1) opportunity to be recalled.

F. The following procedures will be followed to enable active employees to request a transfer into a permanent vacancy in an occupation in accordance with Section E, Paragraph 2, of this Article.

1. Notice of any permanent vacancy in an occupation except pool occupations in Labor Grades 1, 2, and 3 will be posted in the plant where the vacancy occurs for a period of seventy-two (72) hours (exclusive of Saturdays, Sundays, and such Holidays as prescribed in Article VI.G.) beginning at 12 midnight.

2. Any employee desiring to be considered for transfer into the vacancy may apply by obtaining a Request for Transfer Form from his supervisor or the Associate Services Department and filing such request with his supervisor or the Associate Services Department within such seventy-two (72)-hour posting period.

3. To be eligible for transfer, the employee (a) must have completed his probationary period, (b) must have completed the required periods of time specified in Paragraph 13 of this Section F, (c) must have the apparent ability to do the work of the occupation to which he is requesting transfer, and (d) must not be prohibited by law from doing such work, provided,

(1) that the parties have agreed upon and initialed a list of certain occupations for which experience in a qualifying occupation on the occupation chart then in effect is required. Such occupations may be referred to as "limited bid occupations". Limited bid occupations in the Harrison, Gambrinus, and Faircrest Steel Plants, which are grouped together on Limited Bid and Qualifying Occupation Lists, may be referred to as "mutually qualifying occupations". To be eligible for transfer to a limited bid occupation, the employee must have been permanently classified on a qualifying occupation or a mutually qualifying occupation within the last five (5) years, having completed a qualification period thereon. Provided, however, in the case of a limited bid occupation which has never been filled on a permanent basis, if no employee has completed a qualification period on the qualifying occupation, any employee permanently classified on the qualifying occupation shall be regarded as having the necessary experience required on the qualifying occupation for that occupation. Any employee who has held such limited bid occupation on the list referred to above on a permanent basis within the last five (5) years, having completed a qualification period thereon, shall be regarded as having the necessary experience required on the qualifying occupation for that occupation;

(2) if, during the term of this Agreement, a change to an occupation in existence on the effective date of this Agreement is prescribed by the Company which necessitates a revision to the Limited Bid and Qualifying Occupations List for that occupation and the revision is unsatisfactory to any employee affected thereby, it is agreed that a grievance in respect of such revision to the Limited Bid and Qualifying Occupations List may be filed in the second step of the grievance procedure as described in Article IX - Adjustment of Grievances, which grievance shall be arbitrable under said Article IX;

(3) in the case of occupations for which the successful completion of an Apprenticeship Program is a prerequisite, the employee must have completed such program;

and for such limited bid occupations, the foregoing shall be considered as part of the necessary elements of apparent ability for purposes of this Article.

4. That eligible employee requesting the transfer who has more continuous service than any other employee who has requested a transfer into that vacancy will be offered a qualification period as specified in Paragraph 13 of this Section F.

5. The name and continuous service date of the employee who is awarded the transfer will be posted, for a period of seventy-two (72) hours (exclusive of Saturdays, Sundays, and such Holidays as pre-scribed in Article VI.G.) at all locations where the notice of the permanent vacancy was posted. Any employee who requested the transfer and was not awarded the transfer may file and process a grievance, in accordance with Article IX, on the ground that he should have been awarded the transfer under the provisions hereof. Such a grievance must be filed within fifteen (15) calendar days from the date of posting of the name of the employee who was awarded the transfer, and if not then filed, no claim shall thereafter be asserted by such employee based in whole or in part on the Company's failure to award him such transfer.

6. If the employee to whom the transfer is awarded is absent from work because of vacation, temporary illness, authorized leave of absence, jury duty, or being subpoenaed as a witness in a court of law at the time he would otherwise be scheduled to begin work in the vacancy to which he is to be

transferred, such vacancy will not be permanently filled until such employee returns to work, but in no case shall it remain unfilled for more than thirty (30) working days. In such interim period, the Company may fill such vacancy on a temporary basis.

7. a. An employee who by either his own or the Company's determination cannot satisfactorily perform the work in the occupation to which he has been transferred during the qualification period will be returned to the occupation from which he was transferred. It is understood, however, that during the first fourteen (14) days of the qualification period, an employee may unilaterally return to the occupation from which he transferred displacing the employee with the least continuous service who has transferred to such occupation and who has not completed a qualification period on the occupation. The displaced employee will be returned to the occupation from which he was transferred, in turn displacing the employee with the least continuous service who has transferred to that occupation and who has not completed a qualification period on the occupation. In the event there is no employee who has been transferred to and has not completed a qualification period on the occupation to which an employee is being returned under this Paragraph, the returning employee will displace the employee on such occupation with the least continuous service, unless his continuous service is not sufficient to hold in such occupation, in which event he shall retrogress or be laid off, as the case may be, in accordance with seniority.

b. An employee from one plant who has been transferred to an occupation in another plant pursuant to Article VIII, Section E, Paragraph 5, and, who, by either his own or the Company's determination cannot satisfactorily perform the work in said occupation during the qualification period, will

be returned to the occupation at the other plant from which he was transferred. It is understood, however, that the first fourteen (14) days of the qualification period shall be considered to be a transition period. During such transition period, an employee may unilaterally return to the occupation from which he transferred without the transfer limitations referred to in Section F, Paragraph 10, of this Article VIII. Any return to the other plant will be done in the same manner as that provided in Section F, Paragraph 7.a.

8. Any employee who requests, is offered and refuses a transfer under this Section will not have any further requests for transfer considered for a period of twelve (12) months following such refusal. It is understood, however, that any refusal of transfer to a vacancy posted during a given week shall not prohibit acceptance of transfer to any other vacancy posted during the same calendar week. All refusals of transfer must be signed by the employee so refusing.

9. Any employee will be permitted only one (1) transfer under this Section during the periods of time specified in Paragraph 13 of this Section F commencing with the date of transfer. Any employee who is transferred and then is retrogressed from the occupation into which he has been transferred, shall not have that transfer count against this limitation during the specified period. Any employee who has completed a qualification period in a qualifying or a mutually qualifying occupation may bid on any permanent vacancy in the limited bid occupation for which he is qualifying without any such restriction.

10. Any employee who has failed on a qualification period shall be ineligible to bid for a transfer for a period of twelve (12) months.

11. The Company may postpone for not more than three (3) months the transfer to which an employee would otherwise be entitled if:

a. he is then in an occupation requiring training and experience; and

b. the occupation on which the employee requesting a transfer is permanently assigned contains six (6) or fewer employees or in the case of an occupation which contains more than six (6) employees at least one (1) other employee has been transferred out of the occupation within the past three (3) months pursuant to this Section; and

c. in the judgment of the Company, the transfer of any additional employees out of such occupation would seriously impair the efficient operation of any department.

Provided, however, that the employee affected by such postponement shall have his "Transfer Limitations", as determined in accordance with the table in Paragraph 13 of this Section F, reduced by a time period equal to the duration of any such postponement. During such postponement, the vacancy to which such employee is entitled may be filled on a temporary basis.

12. Any employee may file with the Associate Services Department a Request for Transfer to a pool occupation in Job Classes 1, 2, or 3 other than the occupation on which the employee is then permanently classified. Such requests shall be effective for a period of six (6) months after they are filed, but the employee may at any time withdraw his request. Thereafter as vacancies occur on such occupations, vacancies in each such occupation will be offered to the employees who have such requests currently on file in the order

of their continuous service. If any employee is absent from work for any reason on the day when a transfer under this Paragraph is available, that employee shall be bypassed until another vacancy on such occupation occurs. Requests for Transfer under this Paragraph shall be subject to all the provisions of this Section F except Paragraphs 1, 2, 5, and 6.

13. a. The following table will be used to determine the length of qualification periods for all occupations, except trade and craft occupations as covered under Subparagraph b. below, to which an employee is hired, transfers, retrogresses, or is recalled. It will also be used to determine the minimum length of time required, commencing with the date of hire or transfer, before an employee may transfer from an occupation into which he was hired or transferred, as the case may be, in one of the following groups of job classes. Moreover, an employee who is recalled pursuant to Section H, Paragraph 2, hereof, may not transfer from the occupation into which he was so recalled until he has remained on such occupation for a period of time from the date of recall equal to the applicable qualification period for said occupation set forth in the following table:

<u>Job Class</u>	<u>Qualification Period</u>	<u>Transfer Limitations</u>	
	(Working Days Up To)	(Calendar Months)	
All Pool Jobs	30	NA	3
All Jobs on Lines of Retrogression to and Including Job Class 6	60	6	9
All Jobs from Job Class 7 to and Including Job Class 15	60	6	15
All Jobs from Job Class 16 to and Including Job Class 25	60	6	15
		Within Same Line of Retrogression	All Other Transfers

b. The following table will be used to determine the length of qualification periods for the trade and craft occupations listed below to which an employee is transferred. It will also be used to determine the minimum length of time required, commencing with the date of transfer, before an employee may transfer from a trade and craft occupation into which he was transferred:

<u>Occupation</u>	<u>Dept.</u>	<u>Qualification Period</u> (Calendar Months)	<u>Transfer Limitations</u> (Calendar Months)
Tool & Gauge Inspector/A&I	13	6 (at Grade B then to Grade A)	18 Same as Subparagraph 13.a. Chart
Machinist-Cages/Finisher	63		
Tool Grinder	68		
Machinist/Finisher	68		
Electrical/ Electronic Maintainer	91-3		
Sheetmetal Worker/Heat Treat Attendant	91-4		
Welder/Heat Treat Attendant	91-4		
Carpenter/Heat Treat Attendant	91-5		
Refrigeration Mechanic	91-8		
Mechanical Maintainer	91-9		
Machinist - Class A	181		
Maintainer/ Welder-Certified	181	Same as above for all listed occupations.	
Equipment/ Mechanical Maintainer	181		
Mechanical Maintainer	182		
Mechanical Maintainer - Gambrinus Steel Plant	182		
Mechanical Maintainer	282		
Electrical Maintainer	183		
Electrical Maintainer - Gambrinus Steel Plant	183		
Electrical/Electronic Maintainer - Gambrinus Steel Plant	183		
Electrical Maintainer	283		
Equipment Maintainer	189		
Engineer - Steam (Licensed)	205	Within Same Line of Retgression	All Other Transfers

Notwithstanding any other provision of this Agreement, the transfer limitations and qualification periods set forth above will apply to any requested transfer pursuant to Section E, Paragraphs 3, 5, and 6.

14. Notwithstanding any other provisions of this Agreement, the following procedures will be followed to enable active employees to request a transfer into a permanent vacancy in the trade and craft occupations listed in Subparagraph 13.b. above in accordance with Section E, Paragraph 2, of this Article:

a. On or after the effective date of this Agreement, the first permanent vacancy in each trade and craft occupation listed in Subparagraph 13.b. above will be considered filled, in accordance with the procedures in this Paragraph F, in the following manner and order of priority:

(1) use the Limited Bid and Qualifying Occupation List for that trade and craft occupation to determine the eligibility of any journeyman requesting transfer and if no eligible journeyman requests such transfer then;

(2) use the Limited Bid and Qualifying Occupation List for that trade and craft occupation to determine the eligibility of an employee to request transfer to a six (6)-month apprenticeship in that trade and craft occupation and if no eligible employee requests such a transfer then;

(3) use the Limited Bid and Qualifying Occupation List for that trade and craft occupation to determine the eligibility of an employee to request transfer to a twenty-four (24)-month apprenticeship in that trade and craft occupation and if no eligible employee requests such transfer then;

(4) at the Company's option, either hire or do not hire a new employee into the apprenticeship for that trade and craft occupation.

b. On or after the effective date of this Agreement, the second permanent vacancy in each trade and craft occupation listed in Subparagraph 13.b. above will be considered filled, in accordance with the procedures of this Paragraph F, at the sole discretion and option of the Company, by either following the procedures in Subparagraph 14.a.(1) through 14.a.(4) above or in the alternative following the procedures in 14.a.(2) through 14.a.(4) above.

c. Subsequent permanent vacancies in each such trade and craft occupation will then be considered filled by alternating the procedures outlined in Subparagraphs a. and b. of this Paragraph 14.

d. New hires and any employee working in a trade and craft occupation selected for an apprenticeship will be subject to the current apprenticeship rules and regulations.

G. 1. When there is a reduction of work which the Company expects to last more than twenty-four (24) hours, the Company may at its option (a) reduce the hours worked per week in the occupations or work assignments within occupations, (b) divide the work among employees on occupations or work assignments within occupations on each shift, (c) reduce forces within occupations or work assignments within occupations by laying off junior employees on each shift for no longer than thirty (30) working days, (d) reduce forces within occupations or work assignments within occupations by laying off junior employees for no longer than thirty (30) working days, or (e) reduce forces on a seniority basis as provided in the next paragraph hereof.

2. When the Company decides to reduce forces, employees who are in a qualification period in the occupation being reduced shall return, in order of least continuous service, to the occupations from which they were transferred, displacing employees with the least continuous service who are presently in a qualification period. The displaced employees shall return to the occupations from which they were transferred, displacing employees with the least continuous service who have transferred to such occupations and who are presently in a qualification period. In the event there is no employee in a qualification period on the occupation to which an employee is being returned under this Paragraph, the returning employee will displace the employee on such occupation with the least continuous service, unless his continuous service is not sufficient to hold in such occupation, in which event he shall retrogress or be laid off from such occupation, as the case may be, in accordance with seniority.

In the event there are no employees who are in a qualification period in the occupation being reduced, employees shall retrogress through the occupations on the current occupation chart. Employees in retrogressing shall hold in any occupation based upon said employee's continuous service provided he has the apparent ability to perform the occupation.

In the event of a decrease in forces in a trade and craft occupation which requires the completion of an Apprenticeship Program, the ratio at the time of such decrease of the number of employees in the Apprenticeship Program to the number of employees in the applicable trade and craft occupation shall not be exceeded, except in the event of a major modification or expansion of facilities requiring a projected increase in the number of employees required in a trade and craft occupation. The Company, however,

may, at its option, remove more employees from the Apprenticeship Program than is necessary to maintain such ratio in the event of any such decrease.

The Company shall provide a Basic Education Training Program for the purpose of preparing interested employees for application to an Apprenticeship Program.

3. In case an employee is retrogressed to an occupation he has not held on a permanent basis, he shall be afforded a qualification period as specified in Paragraph 13 of Section F of this Article. Any employee whose work during such qualification period shows that he lacks the apparent ability to perform the occupation satisfactorily shall be retrogressed from the job class and shall have no further claim to the job upon transfer.

4. If an employee does not have sufficient length of service to hold in the bottom occupation in the line of occupations through which he has retrogressed, he shall be retrogressed to a pool occupation in the plant, displacing that employee who has the least continuous service of all employees in all the pool occupations in that plant. If the retrogressed employee does not meet the requirements of Paragraph 5 below with respect to the occupation held by such most junior employee, he will be assigned to that one of the pool occupations for which he does meet such requirements, then held by the employee who has the least continuous service of all employees in any of the pool occupations for which the retrogressed employee does meet such requirement. The employee in all the pool occupations with the shortest length of continuous service shall be laid off, and other employees will be reassigned to different pool occupations as necessary, but with the least possible reassignment of employees. In no event

shall the retrogressed employee displace another employee who has more continuous service than the retrogressed employee.

5. In all cases, an employee will only be retrogressed to an occupation which he has the apparent ability to perform and is not forbidden by law to perform.

6. If an employee does not have sufficient length of service to hold in the bottom occupation in the line of occupations through which he has retrogressed, he may be assigned to any vacancy in a pool occupation prior to applying the provisions set forth in Paragraph 4 above. If such employee is senior to all employees on layoff who have the apparent ability to perform the occupation, such employee shall be permanently classified on such occupation. If such employee is not senior to an employee on layoff who has the apparent ability to perform the occupation, then within forty-five (45) calendar days of the assignment of such an employee to the vacancy, the Company will assign the most senior employee on layoff who has the apparent ability and that employee will be permanently classified on such occupation. The employee who is assigned to such occupation on a temporary basis shall then be retrogressed pursuant to Paragraph 4 above. Any employee who is assigned to such an occupation on a temporary basis shall be paid the rate of that occupation notwithstanding any other provisions in this Agreement.

7. Any employee who, by reason of a physical or mental condition, is unable to perform the duties of the occupation to which he is assigned may request voluntary retrogression. If the Company agrees, it may assign any such employee to the Production Pool occupation applicable to the line of retrogression, the duties of which he is able to perform to the satisfaction

of the Company, and provided that such employee's length of continuous service permits him to hold in such occupation. Thereafter, such employee shall have rights of transfer and recall to other occupations in accordance with the provisions of this Article.

H. 1. a. Any employee who has been retrogressed out of or through any occupation, shall have an occupational recall right to that occupation for a period of five (5) years following such retrogression.

b. The recall rights established above shall apply to recalls to fill permanent vacancies which occur subsequent to the date of this Agreement and shall not be used to displace employees actively working as of the date of this Agreement.

c. Before a permanent vacancy in any occupation is otherwise filled, it shall first be offered, in order of plant continuous service, to any employee who has occupational recall rights to that occupation under this Paragraph 1. An employee who refuses an offer of recall to an occupation under this Paragraph 1 shall have no further right of recall to that occupation. If an employee who has recall rights under this Paragraph 1 to occupations in more than one (1) line of retrogression accepts an occupational recall to any of such occupations, he shall continue to have recall rights to other occupations in which he has not refused recall in the same or higher labor grades in that line of retrogression, but his acceptance of recall to such an occupation shall preclude any further offers of recall to occupations in any other line of retrogression. All refusals of offers of recall shall be in writing and signed by the employee refusing the offer of recall. Any employee who has been laid off due to force reduction and who refuses two (2) offers of recall under this Paragraph 1 shall be deemed to have voluntarily quit the employ of the Company.

2. When there is a permanent vacancy to be filled which has not been filled pursuant to Section E, Paragraphs 1, 2, 3, or 4; or an increase in forces in any plant, employees who were placed in the Security Pool of such plant or laid off from such plant shall be recalled in the order of their continuous service, provided the layoff of such employee occurred within a period equal to such employee's period of continuous service, but with a maximum of five (5) years and a minimum of two (2) years. Any employee who has refused two (2) offers of recall under this Paragraph 2 shall not be given any further offers of recall hereunder. Notwithstanding this Paragraph 2, any employee who has not refused two (2) offers of plant recall under this Paragraph 2 shall have an extended plant recall right pursuant to Section K, Paragraph 4, of this Article VIII during the term of this Agreement.

3. In all cases, an employee will be recalled to an occupation only if he has the apparent ability to do the work and is not forbidden by law to do the work.

4. Any employee who is recalled under the provisions of Paragraphs 1 and 2 of this Section shall be returned on a qualification period basis for a period as specified in Paragraph 13 of Section F of this Article. If he cannot satisfactorily perform the work on such occupation during such qualification period, he may be laid off without change in his previous seniority status, except that he shall have no further recall rights to that occupation.

5. If an employee who has been laid off due to physical disability has been approved for work but is not physically able to perform the work to which he would otherwise be assigned under this Paragraph, he shall be assigned to any permanent vacancy to which he has the apparent ability to perform, provided his continuous service would entitle him to the

vacancy. If such employee is again physically able to perform the occupation to which he would otherwise have been returned within twelve (12) months after returning to work, he shall then be returned to such occupation and shift or to the occupation and shift to which his continuous service would then entitle him, and other employees having less continuous service shall be retrogressed as necessary. If he is not so returned within such twelve (12)-month period, he shall thereafter have no right to return to any other occupation, except by transfer in accordance with Section F of this Article.

6. If any difference shall arise between the Company's physician and the physician of an employee as to whether such employee is physically able to return to work, such difference shall be resolved as follows:

The medical opinion of a third physician, who specializes in the field of such illness or injury, who shall be agreed upon by the Company's physician and the employee's physician, shall decide the issue and such decision shall be final and binding on all parties and shall not be eligible for appeal through the grievance and arbitration procedure.

I. Any employee who is not properly retrogressed, is not laid off, or is not recalled according to the terms of this Article may file a grievance in respect thereof. An employee not on layoff due to a reduction in force may file such a grievance within ten (10) calendar days (exclusive of Saturday, Sunday, and Holidays) from the date of such action by the Company. An employee on layoff due to a reduction in force may file such a grievance within thirty (30) calendar days from the date of such action by the Company. If it is determined that such action was contrary to this

Agreement, such employee will be reinstated with back pay to the date of such action. In the event that any employee files a grievance more than ten (10) calendar days (exclusive of Saturday, Sunday, and Holidays) or more than thirty (30) calendar days, whichever is applicable, after the date of such action, and it is determined that such action was contrary to this Agreement, such employee will be reinstated with back pay only to the date of filing such grievance. Any employee who fails to call to the Company's attention an error in the posting of his continuous service prior to bidding for a transfer, retrogression, layoff, or recall shall not be entitled to back pay hereunder.

J. An employee's master card shall be the official record from which his length of service is determined. On the seniority lists to be posted when this Article VIII shall become effective, the continuous service date of each employee, computed in accordance with Section K of this Article, will be shown. Any employee who believes that the continuous service date so shown for him is incorrect may present and process a grievance for the purpose of correcting such date in accordance with the grievance procedure prescribed in Article IX of this Agreement. Any such grievance must be filed no more than ninety (90) days after the effective date of this Article VIII; and if no grievance is then filed, the date so shown shall be conclusively deemed to be correct for all purposes; provided, however, if it appears that the continuous service date of any employee shown on any posted seniority list is not the same date as is shown on the employee's master card, properly adjusted in accordance with Section K of this Article, the Company will correct the date on the seniority list for any such employee to conform with the applicable date as shown on the employee's master card, so adjusted. Any employee whose name is not shown on any seniority list posted when this Article VIII shall become effective, shall have no

more than ninety (90) days following the posting of the subsequent list on which his name and continuous service date first appears to file such a grievance.

Social Security Numbers shall be recorded on employees' master cards. If it becomes necessary to compare the plant continuous service of employees, the employee who is shown on the master cards as having the lowest Social Security Number shall be regarded as having the greater service record.

K. An employee's length of service shall be broken and credit for all previous service lost by:

1. Voluntarily quitting the service of the Company (an unauthorized absence of seven (7) consecutive-scheduled work days shall be considered a voluntary quit);

2. Discharge for proper cause from the service of the Company;

3. Layoff for reduction in force or because of physical disability or shutdown of a plant for a continuous period exceeding two (2) years, provided, however, an employee so laid off shall retain his length of service record plus such continuous period of layoff of two (2) years (called his accumulated continuous service), for purposes of recall rights only, but not to add to his accumulated continuous service for an additional period equal to (a) three (3) years or (b) the excess, if any, of his length of continuous service at commencement of such absence over two (2) years, whichever is less. However, a break in continuous service shall not occur during a layoff because of physical disability resulting from an injury or disease for which Workers' Compensation Benefits are payable, provided the employee returns to work within thirty (30) calendar days after the end of the

period for which Total Disability Benefits are payable and provided the total continuous period of his absence from work does not exceed five (5) years.

4. Any employee whose length of service is broken, pursuant to Paragraph 3 of this Section K, shall nevertheless for purposes of plant recall rights only, and not to add to his accumulated continuous service, have recall rights as set forth in this Paragraph but only during the term of this Agreement. Any recall shall be based upon the employee's accumulated continuous service as of the time of the employee's break in length of service. Any such employee shall be eligible for recall only pursuant to Paragraph 2 of Section H of Article VIII of this Agreement. The employee's length of service shall be the total of his accumulated continuous service prior to the break in length of service and his continuous service accumulated subsequent to his recall.

5. Any employee currently employed in one of the Canton district plants who is offered and accepts a transfer to another plant within the Canton district shall not thereby have his length of service broken. His service in such plant shall be determined by including with it his length of continuous service from the plant from which he was transferred. An employee so transferred shall have no right of recall to his former plant, nor to any occupation at his former plant, while an active employee at the plant to which he transferred. If after transferring to the plant the employee is laid off due to a reduction in force, the employee shall have such rights of recall, if any, that he would have had, had he not transferred to another plant provided (a) he has not been absent from the plant from which he transferred for a period in excess of three (3) years, (b) he has not refused an offer of occupational or line recall to his former plant while on layoff status, or (c) he has not refused an offer of plant

recall to such former plant while on laid off status in the case he does not have occupational or line recall, whichever occurs first. Subject to the provisions of this Paragraph 5, his rights of recall to the plant to which he was transferred shall be determined in accordance with Section H of this Article.

6. a. Any employee on layoff for reduction of forces or physical reasons who returns to work after November 1, 2009, whose length of service was broken while laid off due to reduction of force after July 21, 1980, pursuant to Paragraph 3 of Section K of Article VIII of the 1980, 1983, 1986, 1989, 1993, 1997, 2000, 2005, or 2009 Basic Labor Agreement, shall, after the date of the employee's return to work, have his accumulated continuous service adjusted, for purposes of his Basic Labor Agreement rights only, so that his level of continuous service, after the date of his return to work, shall be the same as if the employee had not experienced a break in length of service because of layoff due to reduction in force pursuant to Paragraph 3 of Section K of Article VIII of the 1980, 1983, 1986, 1989, 1993, 1997, 2000, 2005, or 2009 Basic Labor Agreement.

b. Any employee on layoff for reduction of forces or physical reasons who returns to work after November 1, 2009, whose length of service was broken while laid off due to reduction in force after July 21, 1980, pursuant to Paragraph 3 of Section K of Article VIII of the 1980, 1983, 1986, 1989, 1993, 1997, 2000, 2005, or 2009 Basic Labor Agreement, and who was rehired to a plant other than the plant from which he was laid off, shall, after the date of the employee's return to work, have his accumulated continuous service adjusted, for purposes of his Basic Labor Agreement rights only, so that his level of continuous service, after the date of his return to work, shall include his length of continuous service from the plant from which he was laid off.

c. (1) Any active employee as of November 1, 2009, whose length of service was broken while laid off due to physical disability after July 21, 1980, pursuant to Paragraph 3 of Section K of Article VIII of the 1980, 1983, 1986, 1989, 1993, 1997, 2000, 2005, or 2009 Basic Labor Agreement, shall have his accumulated continuous service adjusted, for purposes of his Basic Labor Agreement rights only, so that his level of continuous service, as of November 1, 2009, shall be the same as if the employee had not experienced a break in length of service because of layoff due to physical disability pursuant to Paragraph 3 of Section K of Article VIII of the 1980, 1983, 1986, 1989, 1993, 1997, 2000, 2005, or 2009 Basic Labor Agreement.

(2) Any employee on layoff for reduction of forces or physical reasons who returns to work after November 1, 2009, whose length of service was broken while laid off due to physical disability after July 21, 1980, pursuant to Paragraph 3 of Section K of Article VIII of the 1980, 1983, 1986, 1989, 1993, 1997, 2000, 2005, or 2009 Basic Labor Agreement, shall, after the date of the employee's return to work, have his accumulated continuous service adjusted, for purposes of his Basic Labor Agreement rights only, so that his level of continuous service, after the date of his return to work, shall be the same as if the employee had not experienced a break in length of service because of layoff due to physical disability pursuant to Paragraph 3 of Section K of Article VIII of the 1980, 1983, 1986, 1989, 1993, 1997, 2000, 2005, or 2009 Basic Labor Agreement.

L. When former employees have lost their seniority and are rehired, their service shall be computed as though they were for the first time employed by the Company on the date of their rehire.

M. The Company agrees to post seniority lists and will revise such lists at three (3)-month intervals. A duplicate copy of the applicable seniority list will be sent to the Local Union President.

N. Any employee who is or has been advanced to a supervisory position shall no longer accumulate length of service during the time that he is working on such supervisory position. In the event such supervisor shall return to his former line of occupations, he shall have his previous length of service as of September 25, 2005. The Company at its option may fill a vacancy in a supervisory or other salaried position on a temporary basis for a period of not longer than one (1) year. Provided, however, that if the Company continues to have a need to fill such a vacancy after the end of such a period of not longer than one (1) year, the vacancy shall be filled on a permanent basis.

O. 1. A newly hired employee shall be considered on probation for a period of one hundred twenty (120) days worked in the employ of the Company during which time the Company may, at its option, demote, transfer, lay off, or dismiss such probationary employee. The Company shall have no obligation to rehire such probationary employee laid off prior to the expiration of this probationary period. An employee retained after his period of probation expires shall become a regular employee and shall be credited with length of service from the date of the first day worked.

2. An employee hired or rehired on or after the effective date of this Agreement who is thereafter laid off or dismissed during the probationary period and is subsequently rehired within one (1) year from the date of any such lay off or dismissal shall have the days of actual work accumulated prior to such lay off or dismissal added to the days of actual work accumulated during any subsequent probationary

period of employment. Such combined total of days actually worked, as computed above, shall be used to determine the date upon which the employee completes the probationary period of one hundred twenty (120) days worked in the employ of the Company. An employee retained after the period of probation expires, as computed in accordance with this Paragraph 2, shall become a regular employee and shall be credited with length of service from the date of the first day worked after the first rehiring.

3. Notwithstanding any other provisions of this Section O, an employee hired on or after May 1, of any year, and dismissed no later than September 30, of that year, shall be defined as "summer help". Paragraph 2 of this Section O shall not be applicable to "summer help".

P. The Company shall have the right to hire or select and place on occupations not more than ten (10) employees in any line of occupations without regard to continuous service for advancement because of potential ability, training, knowledge, or special qualifications for positions with the Company outside of the bargaining unit. Any employee so hired or selected shall not remain on any one occupation longer than three (3) months. The Company shall keep a list of employees selected for this purpose; immediately upon selection, the employee's name shall be placed on such a list, and the names of such persons shall be available to the Union. Any person so selected shall not remain on such program for longer than three (3) years.

Q. 1. The President, Vice President, Financial Secretary, Treasurer, and Recording Secretary of any Local Union, who is an employee of the Company, shall be given, upon his request, leaves of absence subject to the following conditions: (1) each leave

of absence for each such officer shall be for periods, each of three (3) years duration; (2) such leaves of absence shall be for the purpose of working for the Local Union in handling Local Union affairs; and (3) such leaves of absence shall not constitute any break in the employee's record of continuous service.

2. In addition to leaves of absence permitted under Paragraph 1, any employee shall be given, upon request, a leave of absence for a period not to exceed three (3) years for the purpose of working for the International Union and such leave of absence shall not constitute any break in the employee's record of continuous service and the period of leave of absence shall be included in such record of continuous service.

ARTICLE IX - ADJUSTMENT OF GRIEVANCES

A. The Grievance Committee for each plant shall consist of not more than nine (9) employees, except for the Harrison, Gambrinus, and Faircrest Plant which shall consist of not more than twelve (12) employees.

B. The members of the Grievance Committee and the Job Evaluation Committee shall be designated by the Union, and they shall be afforded such time off, without pay, as may be required:

1. To attend meetings for the purpose of presenting and discussing with the designated representatives of the Company the matters provided for in this Article IX and in Article X of this Agreement, in the manner therein provided. If the meeting concerns job evaluation, then the Job Evaluation Committee will attend in place of the Plant Grievance Committee as specified in this Agreement.

2. To visit departments in the plant in which they work, at all reasonable times, after notice to the

head of the department to be visited and after obtaining a written permit from their own department head, or his designated representative, which permit shall specify the purpose of their visit to the other department and shall show the time of their departure from their own department. When said members of the Grievance Committee and Job Evaluation Committee leave said other departments, such written permit must be presented to the head of the departments visited, or to his designated representative, who shall countersign said written permit and shall note thereon the time of departure. In the case of the Grievance Committee, such department visits shall be only for the purpose of investigating grievances which have been appealed to Step 3. The President of the Local Union shall be considered a member of the Grievance Committee for the purpose of such department visits relating to the investigation of grievances which have been appealed to Step 3. In the case of the Job Evaluation Committee, such department visits shall be only for the purpose of investigating employee complaints regarding job description and/or classification after an employee has received grievance forms but before he has filed such forms with his immediate supervisor. The Grievance Committee shall not be permitted to visit a department for the purpose of investigating a grievance in a case where the Job Evaluation Committee has previously visited the department regarding the same complaint or grievance. The provisions of this Paragraph 2 apply only to active and laid off reduction in force employees of the Company.

C. Such additional representatives of the Union, with at least one (1) representative for each shift in each department from the employees in each department, as may be designated by the Union to be necessary for the prompt handling of grievances, may be appointed as Stewards of the Union. Such Stewards shall not be members of the Plant Grievance

Committee. The Stewards of the Union shall be permitted to represent employees up to and including Step 2 only of the grievance procedure set forth in this Article and will be afforded such time off, without pay, as may be required for such purposes.

Such Stewards shall be permitted to interview employees in the facility for which they have been appointed Stewards in respect of any pending grievance involving the employees to be interviewed after having obtained permission to do so from the supervisor of the department in which the interviews are to take place.

D. The Union shall certify, over the signature of the President of the Local Union covering each plant, a list of the Grievance Committee, Job Evaluation Committee, and Stewards who are to be recognized by the Company as such. The list of Union representatives shall be kept up to date when any changes are made therein by the Union, and the Company shall be promptly notified in writing of such changes. It is understood and agreed that the Company shall not recognize any Union representative who has not been duly certified by the proper Local Union President in the manner herein provided. The Company shall notify the proper Local Union President of any new departments which are established or old departments which are abolished.

E. The parties agree that the provisions of this Article IX provide adequate means, if followed, for the adjustment and disposition of any complaints or grievances.

STEP 1. Any employee who has a complaint concerning wages, hours, and working conditions that directly affects him at the time of such complaint may discuss the alleged complaint in the presence of his

departmental Steward (or if there are no Stewards available in the employee's department, a Steward from another department within the jurisdiction of the employee's facility head or a member of the Plant Grievance Committee) with his immediate supervisor(s) in an attempt to adjust it. The supervisor shall then have a maximum of five (5) calendar days (exclusive of Saturday, Sunday, and Holidays) in which to investigate the employee's complaint and provide his answer to such complaint. If such answer cannot be given at the end of such five (5)-day period, the supervisor will so advise the employee at the same time telling him when the complaint will be answered. If after the investigation has been completed the complaint has not been resolved to the employee's satisfaction, he may, in the presence of his departmental Steward (or if there are no Stewards available in the employee's department, a Steward from another department within the jurisdiction of the employee's facility head or a member of the Plant Grievance Committee), request and will immediately be given grievance forms by his immediate supervisor. In any event, the employee may request and will be given grievance papers after twenty-one (21) days following the initial discussion between the employee, his Steward, and his immediate supervisor(s). In the case of a complaint concerning disciplinary action or the discharge of an employee, grievance forms will be given to the employee immediately upon the employee's request. In the event of a complaint concerning a new rate, grievance forms will, in any event, be given to the employee at least five (5) calendar days (exclusive of Saturday, Sunday, and Holidays) prior to the expiration of the time for filing a grievance concerning such new rate. Grievance forms will be made available on all shifts.

The grievance shall be reduced to writing, dated, and signed by the employee involved, and four (4)

copies shall be returned to his immediate supervisor. The employee shall state clearly and concisely all facts which are the basis of his grievance; and if he claims that any Article or Articles of this Agreement are involved, he shall specify such Article or Articles on such form. No employee shall rely upon or ask that consideration be given to or disposition made of any grievance based upon any Article or Articles of this Agreement or any part thereof in any subsequent step of the grievance procedure which have not been specified by such employee on said form.

STEP 2. A grievance so appealed from the first step of the grievance procedure shall be discussed at a meeting to be held within five (5) calendar days after receipt of such notice of appeal, which meeting shall be between the employee, his Steward (or if there are no Stewards available in the employee's department, a Steward from another department within the jurisdiction of the employee's facility head), and one (1) member of the Plant Grievance Committee, if requested by the employee, and the head of the department or his designated representative and a representative of the head of the facility or his designated representative. If there are no Stewards available in the employee's department, the Step 2 may be held with the employee and one (1) member of the Plant Grievance Committee. Within five (5) calendar days after such meeting, the head of the department shall state, in the proper place on the form, his disposition of the grievance by clearly and concisely answering all matters raised by the grievance and shall sign, date, and return the goldenrod copy to the employee and the white copy to his Steward.

If the employee, with the approval of the Union, wishes to appeal the disposition of his grievance to the next step in the grievance procedure, a

Representative of the International Union shall appeal such grievance by mailing a written notice of appeal to a duly designated representative of the Company which shall be postmarked within ten (10) calendar days after receipt by the employee of the written disposition of the head of the department. Grievances to be discussed at such meetings shall be only those covered by the written notice of appeal, and no grievance shall be discussed at such meetings, unless Steps 1 and 2 have been completed.

STEP 3. A grievance so appealed from the second step of the grievance procedure shall be discussed at a meeting to be held at the Company office of the plant involved within fifteen (15) calendar days after receipt of such notice of appeal, which meeting shall be between a Representative of the International Union, the President of the Local Union, the Plant Grievance Committee, and a duly designated representative or representatives of the Company. The grieving employee has the privilege of being present at and participating in the Step 3 meeting.

Minutes of the discussion of each grievance shall be dictated at all Step 3 meetings by the duly designated representative of the Company and the Representative of the International Union. Said minutes shall be typewritten and shall conform to the following outline:

- a. Date and place of meeting.
- b. Names and positions of those present.
- c. Identifying number and description of grievance.
- d. Brief statement of Company's position.
- e. Brief statement of Union's position.

Within ten (10) calendar days after such meeting, the duly designated representative of the Company

shall mail his written disposition of the grievance, postmarked within such ten (10)-day period, to the Representative of the International Union.

Only grievances involving the interpretation or application of this Agreement or disciplinary action are eligible for appeal to arbitration and if the employee, with the approval of the Union, wishes to appeal the disposition of his grievance to arbitration, a Representative of the International Union shall mail to the Company written notice of appeal of the grievance to arbitration, postmarked within ten (10) calendar days after receipt at the address of the Representative of the International Union of the disposition of the duly designated representative of the Company in Step 3.

STEP 4. The arbitration of any grievance so appealed to arbitration shall be handled in the following manner:

a. The Representative of the International Union shall include in the written notice of appeal to arbitration, the names of persons for consideration to act as an arbitrator. Within ten (10) calendar days after the receipt of such notice of appeal, the parties may submit by letter to each other additional names of persons for consideration to act as an arbitrator.

b. In the event that the parties are unable to agree upon an arbitrator within ten (10) calendar days from the date of receipt of the notice of appeal, the arbitrator shall be selected as follows:

The parties shall agree on one (1) panel to serve the Canton Plants. The names placed on the panels shall be persons residing in the State of Ohio. Within five (5) calendar days after the end of such ten (10) calendar-day period, the parties shall meet

at the offices of the plant concerned for the selection of an arbitrator. In the event the Union fails to have a representative present within such five (5)-day period to participate in the selection of an arbitrator, the grievance shall be deemed to have been accepted by the Union and the employee on the basis of the Step 3 disposition.

The names of the panel for the plant concerned, typed on identical cards, shall be placed in a container and one (1) shall be drawn from the container by either a Union or Company representative. The drawing of the name for the first case for which an arbitrator is to be selected after the effective date of this Agreement shall be drawn from the container by the Union representative. The drawing of the name for the arbitrator for the second case to be arbitrated shall be drawn by the Company representative. Thereafter, drawings shall be alternately made by the parties' representatives. The name of the arbitrator so selected shall be duly authorized to serve as arbitrator for the disposition of the grievance for which he was selected in the manner hereinafter set forth.

c. Within ten (10) calendar days after an arbitrator has been selected, either by agreement of the parties or by selection as heretofore provided, the Union shall file a copy of the grievance with the arbitrator, and the Company shall file with the arbitrator a copy of the last disposition of the grievance.

d. The arbitrator shall have only the functions and powers set forth herein and shall have authority to decide grievances involving the interpretation or application of this Agreement or

disciplinary action only. His fees and expenses shall be paid one half (1/2) by the Company and one half (1/2) by the Union, and the expense of a copy of a stenographic record of the arbitration proceedings for the arbitrator shall be borne equally by the parties, if the arbitrator desires such copy.

e. Promptly after receipt of the statement from the Company, the arbitrator shall agree with the parties as to a mutually satisfactory date. Any and all hearings shall be held within ninety (90) days after the date of the letter to the arbitrator from the Company incorporating a copy of the Company's last disposition of the grievance. If the arbitrator is unable to schedule and hold all such hearings within such ninety (90)-day period because of the unwillingness of either party to proceed, the arbitration proceedings shall be dismissed as follows: (1) if the Company is unable or unwilling to proceed within such ninety (90)-day period, the employee's grievance shall be allowed; (2) if the Union is unable or unwilling to proceed within such ninety (90)-day period, the employee's grievance shall be disposed of on the basis of the Company's disposition under the last preceding step of the grievance procedure; (3) if the arbitrator is not available to proceed within such ninety (90)-day period, upon notice to that effect or the expiration of such ninety (90)-day period, the parties shall proceed to secure another arbitrator as provided in Article IX - Adjustment of Grievances, Step 4.b.; provided, however, that the selection meeting specified therein shall be held within five (5) calendar days after such notice from the arbitrator or the expiration of such ninety (90)-day period.

At such a hearing, each party shall be permitted to produce such witnesses as it desires for examination and each party shall have the right to cross-examine all witnesses produced by the

opposite party. However, the Company shall not, in an arbitration proceeding, subpoena or call as a witness any employee or bargaining unit retiree, unless such employee or bargaining unit retiree voluntarily agrees to testify. The Union shall not, in an arbitration proceeding, subpoena or call as a witness any Company non-bargaining unit employee or retiree, unless such Company non-bargaining unit employee or retiree voluntarily agrees to testify. If desired by either party or by the arbitrator, a stenographic record shall be made of all testimony taken before the arbitrator. Immediately upon receipt of the stenographic record, the arbitrator shall notify each party of the date of its receipt by him. Each party shall be permitted to file a brief within two (2) weeks after the date on which the arbitrator notifies the parties of his receipt of a copy of the record. The time for filing such brief may be extended by the arbitrator for only one (1) additional period of no more than two (2) weeks at the request of either party for good cause shown. A copy of each party's brief that is to be served on the opposite party shall be delivered to the arbitrator who shall, upon receipt of both briefs if so filed, deliver the briefs to the opposite party.

f. It shall be the duty and the function of the arbitrator within thirty (30) calendar days after receipt of the final briefs of the parties herein to make a decision in the case, which decision shall be final and binding upon the parties. A copy of such decision must be mailed to the parties and postmarked within such thirty (30)-day period. However, in the event that the arbitrator shall fail to mail a copy of his decision and have the copy postmarked within the period of time specified in this Paragraph f, he shall be deemed to have lost jurisdiction of and be lacking in authority to make a decision in the case. The Company will notify the arbitrator that he has been relieved of his authority under the Agreement for failure to mail a

postmarked copy of his decision within the specified time. A copy of such letter to the arbitrator will be sent to the Representative of the International Union. Upon receipt of such letter by the Union, the time limits and procedure as specified in Article IX, Step 4, Paragraphs a through d, shall become effective. It is agreed, however, that the powers and the jurisdiction of the arbitrator shall be limited as follows:

(1) He shall have no power to add to or subtract from or modify any of the terms of this Agreement.

(2) He shall have no power to establish wage scales or change any wage rates, except as otherwise specifically empowered in Section B, C, or H of Article V of this Agreement.

(3) He shall have no power to substitute his discretion for the Company's discretion in cases where the Company is given discretion by this Agreement.

(4) He shall have no power to award back pay except in a case of a grievance involving a disciplinary discharge or a disciplinary layoff. Each claim for back wages shall be limited to the amount of wages that the employee should otherwise have earned in the employ of the Company, less any wages received from employment accepted in place of his former employment with the Company and/or unemployment compensation received during the period of back pay. No back pay may be awarded to any employee of any plant or in any plants not operating for any cause at any time during the period covered by the back pay demand.

Back pay for any employee, as a result of his grievance, shall be calculated by multiplying the average hourly straight-time earnings of the employee

over the two (2) pay periods preceding the disciplinary action by the average number of hours worked by employees doing similar work in the department in which the employee worked during the period covered by the disciplinary action.

Such employee to whom payment of back pay is made shall be given a written statement showing the details of the computation of back pay made as herein provided. A copy of such statement shall be given to the employee's Steward and mailed to the Representative of the International Union.

g. In the event the arbitrator awards back pay in accordance with the terms of this Agreement, any such payment of back pay shall be made to the grievant whose name is on the face of the grievance form within sixty (60) calendar days from the date of the arbitrator's award. Such sixty (60)-day period shall not apply to other employees who may have joined in the grievance.

F. Any grievance not appealed from the written disposition of the Company's representatives in any of the steps of the grievance procedure within the times and in the manner specified herein shall be considered as having been accepted by the employee and the Union on the basis of the disposition last made and shall not be eligible for further appeal.

G. Any grievance involving the interpretation or application of this Agreement, which has been disposed of in Step 2, shall not be made the subject of another grievance by the same employee or employees.

Any grievance involving the interpretation or application of this Agreement, which has been disposed of in Step 3 by denial of the employee's

grievance, shall not be made the subject of another grievance by any employee for a period of one (1) year from the date of denial of the employee's grievance in Step 3.

H. Any grievance pending on the date of the execution of this Agreement under the grievance procedure of the preceding collective bargaining agreement between the parties, shall be disposed of under the terms of such preceding collective bargaining agreement, but the further processing of such pending grievance shall be in accordance with the terms of this Agreement.

I. No employee shall have a right to file any grievance claimed to have arisen under any preceding collective bargaining agreement between the parties or make any complaint based upon an event or a happening that occurred prior to the effective date of this Agreement; provided, however:

1. If a new rate has been established by the Company during the term of the 2005 Agreement as to which rate the time for filing a grievance has not expired on the effective date of this Agreement, a grievance may be filed and processed in respect of such rate pursuant to the terms of Section C, Article V - Rate Establishment and Adjustment.

2. If an employee elects to file a grievance pertaining to a disciplinary discharge, disciplinary layoff, or disciplinary warning that occurred within five (5) calendar days prior to the date of the signing of this Agreement, said grievance may be filed within five (5) calendar days after the date of the signing of this Agreement and shall be disposed of under the terms of the preceding collective bargaining agreement but shall be processed according to the terms of this Agreement.

In the event that any employee files a grievance which the Company asserts involves a claim arising under any preceding collective bargaining agreement between the parties or is based upon an event or happening that occurred prior to the effective date of this Agreement, and the disposition of the Company in the third step of the grievance procedure asserts this claim, if such a grievance is appealed to arbitration by the Union, the arbitrator shall be required to have a hearing and first dispose of the single question as to the arbitrability of the grievance. If it is determined that the grievance either arose under a preceding collective bargaining agreement or is based upon an event or happening that occurred prior to the effective date of this Agreement, there shall be no further hearing in respect of such a grievance.

J. If any employee quits while any grievance which he has filed or in which he is interested is pending hereunder, such grievance shall terminate as to such employee as of the date on which he quits, except as to any claim that any employee may have as to back pay arising out of any grievance which such an employee may have pending under Section C, Article V - Rate Establishment and Adjustment.

ARTICLE X - DISCHARGE CASES

A. Before an employee is discharged, either in or outside of the department in which he works, the supervisor who is making the discharge will call a Union Steward from a department within the jurisdiction of the employee's facility head, or a member of the Plant Grievance Committee, in this order, if available, and will acquaint him with the circumstances of the case, and will also tell the employee, in the presence of the Union representative, why the employee is being discharged.

B. In the event an employee shall be discharged from his employment from and after the date hereof and he believes he has been discharged improperly, such discharge shall constitute a case arising under the method of adjusting grievances herein provided. In the event it should be decided that the employee is not guilty of the matter charged as the basis of his discharge, the Company shall reinstate such employee and pay full compensation at the employee's regular rate of pay less any wages received from employment accepted in place of his former employment with the Company and/or unemployment compensation received during the period of back pay.

C. In all such cases of discharge, the written grievance signed by the discharged employee shall be mailed to the Superintendent of Industrial Relations of the plant in which he worked and postmarked within ten (10) calendar days from the date of discharge. The discharge of an employee shall be final in any case where such written grievance is not filed within such ten (10) calendar-day period. It is agreed that in handling any grievance involving the discharge of an employee, the provisions of Article IX - Adjustment of Grievances commencing with Step 3, shall be followed with the time limits as outlined below:

1. A Step 3 meeting shall be held within ten (10) calendar days after receipt of the written grievance signed by the discharged employee.

Within ten (10) calendar days after such Step 3 meeting, the duly designated representative of the Company shall mail a written disposition of the grievance, postmarked within such ten (10)-day period, to the Representative of the International Union.

2. a. If the employee, with the approval of

the Union, wishes to appeal the disposition of the grievance to arbitration, a Representative of the International Union shall mail to the Company written notice of appeal of the grievance to arbitration, postmarked within ten (10) calendar days after receipt at the address of the Representative of the International Union of the disposition of the duly designated representative of the Company in Step 3.

b. The Representative of the International Union shall include in the written notice of appeal to arbitration, the names of persons for consideration to act as an arbitrator. Within ten (10) calendar days after the receipt of such notice of appeal, the parties may submit by letter to each other additional names of persons for consideration to act as an arbitrator.

c. In the event that the parties are unable to agree upon an arbitrator within ten (10) calendar days from the date of receipt of the notice of appeal, an arbitrator shall be selected in the manner provided in Paragraph b of Step 4 of Article IX - Adjustment of Grievances.

d. Within ten (10) calendar days after an arbitrator has been selected to serve in the arbitration proceedings, either by agreement of the parties or by selection as heretofore provided, the Union shall file a copy of the grievance with the arbitrator and the Company shall file with the arbitrator a copy of the last disposition of the grievance.

e. Promptly after receipt of the statement from the Company, the arbitrator shall agree with the parties as to a mutually satisfactory date. Any and all hearings shall be held within forty-five (45) days after the date of the letter to the arbitrator from the Company incorporating a copy of the Company's last disposition of the grievance.

If the arbitrator is unable to schedule and hold all such hearings within such forty-five (45)-day period because of the unwillingness of either party to proceed, the arbitration proceedings shall be dismissed as follows: (1) if the Company is unable or unwilling to proceed within such forty-five (45)-day period, the employee's grievance shall be allowed; (2) if the Union is unable or unwilling to proceed within such forty-five (45)-day period, the employee's grievance shall be disposed of on the basis of the Company's disposition under the last preceding step of the grievance procedure; (3) if the arbitrator is not available to proceed within such forty-five (45)-day period, upon notice to that effect or the expiration of such forty-five (45)-day period, the parties shall proceed to secure another arbitrator as provided in Article IX - Adjustment of Grievances, Step 4.b.; provided, however, that the selection meeting specified therein shall be held within five (5) calendar days after such notice from the arbitrator or the expiration of such forty-five (45)-day period.

Immediately upon receipt of the stenographic record, the arbitrator shall notify each party of the date of its receipt by him. Each party shall be permitted to file a brief within seven (7) calendar days after the date on which the arbitrator notifies the parties of his receipt of a copy of the record. The time for filing such brief may be extended by the arbitrator for only one (1) additional period of one (1) week at the request of either party for good cause shown.

It shall be the duty and the function of the arbitrator within fifteen (15) calendar days after receipt of the final briefs of the parties herein to make a decision in the case, which decision shall be final and binding upon the parties. A copy of such decision must be mailed to the parties and postmarked within such fifteen (15)-day period. However, in the event that the

arbitrator shall fail to mail a copy of his decision and have the copy postmarked within the period of time specified in this Paragraph, he shall be deemed to have lost jurisdiction of and be lacking in authority to make a decision in the case. The Company will notify the arbitrator that he has been relieved of his authority under the Agreement for failure to mail a postmarked copy of his decision within the specified time. A copy of such letter to the arbitrator will be sent to the Representative of the Union. Upon receipt of such letter by the Union, the time limits and procedure as specified in Article IX, Step 4, Paragraphs a through d, shall become effective.

D. The discharged employee has the privilege of being present at and participating in any meeting when his case is discussed with the Company under the grievance procedure.

ARTICLE XI - SAFETY AND HEALTH

A. The Company shall continue to make reasonable provisions for the safety and health of its employees at the plants during the hours of their employment. Protective devices, wearing apparel, proper ventilating and heating equipment and other equipment necessary to properly protect employees from sickness or injury shall be provided by the Company in accordance with the practice now prevailing in each separate plant.

B. 1. Any employee who alleges a significant safety or health hazard which directly affects his working conditions may discuss the alleged hazard with his immediate supervisor in an attempt to adjust it. The supervisor shall then have a maximum of five (5) calendar days (exclusive of Saturday, Sunday, and Holidays) in which to investigate the matter and provide his answer to the allegation. If such answer

cannot be given at the end of such five (5)-day period, the supervisor will so advise the employee at the same time telling him when the answer will be provided. If after the investigation has been completed the matter has not been resolved to the employee's satisfaction, the Chairman of the Union Safety Committee may file a written request for a meeting with a duly designated representative of the Company, which request shall be postmarked within ten (10) calendar days after the employee receives the supervisor's final response.

The matter shall be discussed at a meeting to be held at the Company office of the plant involved within ten (10) calendar days after receipt of such request, which meeting shall be between the Chairman of the Union Safety Committee, the member of the Union Safety Committee for the plant involved, the Company's safety representative for the plant, and a duly designated representative of the Company. The employee alleging the hazard has the privilege of being present at and participating in this meeting. Employees attending such meeting shall be afforded such time off, without pay, as may be required. Within ten (10) calendar days after such meeting, the duly designated representative of the Company shall mail the Company's written response, postmarked within such ten (10)-day period, to the Chairman of the Union Safety Committee.

2. The Chairman of the Union Safety Committee and the member of the Union Safety Committee for the plant involved shall be afforded such time off, without pay, as may be required to visit the department(s) in the plant in which the alleged hazard exists for the purpose of investigating the employee allegation. Such a visit shall occur only after a written request for a meeting with the duly designated representative of the Company but before the meeting is held. The visit to the department(s) may occur, at all reasonable times,

after notice to the Company's safety representative for the plant involved and after obtaining a written permit from said Company safety representative.

3. The parties agree that the provisions of Section B of this Article provide adequate means, if followed, for the adjustment and disposition of any safety or health hazard allegation. Accordingly, the parties agree that during the processing of any safety or health hazard allegation through the procedures specified in Section B of this Article, they will neither make nor file, nor will they encourage any employee to make or file a complaint, formal or otherwise, with any governmental authority, including the Occupational Safety and Health Administration, with respect to the subject matter of any such allegation which is then being processed through the procedures of Section B of this Article.

C. If there is a death of any employee from a work-related incident or the inpatient hospitalization of three (3) or more employees as a result of a work-related incident, the Chairman of the Union Safety Committee may request a visit to the department where the incident occurred. The Chairman shall be afforded such time off, without pay, as may be required for such a visit, which visit may occur, at all reasonable times, after notice to the Company's safety representative for the plant involved and after obtaining a written permit from said Company safety representative. The purpose of any such visit by the Chairman shall be to help avoid the reoccurrence of such an incident.

ARTICLE XII - BULLETIN BOARDS

The Union has furnished, or will furnish, 24" x 36" bulletin boards which have been or will be installed by the Company throughout the plants for the use of the Union in posting notices pertaining exclusively

to Union affairs or Credit Union affairs. At least one (1) bulletin board shall be placed in each department and more than one (1), if agreed upon between the Company and the Union. Any bulletin board damaged by the Company will be repaired by the Company.

ARTICLE XIII - MILITARY AND NAVAL SERVICE

The parties agree to follow the Universal Military Training and Service Act, as amended, in connection with the reinstatement and employment of former employees of the Company who have been discharged from the military and naval service of the United States.

ARTICLE XIV - DISCIPLINARY ACTION RECORD

The Company has maintained a record of disciplinary actions taken against employees by retaining copies of the disciplinary action slips given to employees at the time they were disciplined. It is agreed that from and after August 1, 2009, any employee whose most recent disciplinary action slip is dated four (4) years or more prior to such date or four (4) years prior to any date thereafter during the term of this Agreement shall have all disciplinary action slips stricken from his record and no disciplinary action slip so stricken from the record of any such employee shall be considered during the term of this Agreement in disciplining such employee.

ARTICLE XV - UNREPRESENTED EMPLOYEES

A. The Company and Union have a long-standing relationship which benefits both parties. The Company places high value on the continuation and improvement of its relationship with the Union. The parties recognize that when the Union is involved in an organizing campaign directed at unrepresented

employees, there is a risk that the campaign activities of either party may have a harmful effect upon the relationship of the parties. The parties agree that they should take appropriate steps to ensure that all organizing campaigns involving such employees are conducted in a manner free of harassment, which does not misrepresent to employees the facts and circumstances surrounding their employment and in a manner which does not demean either the Company or the Union as an organization nor their respective representatives as individuals. It is further understood and agreed by the parties that all their actions and all communications made by them or in their behalf in connection with any organizing campaign shall be fair, factual, non-coercive, free from manipulation, and respectful of the other party and the process of collective bargaining.

B. In further recognition of their commitments in regard to organizing campaigns, the parties agree that except for the salaried employees of the Company's facilities located in Stark County, Ohio, the Union may elect to use an expedited procedure for determining whether the unrepresented employees at a facility of the Company (including U.S. subsidiary operations that are owned fifty percent (50%) or more by the Company) desire to be represented by the Union. If the Union advises the Company that an organizing campaign is in progress to organize a unit of unrepresented employees and the Union has elected to proceed under the expedited procedure to resolve the issue of representation rather than under the National Labor Relations Act, the parties will meet as soon as practicable, but not more than within five (5) working days of the notification for the purpose of reaching agreement on the proper description of the unit which the Union seeks to organize, the identity of the employees in the unit, and the selection of an arbitrator from the American Arbitration Association

who shall verify the authenticity of the cards and determine whether a majority of the employees in the unit have signed union authorization cards. If the parties reach agreement on such matters, the Company agrees to provide to the Union a list of all employees in the unit within seven (7) days which provides the home address and shift or crew for each employee. In order to proceed further under the expedited procedure, the Union must present, within sixty (60) days for a unit consisting of one hundred (100) employees or less; seventy-five (75) days for a unit consisting of between one hundred and one (101) and five hundred (500) employees; and ninety (90) days for a unit consisting of five hundred and one (501) or more employees, after receipt of such list of employees, authorization cards signed by a majority (fifty percent [50%] plus one [1]) of the employees in the unit to the arbitrator. In the event that the parties are unable to agree upon the description of the bargaining unit and/or the identity of the employees in the unit, the parties agree that the arbitrator shall hear evidence from the parties, within five (5) days of the Union's notification, and decide the issues between them based upon the principles of the National Labor Relations Act. In the event that the arbitrator is required to resolve such an issue, the Company shall present the list of employees in the unit during the seven (7)-day period following its receipt of the decision of the arbitrator, and the designated time period for presenting the authorization cards to the arbitrator for the determination of whether an election should be conducted shall begin on the date the list of employees is furnished to the Union.

Once the list of names, home addresses, and shift or crew has been received by the Union, the Company will permit employees from any other Company facility to occupy areas of its property near entrances and exits of the facility utilized by employees of the proposed

bargaining unit three (3) days each calendar week for the purpose of distributing union literature and material and soliciting employees of the facility to sign authorization cards and vote for the Union, provided that no more than two (2) such employees from any other facilities of the Company may occupy the area at the same time. If there are multiple entrances and exits for the facility involved in the campaign, the restriction of two (2) such employees from any other facilities of the Company will be increased to a maximum of four (4), provided that no more than two (2) such employees from any other facilities of the Company are at any such entrance or exit at the same time. The Company will also permit off-duty employees from the unit sought to be organized to distribute union literature and materials and to solicit employees to sign authorization cards and to vote for the Union at those employee entrances to its facility which are used by the employees of the unit to enter or exit the facility, provided that no more than two (2) off-duty employees of that facility may engage in such activity at any such entrance at the same time. The Company will not object to display of support by employees for the Union by the wearing of Union shirts, the wearing of Union hats in non-hard hat areas, or the display of Union buttons or stickers on the personal property of the employees. The parties agree that the activities of its employees supporting the Union and/or the activities of the employees from any other Company facilities shall not be permitted to compromise safety, disrupt ingress to or egress from a facility, or disrupt the business activities conducted at the facility. The Union agrees that neither its supporters at that facility nor employees from any other facilities of the Company will use loud speakers or similar devices on the Company property.

1. The arbitrator shall be chosen by the American Arbitration Association, hereinafter called

the "Association" in accordance with its Election Rules which concern the conduct of elections by the Association. If the arbitrator is unable or unwilling to agree to make the determination within five (5) days after being presented the authorization cards by the Union, a new arbitrator shall be chosen in the same manner and such procedure shall be repeated as many times as is necessary to select an arbitrator who is able and willing to make the determination within five (5) days after being presented the cards by the Union. Authorization cards to be considered valid by the arbitrator must clearly state that an employee who signs the card is designating the Union as the employee's exclusive collective bargaining representative and must be signed during the designated time period immediately following the date the Company presented the Union with the list of employees. The arbitrator shall determine whether the names of the signers are on the list of employees in the bargaining unit supplied by the Company to the Union and shall compare the signatures on such authorization cards to actual employee signatures for verification. The parties expressly agree that neither the representations of the Union nor the investigation of the cards by the arbitrator shall create an obligation on the part of the Company to bargain collectively with the Union and that the authorization cards may not be presented as evidence by the Union or any third party in any proceedings before the National Labor Relations Board. If the arbitrator determines that a valid majority of the employees in the bargaining unit have signed authorization cards, the following expedited procedure shall be applicable:

a. After receipt of the arbitrator's determination, the parties will promptly make arrangements with the Association to conduct a secret ballot election in accordance with its Election Rules at the Company's facility for the purpose of determining

whether a majority of the voting employees in the unit desire to be represented by the Union. The election shall be held on a mutually agreeable date within the ten (10) working-day period (excluding Saturdays, Sundays, and holidays) following the date of the arbitrator's determination. The election will be scheduled to afford all unit employees a reasonable opportunity to vote during their scheduled shift, and the Company will post notices setting forth the mutually agreeable date, times, and locations of the election. The Company and Union will agree upon a releasing schedule which permits employees to vote without unreasonable interruption of the Company's operations. The Company and Union will each select an observer to assist at each election session and such observers shall assist in the counting of the ballots when the balloting is completed. If the Association certifies that a majority (fifty percent [50%] plus one [1]) of the voting employees have selected the Union as their representative, the Company will recognize the Union as the bargaining representative of the employees in the unit and enter into good-faith negotiations. If the Association certifies that the Union has not been selected as the representative of the employees in the unit by a majority of the voting employees, there can be no subsequent recognition election conducted by the American Arbitration Association or the National Labor Relations Board in the unit for a minimum of one (1) year following the date of the certification of the Association.

b. Within the five (5) calendar days following receipt of the arbitrator's determination, the Company will post on all bulletin boards where notices of the Company are customarily posted for the employees sought to be organized by the Union notices which read as follows:

NOTICE TO EMPLOYEES

We have been advised that the United Steelworkers, AFL-CIO, is conducting an organizing campaign to determine whether a majority of employees in (description of bargaining unit) desire to be represented by the Union as their collective bargaining agent. This is to advise you that:

1. The Company will bargain collectively with the Steelworkers if a majority of employees choose the Union as their representative in a secret ballot election conducted by the American Arbitration Association.

2. The choice of whether or not to be represented by the Union is yours alone to make.

3. The Company will not interfere in any improper manner with your right to choose.

c. After receipt of the arbitrator's determination, the Company will permit employees from any other Company facility to occupy areas of its property near entrances and exits of the facility utilized by employees of the proposed bargaining unit five (5) days each calendar week for the purpose of distributing union literature and material and soliciting employees of the facility to vote for the Union, provided that no more than two (2) such employees from any other facilities of the Company may occupy the area at the same time. If there are multiple entrances and exits for the facility involved in the campaign, the restriction of two (2) such employees from any other facilities of the Company will be increased to a maximum of four (4), provided that no more than two (2) such employees from any other facilities of the Company are at any such entrance or exit at the same time. The Company will also permit off-duty employees from the unit sought to be organized to distribute union literature

and materials and to solicit employees to vote for the Union at those employee entrances to its facility which are used by the employees of the unit to gain entry to the facility, provided that no more than two (2) off-duty employees of that facility may engage in such activity at any such entrance at the same time. The Company will not object to display of support by employees for the Union by the wearing of Union shirts, the wearing of Union hats in non-hard hat areas, or the display of Union buttons or stickers on the personal property of the employees. The parties agree that the activities of its employees supporting the Union and/or the activities of the employees from any other Company facilities shall not be permitted to compromise safety, disrupt ingress to or egress from a facility, or disrupt the business activities conducted at the facility. The Union agrees that neither its supporters at that facility nor employees from any other facilities of the Company will use loud speakers or similar devices on the Company property.

2. If the arbitrator determines that authorization cards have not been signed by a majority of the employees in the bargaining unit, the Union will be barred from electing to proceed under either the expedited procedure or the National Labor Relations Act for a determination of representation of the bargaining unit for a period of twelve (12) months following the date of the arbitrator's determination.

C. Either party shall refer any alleged violation or dispute involving the terms of this Article XV to a Joint Committee of the Union's District Director and the Company's Corporate Director of Industrial Relations. If the alleged violation or dispute cannot be satisfactorily resolved by the said representatives, either party may request expedited arbitration to resolve such alleged violation or dispute. If expedited arbitration is requested, the parties will jointly request

the Association to furnish a list of seven (7) arbitrators. To select an arbitrator from the list, the parties will, within five (5) working days after receipt of the list, alternatively strike the names on the list until one (1) is left. The parties shall notify the arbitrator of the selection by forwarding a joint notice of selection to the arbitrator. The time limits and procedure for such expedited arbitration shall be as follows:

1. Promptly after receipt of the notice of selection from the parties, the arbitrator shall agree with the parties as to a mutually satisfactory date. The hearing shall be held within fifteen (15) calendar days after the date the notice of appeal to expedited arbitration is filed with the arbitrator.

2. If the arbitrator is unable to schedule and hold the hearing within such fifteen (15) calendar-day period because of the unavailability of the arbitrator or of the unwillingness of either party to proceed, the arbitration proceedings shall be dealt with as follows: (a) if the party requesting the arbitration is unable or unwilling to proceed within such fifteen (15) calendar-day period, the alleged violation or dispute shall be deemed denied; (b) if the party who did not request the arbitration is unable or unwilling to proceed within such fifteen (15) calendar-day period, the alleged violation or dispute shall be deemed resolved in favor of the party requesting the arbitration; (c) if the arbitrator is not available to proceed within such fifteen (15) calendar-day period, a new arbitrator shall be chosen in the manner set forth above. Such procedure shall be repeated as many times as it is necessary to select an arbitrator who is available within the required fifteen (15) calendar-day period. The arbitrator shall have no power to add to or to subtract from or modify any of the terms of this Agreement. All decisions by an arbitrator selected hereunder shall be based upon the terms of this Agreement. The decision of the

arbitrator shall be final and binding on the parties.

3. The expedited arbitration hearing shall be conducted in the following manner:

a. The hearing shall be concluded in no more than two (2) consecutive days. The arbitrator shall assure that each party shall have an equal opportunity to use, if needed, a minimum of one-half (1/2) of the hearing to present its case.

b. No post-hearing briefs shall be filed. Pre-hearing briefs may be filed on the date of the hearing.

c. The arbitrator shall issue an expedited decision no later than three (3) calendar days after conclusion of the hearing. The expedited decision shall be explained in a follow-up written opinion which shall be issued no later than ten (10) calendar days after conclusion of the hearing.

D. Aside from other remedial authority necessary for the enforcement of this Article XV, if an arbitrator determines that the Union is guilty of intentional, flagrant, and repeated violations of this Article XV (after having the matter called to the Union's attention), with regard to the appropriate bargaining unit of employees at that facility, the arbitrator shall declare the provisions of Article XV to be null and void for such bargaining unit and the Union may not thereafter elect the expedited procedure for a period of one (1) year.

E. Aside from other remedial authority necessary for the enforcement of this Article XV, if an arbitrator determines that the Company is guilty of intentional, flagrant, and repeated violations of this Article XV (after having the matter called to the Company's attention), with regard to the appropriate bargaining

unit of employees at that facility, the arbitrator shall order that in any future organizing campaigns at that facility the Company must recognize the Union as the representative of the bargaining unit upon presentation by the Union to an arbitrator selected under Article XV, Section B, of authorization cards signed by fifty percent (50%) plus one (1) of the employees in such bargaining unit. The arbitrator in such future organizing campaigns shall verify the authenticity and validity of the cards under the standards set forth in Article XV, Sections A and B, before deciding whether or not to order recognition.

F. All fees and costs for the services rendered by arbitrators and the American Arbitration Association under this Article XV shall be shared equally by the parties.

ARTICLE XVI - SUCCESSORSHIP

The Company agrees that in the event of a sale of the facilities covered by this Agreement, the following conditions will be satisfied prior to the closing of the sale.

1. The Buyer shall recognize the Union as the bargaining representative for the Employees working at the facilities to be sold.

2. The Buyer shall either agree to operate under the existing terms and conditions affecting bargaining unit employees or have entered into an agreement with the Union establishing new terms and conditions of employment to be effective as of the closing date of the Sale.

3. To the extent that the Company may have any continuing obligations, responsibilities, or liabilities to the Union and/or the Employees following

a Sale, upon the Company's request, the Union will enter into negotiations with the Company on the subject of releasing and discharging the Company from any such obligations, responsibilities, and liabilities, except as the parties otherwise mutually agree.

**ARTICLE XVII -
EFFECTIVE AND TERMINATION DATES**

A. Except as otherwise specifically provided elsewhere in this Agreement, the provisions of this Agreement shall become effective on November 1, 2009, at 12:01 a.m.

B. No provision in this Agreement shall be considered as having any retroactive effect, unless it is clearly so stated.

C. This Agreement shall continue in full force and effect until 12:01 a.m., September 30, 2013, and for yearly periods thereafter, unless either party shall notify the other party in writing not less than sixty (60) days before any termination date of such party's desire to commence negotiations for a new Agreement. After receipt of such sixty (60)-days' notice, the parties shall meet at a mutually satisfactory time and place for the purpose of negotiating a new Agreement.

THE TIMKEN COMPANY

Alan C. Oberster
VP – Environmental, Health &
Safety and Chief Negotiator

UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION

Leo W. Gerard
International President

Stan Johnson
International Secretary-Treasurer

Thomas M. Conway
International Vice President, Administration

Fred Redmond
International Vice President, Human Affairs

Carol Landry
International Vice President At Large

David R. McCall
District 1 Director

Dennis Brommer
Sub District Director

Joseph Holcomb
Staff Representative

Joseph M. Hoagland
President - Local 1123

Paul E. Muller
Vice President - Local 1123

Robert B. Seward
Negotiator – Canton Bearing Plant
Local 1123

William H. Crawford
Negotiator – Gambrinus Bearing Plant
Local 1123

Ronald J. Roberts
Negotiator – Faircrest Steel Plant
Local 1123

Michael L. Poole
Negotiator – Gambrinus Steel Plant
Local 1123

William F. Webler
Negotiator – Harrison Steel Plant
Local 1123

2010

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

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