

4611

4611

AGREEMENT
Between
LANCASTER PLANT

Armstrong

Armstrong World Industries, Inc.

AND
UNITED STEELWORKERS, AFL-CLC

on behalf of
LOCAL 285



Effective December 12, 2005
through October 3, 2008



99 pages

AGREEMENT
Between
LANCASTER PLANT

Armstrong

Armstrong World Industries, Inc.

AND
UNITED STEELWORKERS, AFL-CLC

on behalf of
LOCAL 285



Effective December 12, 2005
through October 3, 2008

TABLE OF CONTENTS

	Page
ARTICLE I — Purpose and Definition	1
1.1 — Purpose of Agreement	1
1.2 — Employees Covered by Agreement	1
ARTICLE II — Recognition	1
2.1 — Union Recognition	1
2.2 — Joining the Union	1
2.3 — Union Responsibilities	2
2.4 — Collection of Union Dues	2
2.5 — Management Rights	2
2.6 — No Lockouts, Strikes, or Work Stoppages	2
2.7 — Discrimination	3
2.8 — Names and Addresses	3
2.9 — Plant Closing	3
2.10 — Company Successors	3
ARTICLE III — Grievance Procedure	4
3.1 — Departments in Each Division	4
3.2 — Union Bargaining Committee	4
3.3 — Grievance Procedure	5
3.4 — Arbitration Procedure	6
3.5 — Participation in Grievance Meetings	7
3.6 — Scheduling of Step I Grievances	7
3.7 — Investigation of Grievances	8
3.8 — Suspension or Discharge Grievances	8
3.9 — Time Limit on Discharges or Suspension Grievances	8
3.10 — Arbitration Backlog	8
ARTICLE IV — Hours of Work and Overtime Pay	9
4.1 — Definition of "Regular Rate of Pay"	9
4.2 — Payment of Overtime Hours	9
4.3 — Application of Overtime Provisions	9
4.4 — Distribution of Overtime	10
4.5 — Overtime Premium Not Applicable	10
4.6 — Avoiding Excessive Overtime	11
4.7 — Rest Periods	11
4.8 — Lunch Periods	11
4.9 — Observing Rest and Lunch Periods	11
4.10 — Posting of Regular Weekly Schedules	11
ARTICLE V — Pay for Holidays Not Worked	11

ARTICLE VI — Night Work Differential	15
ARTICLE VII — Wages.....	16
7.1 — Starting Rate	16
7.2 — Job Evaluation and Classification.....	16
7.3 — Job Classification or Incentive Rate Change	16
7.4 — Pay for Temporary Assignments and Training	17
7.5 — Reporting-In Pay.....	18
7.6 — Call-In Pay	19
7.7 — Job Class Change	19
7.8 — Dispensary or Hospital Pay	19
7.9 — Skilled Trades Helper Rates.....	19
7.10 — Appendix A — Incentive Plan.....	19
ARTICLE VIII — Vacation with Pay	21
8.1 — Eligibility for Vacation	21
8.2 — Length of Vacation	24
8.3 — Pay in Lieu of Vacation.....	25
8.4 — Vacation Pay.....	26
8.5 — General Vacation Policies.....	26
8.6 — Appendix A.....	27
ARTICLE IX — Seniority	28
9.1 — Promotion and Filling Vacancies	28
9.2 — Seniority Status	29
9.3 — New Employee Probation.....	29
9.4 — Determining Continuous Seniority	29
9.5 — Continuous Seniority Broken	30
9.6 — Definition of Seniority	30
9.7 — Determining Identical Seniority	30
9.8 — Layoff From Work.....	30
9.9 — Layoff Notification.....	30
9.10 — Reinstatement From Layoff	31
9.11 — Recall Procedure	31
9.12 — Recall to Work of Less Than 90 Days Duration	31
9.13 — Rights of Recalled Individuals	32
9.14 — Work Force Reduction	32
9.15 — Curtailment or Elimination of Employee's Job	32
9.16 — Reassignment Due to Unforeseen Emergency	32
9.17 — Transfer to Another Position	33
9.18 — Layoff Procedure Within Plant	33
9.19 — Disability Transfers and Loans	33
9.20 — Posting of Seniority Lists	33
9.21 — Transfers at Company's Request	34
9.22 — Plant-wide Postings	35
9.23 — Retention Rights.....	35

9.24 — Transfers to Another Department	35
9.25 — Educational Program	35
9.26 — Schedule Changes	35
ARTICLE X — Voluntary Irrevocable Checkoff	35
10.1 — Deductions of Union Dues	35
10.2 — Management Non-liability	37
10.3 — PAC Check-off	37
ARTICLE XI — Leave of Absence	38
11.1 — Written Request	38
11.2 — Seniority Purposes	38
11.3 — Union Officers	38
11.4 — Union President	38
11.5 — Notification to the Union	38
11.6 — Military LOA	39
11.7 — Re-employ Military	39
11.8 — Pay for Military Duty (Training) Temporary Emergency Active Duty	39
11.9 — Union Accrue Company Service	39
ARTICLE XII — Bulletin Boards	39
12.1 — Postings	39
12.2 — Incentive Earnings Posting	40
ARTICLE XIII — Safety and Health	40
13.1 — Provisions for Safety and Health	40
13.2 — Promotion of Safety and Health	40
13.3 — Accompany OSHA Inspector	41
13.4 — List of employees on disability to Union	41
13.5 — Drug and Alcohol testing	41
13.6 — Mandatory health monitoring	43
13.7 — Ergonomic Process	43
13.8 — Access to MSDS's	43
13.9 — Attendance at Safety conventions	44
13.10 — Plant Central Safety and Health Committee	44
ARTICLE XIV — Legislation	44
ARTICLE XV — Jury Duty / Witness	44
15.1 — Jury Service	44
15.2 — Witness Service	44
ARTICLE XVI — Leave for Death in Family	45
ARTICLE XVII — Emergency Service	45

ARTICLE XVIII — Duration and Termination	46
18.1 — Duration of Agreement	46
18.2 — Notice of Termination	46
SUPPLEMENT "A-1" WAGE SCALES	47
SUPPLEMENT "B" — LETTERS OF UNDERSTANDING	50
B-1 — Duration of Letters of Understanding	50
B-2 — Worker's Compensation- Temporary Total Disability	50
B-3 — Safety shoes	50
B-4 — Snow Emergencies	50
B-5 — Paycheck Deposits	51
B-6 — Skilled Trades Program	51
B-7 — Joint Healthcare committee	52
B-8 — Admittance to Plant of Union Timestudy representative	52
B-9 — Mediation	52
B-10 — Notification of Deaths and Lists of Union Representatives and Salaried Supervisors	53
B-11 — Union Earnings Credit	53
B-12 — Benefits Available to President	53
B-13 — 1998 Early Retirement Opportunity	54
B-14 — Pay for Division Chairperson to Adjust Back Arbitration Cases	55
B-15 — Uniform overtime procedures	55
B-16 — Three-day, Twelve-hour Shift Operations	55
B-17 — Values, Beliefs and Principles	56
B-18 — Air Conditioner, Scale Calibration and Painting Work	56
B-19 — Substance Abuse Awareness and Education	57
B-20 — Safety Process Facilitator	57
B-21 — Technological Change	58
B-22 — Employment Security	58
B-23 — Video Surveillance	59
B-24 — Skilled Trades	60
B-25 — Grievance Settlement	60
B-26 — CDL Certification/Payment	60
B-27 — Educational Expenses	60
SUPPLEMENT "C" — MULTI-CRAFT CONSOLIDATION	61
SUPPLEMENT "D" — SUBCONTRACTING	64

**SUPPLEMENT TO COLLECTIVE BARGAINING AGREEMENT
PENSION, DISABILITY, LIFE INSURANCE, MEDICAL,
AND DENTAL BENEFITS**

Exhibit		Page
	Amendatory Agreement.....	65
3	Medical Care Program	66
9	PPO Plan Rates	70
7	Spouse Access Fee	70
15	Medical Spending Account	70
4	Prescription Drug Plan	71
6	Step Therapy Program	72
5	Home Delivery Prescription Plan	72
10, 24	Retirement Income Plan	73
65	Joint & Surviving Annuity	74
66	Pension Supplement	74
57	Retiree Medical Coverage (New Hires)	76
40	Future Retiree Medical Contributions	78
62	Group Life Insurance Program	79
14	Accidental Death & Dismemberment	79
11	Temporary Disability Plan	79
13	Long Term Disability Plan	82
8	Dental Assistance Plan	82
68	Long Term Care Insurance	83
67	Beneficiary Financial Counseling Service.....	84
	Section VII - General	84
44	Section VIII - Term of Agreement.....	86

LANCASTER PLANT ATTENDANCE PROGRAM

	Page
Preface	87
Purpose	87
Types of Absences	88
Attendance Incentive Program	91
Review Procedure	91
Attendance Review Committee	91
Notification of Phases and Points	92
Special Attendance Probation	93
Summary	94

AGREEMENT

THIS AMENDATORY AGREEMENT is made and entered into this *12th day of December, 2005*, between the Lancaster Plant of Armstrong World Industries, Inc. (hereinafter referred to as the "Company"), and *United Steelworkers, AFL-CIO, CLC* on behalf of its Local 285 (hereinafter referred to as the "Union"), WITNESSETH:

ARTICLE I

Purpose and Definition

1.1 The Purpose of this Agreement is to set forth herein certain basic provisions covering wages, rates of pay, hours of employment and other conditions of employment to be observed by the parties hereto; to provide a procedure for orderly collective bargaining and to govern relationships between the Union and the Company; and to secure prompt and fair disposition of grievances.

1.2 The term "EMPLOYEE" as used in the Agreement shall include all production employees and certain maintenance employees of Armstrong World Industries' Lancaster Plant, and service and maintenance employees, with the exception of office, clerical, technical and salaried employees, security officers and security inspectors, shift supervisors and all other supervisory employees within the meaning of the Act.

- (a) Employees who do not qualify for membership in the Union under the definition of "EMPLOYEE" as used in this Agreement shall be permitted to perform production, maintenance or experimental work in emergencies and for purpose of instruction.

ARTICLE II

Recognition

2.1 The Company recognizes the Union as the exclusive bargaining agency for all employees defined in Article I, Paragraph 1.2 above, with respect to wages, rates of pay, hours of employment and other conditions of employment reserving to any employee the rights to which such employee is entitled under Section 9 (a) of the Labor-Management Relations Act, 1947.

2.2 The Company will not interfere with the right 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 employee because of membership or activity in the Union to which the employee is entitled under Section 7 of the Labor-Management Relations Act, 1947. The Union agrees not to intimidate or coerce

employees into Union membership. The Union further agrees not to solicit Union membership and not to conduct activities, except as otherwise provided for by the terms of this Agreement, on Company time or in any manner that may interfere with employees engaged in work. The President or Vice President or an Executive Board member will be invited to participate in the new hire orientation program for new bargaining unit employees, to review information on the local and international organization and new membership procedures.

2.3 The Union recognizes the responsibilities imposed upon it as the exclusive bargaining agent of the employees and realizes that the Company, in order to provide maximum opportunities for steady, continuing employment, good working conditions and good wages, must be in a strong competitive position which means that it must produce efficiently and at the lowest possible cost consistent with fair labor practices. The Union agrees to cooperate in the attainment of these goals.

2.4 Any collection of Union initiation fees, dues and assessments on Company property shall be done by the employees of the Company who are designated by the Union. Any such collections shall be made on the collector's own time, and in a manner to be determined by the Union representatives and the plant management, so that there will be no interference with production or with employees at work.

2.5 It is understood and agreed that all matters pertaining to the conduct and management of the Company's business are vested exclusively in the Company except as otherwise provided for in this Agreement.

2.6 For the duration of the Agreement the Company agrees that there shall be no lockout, and the Union agrees that it will not call, incite or encourage a strike, work stoppage, slowdown, or secondary boycott.

- (a) In the event of a strike or other interference with work in violation of this Agreement, the President of Local 285 shall promptly declare such conduct to be unauthorized by the Union, shall immediately deliver such declaration to the Company in writing, and shall immediately take affirmative action to induce employees to resume work.
- (b) Any employee who has promoted or participated in a strike, work stoppage, slowdown, or secondary boycott in violation of this Agreement may be subject to disciplinary action. A grievance arising as a result of disciplinary action taken under this subparagraph (b) may be processed through the grievance procedure including arbitration.

(c) It is mutually agreed that adequate watching and maintenance service for the essential protection of Company property shall be maintained at all times.

2.7 The parties agree that there shall be no discrimination against any employee because of race, color, religion, national origin, age, sex, handicap or veteran status.

2.8 Monthly, the Company will provide the Union with a list of the names and addresses of Local 285 bargaining unit members. Any addresses that have changed since the previous list will be so identified. This information will be supplied by hard copy and electronically.

Weekly, the Company will provide the Union on a weekly basis the dues check off by hard copy and electronically.

When or if the electronically provided method meets the needs of the Union the supply of a hard copy will be discontinued.

2.9 In the event a full Plant closure occurs during the life of this Agreement:

1. The Company will notify the Local and International Union at least six (6) months prior to the cessation of production operations.
2. Following such notification, the Local and International Union will have the right to discuss and explore with the Company any possible means of averting the closure.
3. If attempts to avert the Plant closure are not successful, Company and Union Representatives will meet to negotiate the manner in which the closure is carried out.

In the event of the closure of a Focused Business Unit, the Company will notify the Local and International Union at least three (3) months prior to the cessation of production operations.

2.10 This Agreement shall be binding upon the successors, assigns, and transferors. It is agreed in the event of a sale or merger of the Company or a part thereof, the successors, assigns, and transferors to the Company's interests shall recognize the Union as the exclusive representative of the bargaining unit employees and that this Agreement shall be binding upon the successor.

ARTICLE III
Grievance Procedure

3.1 The desirability of settling any grievance promptly and having it disposed of as close to the point of origin as possible is mutually recognized by the Union and the Company. In order to establish an orderly procedure for the disposition of a grievance, the Union and the Company agree to the following arrangement: **effective January 1, 2006. Prior to this date, the language in the Collective Bargaining Agreement dated September 26, 2002 through September 30, 2005, Article 3.1 will apply:**

- (a) The Plant shall be divided into **two (2)** main divisions. Each division shall be made up of the following departments or sections:

Division I
Coating Operations
Rotogravure Print Operations
Roto Inspection Tables
Coating and Fusion Lines

Division II
Distribution Center
Yard
USW Crafts
Miscellaneous Occupational Groups
(Material Inventory, Stores, SPF, Janitors)

*Rates of pay will remain the same. Each member of the group will be entitled to overtime on their own job and opportunities through flex craft if applicable.

3.2 Each of the Divisions set forth in Paragraph 3.1 above shall be represented by an employee selected by the Union and designated as Division Chairperson. The Division Chairperson's (**Roto & Services**) will be placed on 7-3 shift to handle issues and grievances that arise **in addition to any and all duties agreed to by the Union President and the Plant Manager**. Pay rate for these jobs will be **determined by the Roto Special Assignment Procedure**. (Note: Either party can end any or all of these assignment with notification to the other party.) **However, it is the intention of the parties to maintain the number of Division Chairpersons on Special Assignment at two (2) through September 30, 2006. The parties will meet before September 30, 2006 to discuss the merits of continuing the two (2) special assignments. In the event that both parties agree, the assignments may be extended until December 31, 2006.**

In any event, effective January 1, 2007, there will be one (1) Special Assignment Division Chairperson (Roto)

The Local 285, Bargaining Committee shall be maintained at **four (4) employees**.

The Company recognizes that any two officers of Local No. 285 **along with a USW Staff Representative**, in addition to the above Local 285, Bargaining Committee may attend and be a participant in meetings with the Local 285, Bargaining Committee.

3.3 The desirability of settling issues promptly and having them disposed of as close to the point of origin as possible is mutually recognized by the Union and the Company.

Unless a grievance is presented no later than six (6) months from the incident giving rise to the grievance, or from the time the employee knew or reasonably should have known of the incident, it shall be considered closed.

Grievances arising during the term of this agreement with respect to wages, rates of pay, hours of employment or other conditions of employment shall be handled in the manner provided for below:

Discussion: Unresolved issues between an employee and their supervisor may be appealed to the Business Team Manager (BTM), with the submission of a form signed by the employee and supervisor. Upon receiving the form, the BTM will schedule a meeting which will include the employee, the Union Representative, the Division Chair, the Business Team Manager (BTM), the Personnel Manager, and the Supervisor involved who will meet to attempt to settle the issue. Such meetings shall be scheduled by the Company within ten (10) calendar days of the date when the issue was presented to the Company. The BTM shall give an answer, in writing, to the employee and Division Chair, within ten (10) calendar days following the meeting. The Company's written answer from this discussion shall be considered as a final settlement of the issue, unless the Union gives written notice within twenty (20) calendar days from the receipt of the discussion answer, its desire to process the issue to a grievance.

Step 1: If the matter is not settled by discussion, and is reduced to writing, it shall then be deemed a grievance. The grievance shall be referred to the Local 285 Bargaining Committee with the FBU Manager involved at a monthly meeting provided for in Paragraph 3.6. Representatives of the Company and representatives of the International Union may participate in meetings as provided for in this Step 1. The FBU Manager involved shall give an answer in writing within fifteen (15) calendar days following the Step 1 meeting. However, such time limits on the answer at any step may be waived by mutual agreement of the parties.

3.4 In the event a grievance arising out of differences with respect to the meaning and application of any provisions of this Agreement shall not have been adjusted to the satisfaction of the parties through the first two steps of the grievance procedure outlines in Paragraph 3.3 above, the matter shall, at the request of either party, be submitted to arbitration; provided that the intention of either party to arbitrate must be given in writing to the other party within thirty (30) calendar days following the conclusion of Step 1, of Paragraph 3.3 above, or the matter will be considered closed and the decision made in Step 1 above as an answer to the specific grievance in question shall become final.

- (a) The Company and the Union shall select an impartial arbitrator agreeable to both parties. In the event the parties cannot agree upon an arbitrator, either party will then request the Federal Mediation and Conciliation Service to submit the names of seven persons qualified to act as impartial arbitrator. A representative of the Company and of the Union shall alternate in rejecting names from the list, each party rejecting one name at a time until only one name remains. The remaining person shall be selected as impartial arbitrator. Either party shall have the right to completely reject the first list of arbitrators. Further, either party may opt to select the American Arbitration Association instead of the Federal Mediation and Conciliation Service and that party will bear the expense of the filing fee.
- (b) As long as a backlog of arbitration cases exists, the parties will try to arbitrate at least monthly. Additional hearings will be scheduled with the mutual consent of both the Company and the Union.
- (c) Normally unresolved grievances shall be arbitrated in order of receipt. Unresolved discharge grievances will be assigned a position at the top of the arbitration list and will be scheduled for immediate arbitration. Once a grievance has been assigned a hearing date, the Company and the Union agree to argue that grievance on that date except by mutual agreement. Upon failure of either party to appear, the matter shall be considered closed and the controversy resolved on the basis of the last position taken by the other party.
- (d) The scope of the arbitration shall not exceed the meaning and application of the provisions of the Agreement, and shall in any event be limited to the specific subject matter jointly submitted to the arbitrator. The arbitrator shall not be empowered to rule contrary to, to amend, or to add to, or to eliminate any of the provisions of the Agreement. The decision of the arbitrator shall be

final and binding upon the parties. The arbitrator shall submit to both parties a written opinion explaining the decision within thirty (30) days of the completion of the arbitration proceedings. Any remedy required by the arbitrator's opinion shall be calculated and paid within thirty (30) days of the time the opinion is received except by mutual agreement of the parties. In any arbitration proceedings either party may require that the testimony of all witnesses be given under oath. The expense of the arbitrator and of the arbitration proceedings shall be borne equally by the Union and the Company.

3.5 It is mutually agreed that either the Union or the Company may call into any and all steps of the Grievance Procedure the employee or employees involved, provided that at no time shall the number of employees so called exceed three (3) except by mutual agreement.

3.6 Meetings between the Union President, Vice President, and FBU Division Chairperson and FBU management will be scheduled monthly in a central location on a date mutually agreeable to the parties to review that FBU's Step 1 grievances. Prior to the start of the Step 1 grievances the FBU Managers, or designate will provide a business update. Special meetings, between the Local 285 Bargaining Committee and the Company, to review other pertinent matters, may be arranged by mutual consent of the parties. The Company agrees that Lancaster Plant employees who are representatives of the Union shall not suffer any loss of wages for time lost while attending the meetings referred to in this paragraph, with the exception and limitation noted below, provided they are scheduled to work at such time, and further provided that any such time spent at such meetings shall not affect any right to overtime which they may have. The Union on its part agrees that it and its representatives will diligently endeavor to keep such meetings within reasonable limits of time and frequency.

- (a) Representatives of the Union will not be compensated by the Company for time spent in meetings held with any outside agency, such as conciliation or arbitration.
- (b) The Company will provide up to six hundred (600) hours of pay at the appropriate scheduled job class rate for Local 285's Bargaining Committee for time spent in negotiations with the Company's Bargaining Committee.
- (c) The company will provide the union bargaining committee one (1) paid day per month for other pertinent company/union business.

3.7 The Company recognizes that some grievances, by their very nature, may require investigation on the job and it, therefore, agrees that it will issue under reason special temporary passes to any Lancaster Plant employee member or members of the Local 285, Bargaining Committee to permit that employee member or members to enter specific areas of the Plant for the purpose of adjusting or making an investigation of such grievances that may arise, under the terms of this Agreement. Such Lancaster Plant employee member or members of the Local 285, Bargaining Committee shall contact the Supervisor or department head immediately upon entering a department to advise the Supervisor of the purpose of the visit. It is mutually agreed that such visits shall be so conducted as not to interfere with employees engaged in work and shall be confined to the departments of the plant involved in the specific grievance. When necessary, and after a request to and approval of the employee's department Supervisor, a Union Representative from the department or departments concerned in the grievance may accompany such Lancaster Plant employee member or members of the Local 285, Bargaining Committee.

3.8 A written grievance on the suspension or discharge of an employee may be filed at any step in the grievance procedure, other than the normal first step, by mutual agreement of the parties.

3.9 In the event that it should be decided under the provisions of the Agreement that discrimination because of Union activities, or an inadequately supported charge, or arbitrary application of discipline has resulted in the discharge or suspension of an employee, the Company shall reinstate such employee to full seniority rights and pay full compensation for work during such time; provided that the parties may agree upon a different settlement of such a case; and provided further that in case the matter is referred to arbitration, the arbitrator shall have the authority and power to determine whether or not such employees shall be reinstated and the extent, if any, not to exceed the amount specified herein to which such employee shall be entitled to compensation for time lost. All such cases of discharge must be taken up with the Company by the Union within ten (10) calendar days from the date of discharge or the matter will be considered closed. All such cases of suspension must be taken up with the Company by the Union no later than the employee's fifth (5th) working day (excluding Saturday, Sunday or Holiday) following the final day of the suspension or the matter will be considered closed.

3.10 When the number of arbitration cases pending a hearing becomes excessive, the parties may meet in an effort to reduce the backlog by offering settlement proposals.

ARTICLE IV

Hours of Work and Overtime Pay

4.1 For the purpose of calculating overtime pay in this Article, the term "regular rate of pay" is interpreted to mean the hourly job classification rate of an employee, plus the night work differential and incentive earnings where applicable.

4.2 In addition to the amounts earned at the regular rate of pay, the Company agrees to pay as overtime a premium for such hours or fractions thereof worked in a workweek, as described and determined by the following subparagraphs (a), (b), (c) and (d), such overtime to be based on the regular rate of pay:

- (a) One-half (1/2) hour's pay for each hour worked in excess of eight (8) hours in any one day;
- (b) One (1) hour's pay for each hour for the first eight (8) hours worked on the holidays specified in Paragraph 5.1 (a); and two (2) hours' pay for each hour in excess of eight (8) hours worked on the holidays specified in Paragraph 5.1 (a) (in addition to such overtime premium pay for each hour worked in any of these holidays, the employees shall also receive the holiday pay as provided for in Article V).
- (c) One-half (1/2) hour's pay for each hour worked on Saturday;
- (d) One (1) hour's pay for each hour worked on Sunday.

4.3 In interpreting and applying the preceding overtime compensation provisions, it is mutually understood and agreed that:

- (a) Each holiday specified in Paragraph 5.1(a) shall be that period between 11:00 P.M. on the day prior to the holiday and 11:00 P.M. on the holiday.
- (b) The regularly scheduled workweek is that period of time between 11:00 P.M. Sunday until 11:00 P.M. of the following Sunday. An established workday as used solely for the purpose of computing Saturday, Sunday, and holiday overtime premiums is a twenty-four (24) hour period beginning at 11:00 P.M. of the preceding day. The normal workday for an employee shall be eight consecutive (except for the regular lunch period) hours. This paragraph shall not be construed as a guarantee of any given number of hours of work per day or days of work per week.

- (c) A scheduled workweek for 12-hour shift days will be agreed upon by the Company and the Union prior to any implementation. This schedule will be carried out until the conclusion of this work schedule.
- (d) A day as used to determine the hours in excess of eight (8) is any period of twenty-four (24) consecutive hours which begins at the time the employee starts to work or reports for work in accordance with the employer's instructions whichever is the earlier; but in no case will it begin earlier than at the termination of the previous twenty-four (24) hour period which was used in the calculation of daily hours worked.
- (e) Saturday, Sunday, and holiday overtime premiums apply to all hours worked on Saturdays, Sundays, and holidays respectively and they satisfy the premium requirements for daily overtime hours worked on those days. Therefore, daily overtime premium as such is computed and paid only for daily hours worked in excess of eight (8) on Monday, Tuesday, Wednesday, Thursday, and Friday when such days are not holidays.
- (f) There shall be no pyramiding or duplication of overtime premium rates. If two or more types of overtime premium apply to the same hours of work, only one — the higher — shall be paid.

4.4 Overtime work on a job shall first be offered to employees who are regularly assigned on the shift to such job. Overtime which cannot be satisfied in this manner shall be distributed as equally as practicable among the employees of the seniority group. If additional employees are needed over and above those assigned after the entire seniority group has been offered such overtime opportunity, qualified employees from Job Placement who worked in the affected department during the workweek one or more days which included the straight-time day just prior to the premium day (Saturday, Sunday or Holiday) in question will then be offered the premium day overtime work. Employees who are hired specifically on a temporary basis during the vacation period shall be designated as Summer Workers. If such employees continue employment beyond September 20 of any year, they shall be considered regular employees. Employees who are designated Summer Workers shall not be considered for overtime work unless all other available employees in the seniority group, the employees from Job Placement mentioned above, and other regular employees under the Business Team Manager's area refuse such overtime work.

4.5 Overtime premium will not apply for any time less than one-quarter (1/4) of an hour.

4.6 In accordance with the generally accepted principle that every employee is entitled to one day of rest per week, the Union and the Company agree to cooperate to the greatest possible extent to the end that no employee, except in cases of the protection of life or property, shall work more than six (6) consecutive days in any scheduled workweek or more than forty-eight (48) hours in any six (6) consecutive days.

4.7 The Company agrees that two ten (10) minute rest periods shall be permitted each shift. They shall be scheduled by the Company for each employee without pay reduction for such time, subject to the following provisions:

(a) Should it happen that an employee foregoes such rest period, the Company will not be obligated to pay for the time involved in such rest periods as extra compensation.

(b) Employees scheduled for six (6) hours or less will be permitted only one rest period per shift.

4.8 Lunch periods with pay on continuous operations shall be continued in accordance with the current practice in the Lancaster Plant.

4.9 The Union, in behalf of the employees, agrees that the lunch and rest periods described in Paragraphs 4.7 and 4.8 shall be the only such periods permitted and that it will cooperate with the Company by seeing to it that all employees comply with the starting and stopping times of such periods. The Union further agrees that any employee who, repeatedly and in spite of due warning, fails to observe the established starting and stopping times for such periods shall be subject to discipline, even to the extent of discharge.

4.10 Regular weekly schedules will be posted on departmental bulletin boards as early in the workweek as possible for work performed in the following week.

ARTICLE V

Pay for Holidays Not Worked

5.1 The Company agrees to pay its hourly employees for holidays not worked, subject to the conditions and exceptions set forth in the following paragraphs:

(a) The holidays so paid shall be New Year's Day, Good Friday, Easter Monday, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Friday after Thanksgiving Day, Day before Christmas, Christmas Day and Day before New Year's.

(b) Should any of these holidays fall on Sunday, it shall be observed the following Monday. Should any of these holidays fall on Saturday, it may be observed on a different day by mutual agreement of the Company and the Union. The Company and the Union have agreed on holiday observances as a result of the above as follows:

2005

Thanksgiving **Thursday, Nov. 24**
Friday after Thanksgiving Day **Friday, Nov. 25**
Day before Christmas **Monday, Dec. 26**
Christmas Day **Tuesday, Dec. 27**
Day before New Year's **Friday, Dec. 30, 2005**

2006

New Year's Day **Monday, Jan. 2, 2006**
Good Friday **Friday, April, 14**
Easter Monday **Monday, April 17**
Memorial Day **Monday, May 29**
Fourth of July **Tuesday, July 4**
Labor Day **Monday, Sept. 4**
Thanksgiving Day **Thursday, Nov. 23**
Friday after Thanksgiving Day **Friday, Nov. 24**
Christmas Day **Monday, Dec. 25**
Day before Christmas **Tuesday, Dec. 26**
Day before New Year's **Friday, Dec. 29, 2006**

2007

New Year's Day **Monday, Jan. 1, 2007**
Good Friday **Friday, April, 6**
Easter Monday **Monday, April 9**
Memorial Day **Monday, May 28**
Fourth of July **Wednesday, July 4**
Labor Day **Monday, Sept. 3**
Thanksgiving Day **Thursday, Nov. 22**
Friday after Thanksgiving Day **Friday, Nov. 23**
Day before Christmas **Monday, Dec. 24**
Christmas Day **Tuesday, Dec. 25**
Day before New Year's **Monday, Dec. 31, 2007**

2008

New Year's Day **Tuesday, Jan. 1, 2008**
Good Friday **Friday, April, 11**

Easter Monday	Monday, April 14
Memorial Day	Monday, May 26
Fourth of July	Friday, July 4
Labor Day	Monday, Sept. 1
Thanksgiving Day	Thursday, Nov. 27
Friday after Thanksgiving Day	Friday, Nov. 28
Day before Christmas	Wednesday, Dec. 24
Christmas Day	Thursday, Dec. 25
Day before New Year's	Wednesday, Dec. 31, 2008

(c) In order to be eligible for the holiday pay, an employee who qualifies under one of the following subparagraphs (1), (2), (3), (4), or (5) of this paragraph (c), must work the employee's last scheduled shift before and the employee's first scheduled shift after the holiday, or be excused there from by the employee's Supervisor:

- (1) The employee would normally be scheduled to work on the day on which the holiday falls, except for the occurrence of the holiday.
- (2) The holiday occurs within the customarily scheduled days of operation while the employee is on an approved leave of absence which does not exceed one week's duration, except for a Union official replacing the President of Local 285 for no more than six weeks.
- (3) The employee is scheduled to work or is called in on the holiday, and either completes the work assigned to the employee or is excused there from by the employee's Supervisor.
- (4) The holiday occurs outside of the employee's customarily scheduled days of work solely because the Company has found it necessary to reduce its operation schedule to five days per week or less, beginning in the workweek in which the holiday occurs or during the three workweeks immediately preceding.
- (5) The plant or department is customarily operating six or seven days per week and the employee's scheduled day off coincides with the holiday.

(d) An employee who qualifies under one of the following subparagraphs (1), (2), and (3) of this Paragraph (d) shall be eligible to receive the holiday pay without further qualifications:

(1) The holiday occurs within the customarily scheduled days of operation and while the employee is on approved vacation, in which case the employee shall not be required to count the holiday as a day of vacation.

(2) The employee is scheduled off or laid off through no fault of the employee's own, in the workweek in which the holiday occurs or in the immediately preceding workweek, provided the holiday occurs within the customarily scheduled days of operation.

(3) The employee is on sick leave due to illness or accident and the holiday occurs within the customarily scheduled days of operation and before sickness, accident, or Worker's Compensation benefits apply.

(e) An employee who does not qualify under any of the conditions stated in Paragraph (c) or (d) above shall not receive the holiday pay.

(f) Calculation of Holiday Pay

(1) Hours paid for holidays not worked shall not contribute towards hours over eight (8) in the computation of overtime premiums.

(2) Pay for hours not worked on the holiday shall be calculated on the employee's average straight-time hourly earnings (including shift differential and incentives, if any, but excluding overtime) for the first preceding pay period which does not include a holiday multiplied by 8. If a holiday is observed on a day that would otherwise have been one of the employee's scheduled twelve-hour days that workweek, including company scheduled shut down weeks the multiplier for holiday pay will be twelve (12) hours.

(3) An employee who qualifies for call-in pay under Article VII - Paragraphs 7.5 and 7.6 - shall be paid the requisite call-in pay in addition to the holiday pay for which the employee may be eligible under Paragraphs (c) and (d) above.

ARTICLE VI
Night Work Differential

6.1 A night work differential shall be paid in accordance with the following procedure:

- (a) Employees working the day shift shall receive no shift differential. For this purpose, the day shift is any shift which starts between 6:00 A.M. and 8:00 A.M. inclusive and continues for up to eight (8) hours of work.
- (b) Employees working the afternoon shift shall be paid a premium rate of thirty-eight cents (\$.38) per hour. For this purpose, the afternoon shift is any shift which starts between 2:00 P.M. and 4:00 P.M. inclusive and continues for up to eight (8) hours of work.
- (c) Employees working the night shift shall be paid a premium rate of forty-three cents (\$.43) per hour. For this purpose, the night shift is any shift which starts between 10:00 P.M. and 12:00 midnight inclusive and continues for up to eight (8) hours of work.
- (d) Employees working shifts with starting times other than those listed above, or employees working hours in excess of eight (8) in a day between 3:00 P.M. and 7:00 A.M. shall be paid a premium rate of thirty-eight cents (\$.38) per hour for hours worked between 3:00 P.M. and 11:00 P.M. and shall be paid a premium rate of forty-three cents (\$.43) per hour for hours worked between 11:00 P.M. and 7:00 A.M.
- (e) In cases where employees are tardy, they will be considered as having started to work at their scheduled starting time for purposes of administering (a), (b), (c), and (d) above.
- (f) The night work differential shall be considered as part of the base rate for the computation of overtime premium pay.
- (g) The night work differential shall not be added to the base rate for the purpose of calculating incentive earnings.
- (h) The night work differential, where applicable, shall be added to any payments made under conditions set forth in Article VII, Paragraphs 7.5 and 7.6.

ARTICLE VII

Wages

7.1 The Company agrees that the minimum rate of pay shall be **Fifteen dollars and twenty-two cents (\$15.22)** an hour effective **December 12, 2005**, with the following exception:

- (a) The Company may establish a fixed starting rate of Class 1 for the three-year term of the Agreement. Ninety (90) days from the date of hire, such employee shall be paid the classification rate of the job to which the employee is assigned.
- (b) Summer workers hourly rate of pay for the entire period of employment as a summer worker shall be **thirteen dollars and sixteen cents (13.16)** an hour for the three-year term of the Agreement.

7.2 Rates of pay above the aforementioned minimum for specific jobs shall be determined by job evaluation and job classification. The agreed wage scale of job classes and corresponding job class rates is shown in Supplement "A" attached to this Agreement. Upon written request from the Union, the Company agrees to furnish the Union with a job classification rate schedule and a list of job titles and their respective job classifications. Each month, the Company will send to the Union the job descriptions in which changes have occurred in description and/or point value during the preceding month.

7.3 When the content of a job is changed as the result of a change in method, production, tools, material, design, or production conditions, or when a new job is created, the Company shall evaluate and classify the job in accordance with the job evaluation and classification plan then in existence. The Company shall discuss contemplated changes in job classification rates with employees affected and representatives of the Union prior to making them effective. The Company's current incentive plan is as specified in Appendix A, 7.10.

- (a) if the Union and the Company do not agree upon the rate of pay for a changed job or for a new job, the rate established by the Company shall be put into effect without prejudice to the Union's position to refer the matter to the Grievance Procedure after such rate has been in effect for fourteen (14) days.
- (b) Unless the Union submits a complaint on the rate of pay in writing to the Company within thirty (30) days from the date the rate was made effective, the rate shall stand confirmed. If a written

complaint is filed, it shall be processed promptly through the Grievance Procedure as set forth in Paragraph 3.3. If, as the result of this effort, no agreement is reached, then it shall be referred immediately to arbitration as established in Paragraph 3.4 of this Agreement; provided, however, that in cases of disputes arising under this paragraph the Federal Mediation and Conciliation Service shall appoint a technically qualified arbitrator in the event the parties fail to agree within one week upon the selection of the arbitrator. The award of the arbitrator shall be based upon whether or not the Company has ranked the job in its proper relationship to other jobs in the Plant. Any change in the rate of pay that may be made as a result of the operation of this procedure shall be retroactive to the date the changed or new rate was first made effective. Either party may opt to select the American Arbitration Association instead of the Federal Mediation and Conciliation Service and that party will bear the expense of any filing fee.

7.4 Pay for temporary assignments shall be as follows:

- (a) When an employee is temporarily assigned to a job other than the employee's regular job for any of the following reasons, the employee shall be paid the job classification rate of the job to which the employee is assigned, plus any incentive earnings that the employee may earn on the job to which the employee is assigned.
 - (1) When work on the employee's usual job is not available;
 - (2) When the assignment is made at the request of the employee;
 - (3) When the employee is physically incapable of performing the *employee's regular job (this shall not be construed so as to deny an employee rights under the Workers' Compensation Law of Pennsylvania)*;
 - (4) When the transfer is the result of disciplinary action;
 - (5) When the employee is working out of job Placement.
- (b) When an employee is temporarily assigned to a job other than the employee's regular job for any of the following reasons, the employee shall be paid the job classification rate plus the incentive earnings on the job to which the employee is assigned, or the employee shall be paid the job classification rate plus incentive earnings that the employee would have received had the

employee worked instead on the employee's regular job, whichever is higher:

- (1) When the employee is removed from the employee's regular job and is temporarily assigned to another job and is replaced on the employee's regular job by another employee;
 - (2) When the employee is removed from the employee's regular job and is temporarily assigned to another job in the same seniority group and the employee is not replaced by another employee but the employee's regular crew continues to operate shorthanded;
 - (3) When the employee is removed from the employee's regular job and is temporarily assigned to a job in another seniority group, provided work is available to the employee on the employee's regular job during such temporary assignment;
 - (4) When the employee is removed from the employee's regular job and is temporarily assigned to work on another job because the employee's special skill and/or knowledge, in the opinion of the Company, will be required on the temporary assignment until such time as another employee can be trained.
- (c) Pay for employees in training shall be as follows:
- (1) When an employee is training, the training pay shall be calculated by the following two methods and the employee shall receive the higher of the two.
 - (a) The earnings of the employee who replaced the trainee on the trainee's regular job.
 - (b) The trainee's average hourly earnings, including shift differential and incentives, if any, but excluding overtime premiums, for the two preceding pay periods prior to being placed in training.
 - (d) The Union undertakes for itself and the employees to cooperate with the Company in cases where such temporary assignments are necessary to prevent interference with Plant operations, to meet production schedules, or to do work caused by emergencies such as fire, flood, etc.

7.5 Except in cases such as fire, flood, failure of power, steam or light, when an employee is scheduled to report for work and does report, not having been given prior notice not to report, and the employee's regular

work or other work is not available, or when an employee actually starts to work and less than four (4) hours of work are available, the employee shall receive four (4) hours' pay at the employee's job classification rate. If the employee accepts other work available, the employee shall be paid the regular job rate for such other work for the employee's time worked thereon, but in amount not less than four (4) hours at the employee's job classification rate. If the employee refuses the work offered, the employee shall receive no pay for reporting for work. This paragraph shall not be construed to mean that an employee may refuse to do work the employee can reasonably be expected to perform, when such work is necessary for the effective operation of the Plant.

7.6 In case an employee is called in to perform work outside of the employee's scheduled work time, the employee shall be guaranteed the equivalent of four (4) hours pay at the employee's job classification rate or the rate of the job the employee is called in to perform, whichever is higher.

7.7 When a job is reclassified under Paragraph 7.3 and the job class changes:

- (a) When the job class goes up one full class, the job will be considered as a "vacancy" under Paragraph 9.1. An employee occupying the job at the time will have the same rights as provided for in Paragraph 9.15 when a job is "eliminated."
- (b) When the job class goes down one-half class, the job will be considered as a "vacancy" under Paragraph 9.1. Any employee occupying the job at the time will have the same rights as provided for in Paragraph 9.15 when a job is "eliminated."

7.8 In case an employee is being treated by a Company approved physician or a hospital immediately following an occupational injury or illness and such treatment extends beyond the end of the employee's scheduled shift, the employee shall be paid at the job classification rate of the job on which the employee was injured, plus any applicable shift differential and overtime, for such time up to a maximum of four (4) hours.

7.9 *USW* skilled trades will carry their man rate when working the weekends as helpers.

7.10 APPENDIX A — Incentive Plan

1. Performance increases/decreases will be paid using the formula of $(PI - 1) / 2$.
2. All current incentive and non-incentive jobs would be set at a 0% payout for achieving the standard performance level. ($PI = 1.00$).

3. All current incentive jobs have 27% rolled into the base pay for that job.
4. The new plan will be effective June 3, 1996.
5. A performance index of $PI = \text{Allowed } \$ / \text{Actual } \$$ will be calculated for the following FBU's; Stencil, Corlon, Tile, Rotogravure, Production Services, SAMS, and Site.
6. Allowed \$ for a given year will be based on the actual historical costs of each FBU and the site, from the prior year, less certain excluded items.
7. Employees will earn 80% of their bonus from the performance of the FBU(s) they are related to and 20% from the total site. The Yard department incentive jobs will be the total site only. Tile warehouse will be part of the Tile calculation. 900 Bldg. & Inspection will be based on all sheet FBU's calculations.
8. Incentive calculation will be made monthly, when the month ending costs are available, normally by the 15th. Payments will be with the first full week pay after the 15th of the following month.
9. All site costs will be included except specific costs charged or changed from outside the plant. Those items to be excluded are:
 - * Cost changes due to purchase cost.
 - * Taxes.
 - * Obsolescence and related salvage sales.
 - * Corporate BIS and Development charges.
 - * Cost related to removing approved obsolescence requests.
10. The base will be adjusted when the plant accepts new Product/ Process, or changes to Bill of Material items due to Formula changes, or an existing process change due to capital investment that reduce/increase the FBU costs more than 1% of total manufacturing costs on an annualized basis. Crews would be given three months at the old baseline to learn the new process.
11. New Products and Processes will be included into the base when the plant accepts the Product/ Process. At the time of acceptance a new standard will be developed by the FBU controller and reviewed with the FBU Bonus Committee.
12. New allowed costs will be established each year. Employees on the payroll, with average earnings more than standard on the new plan of 5.00%, will receive a monthly payment of 50% of the difference between the standard % (excluding the first 4 months of 1999 on the old plan) of their base pay, and the total of their incentive earnings for the last 8 months of 1999 divided by 12. Payments will be made to employees, on the payroll, monthly, on the 1st of each month of the following year, starting February 1 and continuing for 12 months, until January 1, of the following year. If site costs increase, then the base will be set at these actual costs and the standard payout will be at the actual achieved site effort. There would be no buyback, or roll-in. The buyback will apply to the last 8 months of 1999, year 2000, and year 2001.

13. A joint Union/ Management committee will monitor the plan. This will be equally comprised of members of the Local 285 and Lodge 928 bargaining units and the Lancaster Plant management. The committee will meet monthly. Their major responsibilities will be:
- *Monitor the plan's implementation and progress.
 - *Review and discuss issues associated with the administration and the payout of the plan's provisions.
 - *If the Union concludes that the plan is not administered or paid in accordance with the provisions of the plan, the Union can use the grievance/ arbitration provisions of the contract available should they wish to pursue those. If the matter cannot be resolved through the grievance process it will proceed immediately to arbitration.
 - *Any modifications to the incentive plan provisions will be mutually discussed and cannot be effected without the agreement of both the Company and the Union bargaining committee.
14. Any references to incentive earnings in Article VII, or this plan, do not include buyouts or buybacks.
15. All letters agreed to will be incorporated into this agreement.

ARTICLE VIII

Vacation with Pay

8.1 Eligibility for Vacation

(a) First Calendar Year of Employment:

Employees earn one vacation day for each two months of Company service completed through December 31 of the year they are hired up to a total of five days.

- (1) Days earned during the first calendar year of employment may be taken as earned or saved to be taken together during the year they are earned.
- (2) If an employee fails to schedule all earned vacation days by the end of the calendar year, the Company may schedule it beginning near the end of the calendar year.
- (3) ***All vacation days must be used by the end of the Calendar year. The Company will pay employees for any vacation that is earned but not used by December 31.***
- (4) Employees hired on one of the last days of a month who are eligible for an additional day of vacation during the last days of December may take the additional day in either the last working week of the year or the first working week of the next year, with the approval of their Supervisor.

(5) Employees hired after October 31 will not be eligible to earn vacation for service in the calendar year of hire.

(b) Subsequent Years of Employment:

Employees who will complete their first year of employment during a year are eligible to take their vacation during that calendar year. Employees who become eligible for two or more weeks of vacation may take the additional week at any time during the calendar year. Employees are eligible to take vacation that is expected to be earned in the year in advance of having earned it; if an employee should terminate (for reasons other than retirement, layoff, change in status from temporary disability to long-term disability or to termination, or death) during the year having taken more vacation than had been earned to the point of termination, the employee will owe to the Company the value of taken but unearned vacation days. Such value will be treated as a wage advance and will be recovered from other wages, if available, or by other payment from the terminating employee.

(1) All vacation days must be used by the end of the Calendar year. The Company will pay employees for any vacation that is earned and not used by December 31.

Exception: the Company will permit a maximum of 10% of the employee population to carry over vacation from the previous calendar year during the first five (5) calendar days following the New Year holiday provided the Company has the necessary skilled personnel to maintain the scheduled operations. The Company will inform the Union prior to November 1st how many employees will be permitted to be off and vacation opportunities will be determined by seniority.

(c) Regular full-time employees are eligible for vacation as described in Sections (a) and (b).

(d) Former employees re-employed on a regular full-time basis earn one vacation day for each two months of Company service completed through December 31 of the year in which they are re-hired up to a total of five (5) days. Beginning the January 1 following their re-hire, they will be eligible for vacation based on their total years of Company service.

(e) Summer Workers as defined in Paragraph 4.4 are ineligible to earn any vacation benefits.

(f) Employees returning from leaves of absences or layoff:

(1) Military Leave: Employees returning from military leave with reemployment rights will be considered eligible for their regular

vacation in the year they return to work, based on their total years of Company service.

(2) Family and Medical Leave or personal leaves of absence:

[a] Employees may take their earned vacation prior to their leave, or take their current year's vacation upon their return to work. They may not receive pay in lieu of vacation at the time the leave begins. Employees returning to work from a leave of absence following childbirth/adoption that spanned year end without having taken all vacation earned in the year the leave began may carry over such vacation into the year they return, provided they take the remaining vacation immediately following the end of the leave, or the Company will schedule it immediately following the end of the leave.

[b] Employees terminating employment following the leave will receive pay for any vacation earned but not taken for the year of termination.

(3) Layoff:

[a] Employees who are laid off prior to September 15 may choose to receive vacation pay at the time of layoff or when the employee submits a signed written request to the Company. All employees on layoff as of September 15, who have not received their vacation pay, shall receive such vacation pay on the first pay date following September 15.

[b] Employees who return from layoff in any year subsequent to the year they were placed on layoff status will **be eligible to take one (1) vacation day for each month of Company service completed through December 31 of the year in which they are recalled from layoff. At the end of the calendar year, employees will be paid for vacation time earned but not used based on their total years of Company service, pro rated for the year based upon the date of their return from layoff status. Beginning the January 1, following their return from layoff, they will be eligible for vacation based on their total years of Company service.**

[c] The vacation eligibility of an employee who is laid off from November 1 through December 31 in a year will be calculated upon return to work using two methods - this Article and Appendix A. The employee will receive the highest amount of vacation from either method.

(g) Employees must be actively at work to be eligible for vacation with pay, except as otherwise provided in this Article.

8.2 Length of Vacation

(a) An eligible employee shall receive vacation with pay according to the following schedule and as defined otherwise in the Article:

<u>Completed Years of Company Service</u>	<u>Length of Vacation Period</u>
1st Calendar Year	Up to 1 Week
1 Year	1 Week
2 to 4 Years Inclusive	2 Weeks
5 to 14 Years Inclusive	3 Weeks
15 to 20 Years Inclusive	4 Weeks
21 to 27 Years Inclusive	5 Weeks
28 Years or More	6 Weeks

(b) Completed Years of Company Service:

This determines the length of vacation for which the employee may become eligible and shall mean the aggregate of all calendar time for all periods of employment (including employment on a part-time basis), from the effective date of employment, reemployment or reinstatement to the effective date of termination of employment by reason of resignation, discharge, dismissal, retirement, layoff, or death, exclusive of the calendar time of any period of leave of absence or disciplinary suspension.

(1) Military Leave of Absence counts toward this calculation.

(2) Time on occupational or nonoccupational illness or accident counts toward Company service even after expiration of Workers' Compensation payments or weekly sickness and accident benefits.

(3) Time on Long-Term Disability status, up to eighty-four (84) months, counts toward Company service. (Effective 4/1/03)

(4) Time on special leave of absence for Union activities, as provided in Paragraph 11.3 and 11.4, when such leave of absence is to carry on Union activities for Local 285, USW, which are in the interest of the members of Local 285 employed at the Lancaster Plant, counts towards Company service for determining length of vacation for which the individual is eligible.

8.3 Pay in Lieu of Vacation

An employee shall not be permitted to forego the employee's vacation and receive pay in lieu thereof, except as noted below, nor shall the employee receive vacation pay for any period of absence for which the employee is otherwise compensated by Workers' Compensation, temporary disability benefits or paid leave of absence.

(a) Earned Vacation Payment

(1) Employee termination for reasons of quit, discharge, retirement, death, layoff or long-term disability will receive a vacation payment based on the service completed during the year of termination:

(2) All vacation days must be used by the end of the Calendar year. The Company will pay employees for any vacation that is earned and not used by December 31, except as identified in 8.1b (1).

(3) The earned vacation payment is calculated by dividing the number of days of Company service during the year by 365 and multiplying the result by the amount of full vacation the employee would have received had the year of employment been completed. The number of days should be rounded up to the nearest 1/10 day.

(4) If the employee had taken more vacation days in the year of terminating than were earned to the date of termination, the value of those unearned days will be recovered from the terminated employee, except for termination due to death, long-term disability or layoff.

(b) Periods of Temporary or Occupational Disability

(1) Employees who are disabled and receiving disability benefits will not receive pay in lieu of vacation:

(2) Employees returning to work will be eligible to take their regular vacation in the year they return based on their total years of Company service.

(3) Employees terminating employment following the period of disability will receive pay for any vacation earned but not taken for the year of termination.

(4) Temporary disability at year end:

If the period of temporary disability benefits, or Workers' Compensation payments, continues to the end of the calendar

year and the employee is thereby prevented from receiving all of the vacation during that year for which eligible, the employee shall receive pay at or about the end of the year for that portion of vacation due but not received.

(5) An employee may elect to receive vacation pay for one or more days during the three day waiting period before temporary disability benefits begin.

(c) An employee may elect to receive pay in lieu of time off for all but two (2) weeks of their eligible vacation each year. Such pay in lieu must be in increments of full weeks. The number of weeks for which pay in lieu is elected must be declared no later than April 15th of the vacation year, and such declaration cannot be revoked thereafter. Vacation weeks that are paid in lieu will be paid the week following April 15th of the vacation year.

8.4 Vacation pay

(a) Vacation pay shall be based on an employee's previous year's gross pay (less personal travel, supplemental compensation, Awards for Excellence, and taxable awards,) divided by 52, per week of vacation. For the purpose of the vacation calculation, the minimum gross pay will be \$35,000. Employees who elect full weeks of "n" days during designated shutdown weeks as defined in the ero agreement will have those weeks removed from the vacation calculation formula. Note: vacation taken during the first three(3) pay periods of the year will be governed by (b) below.

(b) Vacation taken during the first three (3) pay periods of the calendar year will be paid at the same rate as vacation taken during the previous year, excluding the first three (3) pay periods of that year. Vacation pay for the rest of the year will be based on the employee's gross pay, as defined in (a) above, from the previous year.

(c) Effective January 1, 2007

Employees who have been off and have received A&S payments shall have those weeks removed from the vacation calculation formula provided they were on leave for a full week(s) as defined by the A&S summary plan document.

8.5 General Policies

(a) Dividing Vacations

Total vacation time may be divided into one or more periods. The number of periods may be equal to, but not greater than, twice the

number of days of vacation for which an employee is eligible. Vacation time must be approved in advance by the employee's Supervisor.

(b) **Vacation Time Not Cumulative:**

The vacation period shall be from January 1 to December 31 inclusive.

(c) **Computing Overtime**

Time spent on an approved vacation, any payment applicable thereto, or made in lieu thereof, shall not be considered in computing overtime hours and overtime premium pay.

(d) **Vacation schedules shall be arranged to conform to the Company's production schedule. Employees will be given preference in the selection of their vacation periods, if possible, in the order of their plant-wide seniority within their department.**

(e) **Half day vacations**

Half day vacations will be granted under the following conditions:

- (1) **Overtime will not be scheduled to grant half day vacations.**
- (2) **Previous day notice required.**
- (3) **Supervisor approval is required.**

8.6 Appendix "A"

(applies to Paragraph 8.1 (g) (3) [c] only)

(a) **An employee who was eligible for vacation in a prior calendar year (and who has not subsequently quit, retired, been discharged, or dismissed) shall be eligible for vacation for the current calendar year, if, on December 31 of the immediately preceding calendar year, the employee was actively employed and had 44 weeks "on the payroll" during that year, or if on any date in the current calendar year the employee shall be actively employed and has 44 weeks "on the payroll" since the date of eligibility for the employee's last vacation.**

(b) **The following periods of absence shall count toward the required 44 weeks "on the payroll":**

- (1) **Absence on approved Vacations, Paid Leave and for Jury Duty.**
- (2) **Absence on reserve active duty for training or National Guard Field Exercises as specified in the Military Service Policy.**
- (3) **Absence on account of an occupational accident or illness compensable as temporary total disability under the applicable State Workers' Compensation Law or Company policy (including any "waiting period" thereunder), and for which time the employee has received or has been eligible to receive compensation thereunder (absence following the expiration of**

such benefits cannot be counted toward the required time "on the payroll").

- (4) Absence on account of nonoccupational accident or illness compensable under the then existing Temporary Disability Plan (including the "waiting period") and for which time the employee was entitled to weekly sickness and accident benefits thereunder, or would have been entitled had the employee been a member thereof (absence following the expiration of the benefit period cannot be counted toward the required time "on the payroll").
- (5) Absence while on active service in the Armed Forces or the Coast Guard of the United States, rendered in accordance with and under the provisions of the Military Service Policy of the Company provided the individual is re-employed by the Company within the 90-day period from the date of the employee's certificate of satisfactory service or honorable discharge from the Armed Forces or the Coast Guard, established in the Military Service Policy.
- (6) Each week, during any part of which the employee has worked (except while working on a part-time basis) counts as a full week "on the payroll."
- (7) All absences from work, other than those specified above, shall not count as "on the payroll." Such absences include, but are not limited to:
 - [a] Layoff;
 - [b] Leave of Absence;
 - [c] Disciplinary Suspension;
 - [d] Absence without Permission;
 - [e] Absence because of occupational or nonoccupational accident or illness after expiration of the compensation or benefit period.
- (8) No period of part-time shall be a period "on the payroll."

ARTICLE IX

Seniority

9.1 Seniority is determined by length of continuous service with the Lancaster Plant as hereinafter defined. The term "seniority" referred to in this article means plant-wide seniority.

Layoffs and re-hiring on jobs in the bargaining unit shall be based upon each employee's seniority, except in cases where special skill is required.

The following groups will be retained out of seniority order based on skill and ability:

***Facilities Mechanics with Sheet Metal or Air Conditioning
(1st Class) Skills***

No new employee will be hired until all laid-off employees have had an opportunity to return to work, except in cases where special skill is required.

Promotions and filling vacancies of jobs in the bargaining unit shall be based on seniority, except in those cases where, in the opinion of the Company, greater ability or physical fitness as between individuals justifies a departure from this principle.

Whenever the Company finds it necessary to make a selection for promotion or the filling of a vacancy on any basis other than seniority, the Company agrees to review, before the selection is made, with the proper Union Representative its reasons therefore. When such instances involve layoff or re-hiring, the Company will notify the President of the Union in writing with a copy to the appropriate Division Chairperson three (3) days before the effective date of the layoff or re-hiring its reasons therefore.

In the event that it is charged that in any such layoffs, re-hiring, promotion or filling of vacancies, the Company's judgment relative to ability and physical fitness has been exercised without any reasonable basis so as to result in improper and unfair discrimination, the Company agrees that such charge may be resolved under the terms of the grievance procedure set forth in Article III of this Agreement, including arbitration, if necessary, and providing such charge is made in writing within fifteen (15) working days, excluding Saturdays, Sundays, and holidays, from the date the change is made.

9.2 The seniority status of each employee shall be as it existed on the official seniority list, dated October 1, 1945.

9.3 A new employee shall be on probation for the first ninety (90) calendar days of employment. The dismissal of such employees during this probationary period, without regard to seniority or the reason therefore, shall not be taken up by the Union as a grievance.

9.4 In determining seniority any of the following absences shall be counted:

(a) Absence resulting from accidents compensable under the compensation law.

(b) Absence resulting from illness or nonoccupational accidents up to eight- four (84) months on Long Term Disability. (Effective 4/01/03)

- (c) Absence resulting from an approved leave of absence as provided for under Article XI, "Leave of Absence."
- (d) Absence due to layoff, limited to Paragraph 9.5.
- (e) Time spent on approved vacations.

9.5 Seniority shall be broken for any of the following reasons:

- (a) Discharge.
- (b) Quit voluntarily.
- (c) A period of "layoff" in excess of
 - (1) 36 months for employees with less than 5 years of seniority, or
 - (2) 48 months for employees with 5 or more years of seniority.
- (d) Failure of a laid-off individual to report for recall as prescribed in Paragraphs 9.11 and 9.12.
- (e) Failure to report on the first day following the expiration of an approved leave of absence, unless the employee, however, has a justifiable reason for the employee's inability to report.
- (f) A nonoccupational condition in excess of eighty-four (84) months on Long Term Disability. (Effective 4/01/03)

Note: Employees approved for Long Term Disability prior to 4/01/03 will be grand-fathered and will not be limited for accruing Company Service.

9.6 Seniority rights on a plant wide basis shall accrue to an employee after the employee has completed ninety (90) calendar days of continuous service from the date of the employee's employment. The occupational groups in Paragraph 3.1 constitute departments for seniority purposes.

9.7 When two (2) or more employees have identical seniority, the employee with the lowest employee number is considered to have the greater seniority.

9.8 A layoff is defined as a separation from work for an indefinite period of time because of a lack of need for an employee's services. Upon layoff, an individual's name is removed from the payroll, and thereafter all benefits which would accrue hereunder to the employee as an employee shall cease immediately, excepting only for the employee's opportunity to reemployment in accordance with the recall provisions described herein.

9.9 The Company agrees that, prior to any layoff, it will, except in cases of emergency and for employees specifically hired for vacation relief, give at least seven (7) days' notice to the employees affected. Except in cases of

emergency, employees hired for vacation relief purposes shall be given a prior one (1) workday notice of layoff. A list of employees affected by any layoff shall be made available to the Division Chairperson and the President of the Union.

9.10 A list of the laid-off individuals arranged in order of their seniority shall be maintained and such individuals will be offered reinstatement with the Company, in order of their seniority, except in cases where special skill is required, before any new employees are hired, provided that their period of layoff does not exceed thirty-six (36) months for employees with less than five (5) years of service or forty-eight (48) months for employees with five (5) or more years of service.

9.11 Upon layoff, the employee will provide, and keep current, a telephone number and address for purposes of recall notification. The Company will furnish an employee, at the employee's request, a receipt verifying any change in address that the employee reports. When recall is available the Company will call the individual at the telephone number provided. Also, a written notice of recall will be forwarded by certified mail to the address provided. Within five (5) calendar days of the date of delivery of the certified mail notice, or within fourteen (14) days from the date of the mailing, the individual must contact the Lancaster Shared Service Center by telephone. Failure to do so will result in automatic forfeiture of recall rights.

After responding to the recall written notice, if the work is described as being greater than one hundred twenty days (120) the individual will have forty-eight (48) hours to accept the job offered, and then must report to work at the prescribed time, unless excused by the Company, or forfeit recall rights.

After responding to the recall written notice, if the work is described as being of less than one hundred twenty (120) days duration, the employee shall have the privilege of refusing to accept the work offered and the employee shall be eligible for subsequent recall provided the employee's recall rights have not expired. Anyone presently on layoff status, their recall rights will remain as it was at the time of their layoff.

9.12 Laid-off individuals recalled to jobs in the bargaining unit will be offered opportunity to return to their resident departments in accordance with the seniority provisions of this Agreement when an opening occurs, provided they are able to perform the work within a reasonable period of time.

9.13 Whenever it is necessary to reduce the working force in a department to the point where it is necessary to send employees to Job Placement, the employees with the least amount of seniority shall be sent out of the department, providing there are employees remaining in the department who are able to perform the work required.

9.14 Whenever an employee is displaced from the employee's job as a result of the curtailment of the work force or the permanent elimination of the employee's job, the employee may exercise the employee's seniority to replace an employee with less seniority, provided the employee is able to perform the work required. When the number of crews or crew sizes or operations are reduced making it necessary to remove an employee, the employee with the least amount of seniority shall be removed first. Such employee who is removed shall have the right to exercise the employee's seniority to replace an employee with less seniority providing the employee is able to perform the work required. The provisions of this paragraph shall apply only to movement within a department and will be made effective as soon as practicable and no later than the beginning of the next work week. The Company shall not be obligated to cross shifts during the work week in carrying out such reassignments.

9.15 In the event that an employee's job is interfered with due to an unforeseen emergency, during the course of a shift, the employee shall be given the opportunity to be placed for the remainder of the shift on any available job for which the employee may be qualified in the employee's respective department, or be sent to Job Placement. If the unforeseen emergency lasts beyond the shift, the employees affected shall be assigned on the basis of seniority to fill other jobs in the department for which they may be qualified. The Company will make such reassignments as soon as practical, but in no event later than the beginning of the next normal work week.

9.16 In determining seniority for transfer into the bargaining unit, the following applies:

- (a) An employee transferred from the bargaining unit to a salaried position will continue to accrue up to but not to exceed thirty-six (36) months of seniority, to be added to seniority previously accrued while in the bargaining unit, if and when that employee returns to the bargaining unit. The employee must return to the employee's former resident department.
- (b) An employee, as described in paragraph (a) above, will be credited with seniority for all time spent in a salaried position,

along with accrued seniority for time spent while in the bargaining unit, for purposes of determining layoff and recall only.

- (c) An employee who is employed by the Company originally in a position not covered by the terms of this Agreement and who is transferred into a position covered by this Agreement, will be considered as a new employee with seniority beginning on the date of the employee's transfer.

9.17 An employee who is about to be laid off because of lack of work shall have the right, in accordance with the seniority provisions of this Agreement, and provided the employee is able to perform the work within a reasonable length of time, to replace the employee in the Plant who has the least seniority.

9.18 Every effort will be made to place employees in other jobs, in the Plant, which they can reasonably be expected to perform, who, because of physical disability or health, are unable to perform their regular work. Information regarding transfers made under the provisions of this paragraph will be provided to the chairperson of the Division into which this employee is being transferred, prior to the date of transfer.

(a) An employee who is transferred because of physical disability or health shall carry the employee's seniority in the department to which the employee is transferred.

(b) An employee who is transferred temporarily because of physical disability or health shall return to the employee's resident department when the reason for the temporary transfer ceases.

(c) Employees who because of health and physical disability are unable to perform their regular work within their department may be loaned to another department for a period of twelve (12) consecutive months.

9.19 Departmental and Master Plant-wide Seniority Lists shall be placed on the bulletin boards of the respective departments of the Plant. A Master Plant-wide seniority list shall be sent to the Union. Such lists shall be revised every four (4) months.

9.20 An employee who is transferred at the request of the Company because of skill shall return to the employee's department when the reason for the transfer ceases.

9.21 A regular full-time employee, who has satisfactorily completed the employee's probationary period, may apply for a transfer to another department. When transferred, the employee shall be credited with seniority in the new department. Such transfer is subject to the following limitations:

- (1) Vacancies will be posted on available communications media such as Target Vision, CCMail and plant bulletin boards, and the Audix telephone system (Ext. #3600) for eight (8) calendar days. Vacancies will be posted on Tuesday and end the following Tuesday at 3:00 P.M.
 - (2) It is the employee's responsibility to monitor the postings.
 - (3) A **USW** Plant-Wide Posting Interest Form must be submitted for the opening(s) for which the employee wants to be considered, during the posting period.
 - (4) Requests may not be submitted or withdrawn after the posting deadline.
 - (5) Requests may not be submitted by telephone.
 - (6) Requests may be withdrawn or changed prior to the posting deadline.
 - (7) Selected employee(s) must accept the transfer.
 - (8) Selection decisions will be posted on the Audix telephone system (Ext. #3600) for eight (8) calendar days.
- (b) Whenever it is necessary to reduce the workforce resulting in a layoff at the Site, department openings that occur due to employees leaving the workforce shall be posted and made available to the entire plant seniority group.
- (c) An employee may post for an unlimited number of requests.
- (1) The **USW** Plant-Wide Posting Interest Form will list available departmental opening(s). Employees must indicate their preferred Department choice(s) in numerical order.
 - (2) Employees will be placed by seniority and highest numerical choice available as requested on the **USW** Plant-Wide Posting Interest Form.
- (d) There must be a period of twenty-four (24) months between each transfer.
- (e) An employee in Phase III of the Lancaster Plant Attendance Program will be disqualified from selection for posting to another department.

9.22 An employee transferred from the employee's resident department to a new department as a result of the curtailment of the work force as provided for in Paragraph 9.14 shall be given the immediate opportunity to apply the employee's seniority to avoid transfer from said new department.

9.23 An employee transferred to another department to avoid layoff will return to the employee's resident department in accordance with the employee's seniority when an opening occurs.

(a) If, as a result of a curtailment of the work force as is provided for in Paragraph 9.14 of the Agreement, an employee has been transferred to another department, the employee shall have the opportunity to exercise the employee's seniority in the new department to which the employee has been transferred.

9.24 When an employee is enrolled in the Armstrong Educational Program, the Company will, at the request of the employee, assign the employee to another shift of the Company's choosing for the week without displacing other employees. The reassigned employee will then be the least senior person on that shift. The opening created by an employee using this option will be treated as a temporary opening.

9.25 All departmental procedures involving schedule changes will continue to be followed, but, at least one schedule change will occur every calendar year in all production areas. ***The Facilities Mechanic Group will have a schedule change to occur on or before January 30 of each calendar year.***

9.26 The Company will inform the Union of the need for an employee from the bargaining unit to perform non-bargaining unit work in a temporary or special assignment, excluding relief supervisor. He or she will be eligible for such assignment for up to but not to exceed six (6) months per temporary or special assignment. If the temporary or special assignment needs to be extended beyond six (6) months the Company will notify the Division Chairperson. Individual(s) leaving the temporary position will return to his or her master schedule position at the completion of the non-bargaining unit assignment.

ARTICLE X Voluntary Irrevocable Checkoff

10.1 The Company agrees that it will deduct Union dues from the pay of each employee who in writing, in accordance with the authorization form set forth below, voluntarily authorizes the Company to do so for the period covered thereby and will forward the total amount thus deducted to the official designated in writing by the Union to receive the same.

- (a) All employees with dues deduction authorization cards currently in effect shall have the right to withdraw their authorization cards for a fifteen (15) day period beginning **October 3, starting 2006**, and each year after.
- (b) The authorization for dues deduction for an employee commencing on or after the effective date of this Agreement shall be in the following form:

"To Armstrong World Industries, Inc.:

"I, _____ Clock No. _____
_____ Department, in accordance with the terms of the Agreement between Local 285, **USW**, AFL-CIO, CLC and the Company, hereby authorize the Company to deduct from my earnings Union dues in the amount determined from time to time pursuant to the procedure set forth in the Union's International Constitution and direct the Company to pay over to the duly designated Union official the amount so deducted. I agree that such dues deductions shall begin with the date hereof and that this authorization shall be irrevocable for the period of one (1) year or until the termination date of the current collective bargaining agreement between the Company and the Union, whichever occurs sooner; and I agree and direct that this authorization shall be automatically renewed and shall be irrevocable for successive periods of one (1) year or until the termination date of each succeeding applicable collective bargaining agreement between the Company and the Union, whichever shall be shorter, unless written notice to the contrary is given by me to the Company and Union during the fifteen (15) calendar day period immediately after the end of any such period of irrevocability.

"The Union agrees that one of its accredited officials shall certify in writing to the company the dues that may be established from time to time pursuant to the procedure set forth in the Union's International Constitution.

"If I have not worked during a pay period from which a deduction should have been made, the Union dues in arrears shall be deducted from subsequent pays.

"The foregoing deduction shall in any event be subject to the existence of a contractual obligation of the Company with the Union to check off Union dues.

"Date _____ Signature _____"

10.2 The Union shall indemnify and save the Company harmless from any claims, suits, judgments, attachments, and from any other form of liability including the full cost of any litigation therefrom as a result of making any deductions under this Article.

10.3 PAC Check-Off

Section 1. *The Company Agrees that it will check-off and transmit to the Treasurer of the United Steelworkers Political Action Committee (USW/PAC), voluntary contributions to the USW Political Action Fund from the earnings of those employees who voluntarily authorize such contributions on forms provided for that purpose by the USW/PAC.*

Section 2. *The Company shall mail to the USW/PAC Administrative Office (5 Gateway Center, Pittsburgh, PA 15222) within fifteen (15) days following the ending date of any pay period in which any deduction is made pursuant to this agreement, a report which will list the names, social security numbers, addresses and amounts of deductions for USW/PAC contributions which have withheld pursuant to this agreement during and immediately preceding the payroll period. The signing of such USW/PAC check-off form and the making of such voluntary annual contributions are not conditions of membership in the Union or of employment with the Company.*

Section 3. *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 for the purpose of complying with any of the provisions of this letter of understanding.*

Section 4. *The United Steelworkers Political Action Committee, which is connected with the United Steelworkers, a labor organization, and the AFL/CIO's Committee On Political Education (COPE), solicit an accept only individual voluntary contributions, which are deposited in an account or accounts separate and segregated from the dues funds of the Union or of the AFL/CIO. Those separate and segregated funds are used for political purposes including, but not limited to, making contributions to or expenditures for candidates for federal, state and local offices and addressing political issues of public importance.*

ARTICLE XI

Leave of Absence

11.1 An employee, upon written request, may be granted a general leave of absence subject to the approval of the Company, with the understanding that the Company will require a physical examination before and after such absence, if such absence is for a period of three (3) weeks or longer, including any vacation which may be taken consecutively with the leave.

11.2 The seniority of any employee on an approved leave of absence shall not be broken and the time spent on such leave of absence shall be counted as continuous service for seniority purposes, provided the employee does not engage in employment elsewhere while on said leave of absence and reports to work on or before the expiration date of such leave of absence unless the employee, however, has a justifiable reason for not being able to report.

11.3 Under the above conditions, a special leave of absence to the termination date of this Agreement will be granted by the Plant Manager to a maximum of eight (8) employees who are Union Officers or Division Chairpersons, at any one time to carry on Union activities for Local 285, **USW**, which are in the interest of members of Local 285 employed at the Lancaster Plant. Requests for such special leaves must be submitted in writing at least seven (7) calendar days prior to the time such leaves are to begin. Time on such leaves shall be counted as continuous service for purposes of the Guaranteed Pension Retirement Income Plan and the Long Term Disability Program.

11.4 An employee who is elected or selected to serve in the position of President, Local 285, **USW**, requiring full-time work in the interest of members of Local 285, **USW**, employed at the Lancaster Plant will, upon written request, be granted time off to serve in the position of President, Local 285, **USW**. In the case of such employee, the time off shall be counted as continuous service only for purposes of Guaranteed Pension of the Retirement Income Plan and the Long Term Disability Program. The Company will credit the annual wages paid by the **USW** to the Local 285 Union President for the determination of Average Final Compensation under the Retirement Income Plan.

11.5 The Company will notify the President, with a copy to the Secretary of the Union, of all leaves of absence granted, with the effective date and the expiration date.

11.6 Military leaves of absence shall be granted in accordance with the *Universal Military Training and Service Act of 1951, as amended.*

11.7 It is the mutual intent and understanding of the parties, arrived at in view of the program of the Federal Government for the rehabilitation of returning service men and women having service-connected disabilities, that it is within the scope and spirit of this entire Agreement that the Company will use its best efforts to re-employ its service men and women having such disabilities and to assign them to jobs which are suitable for them, and the Union and the Company agree to cooperate fully in carrying out this program.

11.8 In the event an employee on the active payroll is called for annual military duty for paid training or temporary emergency active duty, the Company will pay the difference between the gross amount received for such duty on each day (not exceeding two weeks in any calendar year for annual military duty and two weeks in any calendar year for temporary emergency active duty) such employee would have been scheduled to work and the employee's straight-time hourly earnings (including shift differentials and incentives, if any, but excluding overtime) for the pay period immediately preceding the first day of such duty, multiplied by the hours the employee would have been scheduled to work (not to exceed twelve hours per day and thirty-six hours per week). Hours so paid shall not contribute toward hours worked for the calculation of overtime.

11.9 Employees who are granted a leave of absence to serve in any approved Union position will continue to accrue Company service, up to a maximum of five (5) years, as it pertains to the Pension Plan provided they are not covered by a Pension Plan or a 401 (k) plan (with match) while serving in the Union position. Approval to serve in these Union position(s) must be granted by the USW District Director and the USW International President.

ARTICLE XII

Bulletin Boards

12.1 The Company agrees to post Union notices on the bulletin boards and target vision of the Plant restricted to the following, provided such notices have been approved by the Plant Manager's Office:

- (a) Notices of Union recreational and social affairs.
- (b) Notices of Union elections.
- (c) Notices of Union appointments and the results of Union elections.
- (d) Notices of Union meetings.
- (e) Notices of Union interest.

12.2 The Company agrees to post the incentive earnings with the bonus and hours worked for all operations on incentive within 24 hours after payroll calculations have been made.

ARTICLE XIII Safety and Health

13.1 The Company shall continue to make reasonable provisions for the safety and health of its employees at the Plant as required by law during the hours of their employment. The Company agrees to provide, at no cost to the employee, necessary protective clothing and equipment of all types. The Union agrees to make every reasonable effort to have its members observe all safety and health rules and use all safety and protective equipment furnished for this purpose.

13.2 The Union and the Company agree to cooperate in the promotion of safety and in the maintenance of safe working conditions and practices and also agree to cooperate in the prevention of willful damage or destruction to Company property, equipment, or materials. The cooperation of the parties shall include the following:

- (a) A Central Safety Committee will be comprised of management representatives and the **USW** President and Vice-President, or their designates, and the IAM President and Vice-President, or their designates. The Central Safety Committee will meet monthly to discuss jointly agreed upon safety issues.

A Company-Union safety and health committee, operating as a subcommittee of the Central Safety Committee, shall be composed of one representative designated by the Company and three employee representatives designated by the Union. The committee shall meet one day each quarter for a period of up to eight (8) hours and such other times as may be mutually agreed upon. During these meetings, the committee will review injury statistics, make on-site inspections to review safe working practices and conditions, as may be mutually agreeable to the parties, and make recommendations for the promotion of safe working practices and safe working conditions.

- (b) Departmental inspections shall be conducted approximately twelve (12) times per year to observe departmental working practices and working conditions. A Union-designated departmental safety steward, working on the shift, shall be given an opportunity to participate in each such inspection. Minutes of the meeting held to review results of the departmental inspection shall be supplied to the departmental safety steward participating in the inspection and copies sent to the Union office.

(c) Two employee representatives of the Union shall be designated by the Union to participate in meetings with the Company Safety Program Committee to prepare recommendations for the coming year's Plant Safety Program.

(d) Time spent by employee representatives of the Union in the meetings described in (a), (b), and (c) immediately above shall be compensated at a rate equal to the employee's average straight-time hourly earnings (including shift differential and incentives, if any, but excluding overtime).

13.3 Time spent by an employee serving as an accredited Union representative accompanying an OSHA Inspector on a routine OSHA inspection of the workplace which coincides with the hours said employee would have been scheduled to work shall be compensated at a rate equal to the employee's average straight-time hourly earnings (including shift differential and incentives, if any, but excluding overtime). The Union agrees to make every effort to persuade employees to afford the Company an opportunity to take corrective action regarding potential safety complaints before they are submitted to OSHA.

13.4 The Company will provide the President, Local 285, monthly with a listing of bargaining unit employees who have been receiving occupational or non-occupational total disability benefits for a period of three weeks or more. The date of exit and date of return will be included. The Company will also notify the President, Local 285, of any safety or health emergencies and, within seven (7) days, of any injuries that result in lost time from work.

13.5 To help ensure a safe work environment, effective July 1, 1999, employees will be required to submit to drug and/or alcohol testing under the conditions of paragraphs A, B and C below.

A. Post-Incident/Injury Testing

Any employee who contributes to the injury of another employee or CONTRIBUTES TO AN INJURY to themselves for a second time within an 18 month period in which the injured employee receives medical treatment by an outside medical facility will be required to submit to a drug and/or alcohol test. The test will be conducted immediately following the incident. The 18 month period starts with the first incident.

B. Reasonable Cause

When there is reasonable evidence, supported by two(2) or more management employees, to suspect that an employee has reported to work impaired, or is working impaired, the employee will be subject to a

drug and/or alcohol test. The management employee will inform the suspected employee that he/she has the right to union representation. If working, the employee will be immediately removed from the work site and tested.

When the conditions of either A or B apply:

1. The employee will complete a course of treatment recommended by the Medical Review Officer (MRO) within a period of time as prescribed by the MRO.
2. A split sample will be maintained for a drug test.
3. An employee who refuses to submit to a drug and/or alcohol test will be treated as having had a positive test.
4. The employee will be wage protected for time spent away from work to take the drug and/or alcohol test. Pay will be determined in the same manner as it is for employees who spend time at the hospital on the day of an occupational injury.
5. All drug and alcohol testing will be performed by a certified technician at an off site medical facility that has been agreed to by both the Union and the Company.
6. Any incident occurring under paragraph 13.5 will be documented and supplied upon review with the Union President.

C. Attendance program — phase III

Any employee who enters Phase III of the Lancaster Plant Attendance Program will be subject to drug and/or alcohol testing. Random testing will be conducted at any time during a 12 month period following notification to the employee that he/ she has entered Phase III.

When the conditions of C apply:

1. An employee who refuses to submit to a drug and/or alcohol test will be treated as having had a positive test.
2. The employee will be wage protected for time spent away from work to take the drug and/or alcohol test. Pay will be determined in the same manner as it is for employees who spend time at the hospital on the day of an occupational injury.
3. A positive drug or alcohol test will result in suspension from work without pay until the employee successfully completes the course of treatment recommended by the Medical Review Officer (MRO) and receives a negative drug and alcohol test. The course of treatment recommended by the MRO must be completed within the prescribed

period of time or the employee will be reviewed for discharge. After a positive drug or alcohol test, the employee will be placed on a 12-month probation, with random drug and alcohol testing during those 12 months. The 12-month probation begins on the day the employee returns to work after successfully completing treatment and receiving a negative drug and alcohol test. Refusal to participate in the course of treatment recommended by the MRO will result in review for discharge.

4. If an employee receives a second positive drug or alcohol test at anytime in a four year period the employee will be reviewed for discharge.

When the conditions of A, B or C apply:

1. An employee who seeks drug and/or alcohol treatment on his/her own initiative will not be placed on a 12-month probation with random testing unless he/she receives a positive drug or alcohol test.
2. For employees who test positive for drugs and/or alcohol, the Company will pay for up to three (3) EAP visits in addition to the six (6) Company-paid visits offered to all employees.
3. For the purpose of alcohol testing, the test will be conducted using a Breathalyzer. A positive test will result if the alcohol level is (.08) or greater.

13.6 Employee participants in mandatory health monitoring programs will be informed of the reasons for the examinations and the results of those examinations.

13.7 The Company and the Union recognize the need for a sound continuing Ergonomic Process and will work together accumulating and analyzing information to continue making ergonomic corrections. Through joint involvement the Ergonomic process will become more pro-active from all those involved.

Where new equipment or devices have been or will be added to jobs, employees will be provided with the necessary training to perform their job in a safe ergonomically sound method. When new equipment or jobs are coming into an area, it is pertinent to focus on the ergonomic impact of the additions.

13.8 The Company will provide the Union computer on-line access to the Material Safety Data Sheet database, effective January 1, 2000. This will provide an up-to-date listing of "chemicals" used in the Plant. This information is currently available in the Plant and can be accessed by contacting the Manager, Plant Safety and Health.

13.9 The Company will pay travel and seminar costs, in accordance with Company policy, to have a **total of four (4) employees per year designated by the Union President to attend safety functions. No more than two (2) employees will be out of the Floor Plant per function.**

13.10 The Company and the Union agree to meet with the Plant Central Safety and Health Committee, upon ratification of the current Labor Agreement, to develop a Safety Recognition Program for the Lancaster Site. (Including 800 and 900 Buildings). The program would be implemented no later than January 1, 2003 and be reviewed every three years thereafter.

ARTICLE XIV Legislation

14.1 The parties hereto agree that, in the event any existing or future compulsory legislation by the Congress of the United States or the Legislature of the Commonwealth of Pennsylvania specifically invalidates any of the provisions of this Agreement or any portion thereof, such provisions shall be amended or construed to conform with the applicable law pertaining thereto, and the portion of this Agreement unaffected by such legislation shall be and remain in full force and effect.

ARTICLE XV Jury Duty/ Witness

15.1 When an employee (summer worker excluded) who is on the active payroll is called to serve on a jury, the Company will pay the difference between the amount received for such jury service on each day (for one unlimited period in any calendar year for jury service in county court and one unlimited period in any calendar year for jury service in Federal Court) such employee would have been scheduled to work and the employee's average straight time hourly earnings (including night shift differential and incentives, if any, but excluding overtime) for the pay period immediately preceding the first day of jury service multiplied by the hours the employee would have been scheduled to work (not to exceed twelve hours). Hours so paid shall not contribute toward hours worked for the calculation of overtime. If the jury service exceeds thirty (30) days in length, the Company reimbursement payment to the employee will be made on a monthly basis in a regular paycheck.

15.2 In case an employee (summer worker excluded) on the active payroll is called as a witness under subpoena to appear in court, the Company will pay the difference between the amount received for such witness service on each day such employee would have been scheduled to work and the

employee's average straight-time hourly earnings (including night shift differential, if any, but excluding overtime) for the pay period immediately preceding the first day of witness service multiplied by the hours the employee would have been scheduled to work (not to exceed twelve [12] hours). Hours so paid shall not contribute toward hours worked for the calculation of overtime.

ARTICLE XVI

Leave for Death in Family

16.1 An employee (summer worker excluded) on the active payroll shall be entitled to receive a paid leave of absence of not more than three days upon the death of the employee's son-in-law (effective 11/5/90), daughter-in-law (effective 11/5/90), grandchild, stepmother, stepfather, mother-in-law, father-in-law, brother, sister, brother-in-law, sister-in-law, half-brother, half-sister, stepbrother, stepsister, grandmother or grandfather. An employee (summer worker excluded) on the active payroll shall be entitled to receive a paid leave of absence of not more than five days upon the death of the employee's spouse, child, stepchild, adopted child, and mother or father. Such paid leave shall be for a continuous period of not more than three/five scheduled shifts either within ten days following the death or at the time of the funeral. Pay for each shift shall be the hours the employee would have been scheduled to work (not to exceed twelve [12] hours) multiplied by the employee's average straight-time hourly earnings (including shift differential, and incentives, if any, but excluding overtime) for the pay period immediately preceding the first day of such leave. Hours so paid shall not contribute towards hours worked for the calculation of overtime. Should the employee desire additional personal unpaid leave of absence, such arrangements may be made with the employee's Supervisor.

- (a) In-law relationships covered by Paragraph 16.1 shall continue to exist after death severs the relationship but shall end upon remarriage.

ARTICLE XVII

Emergency Service

17.1 When an employee (summer worker excluded) who is on the active payroll is unable to report for work as scheduled because of active emergency service at the time as a volunteer fireman or ambulance attendant, the Company will provide makeup pay. An appropriate authorization from the Fire Chief or other official shall be submitted for the hours on emergency service duty.

Pay shall be for the hours lost multiplied by the employee's average straight-time hourly earnings (including night shift differential, and

incentives, if any, but excluding overtime) for the pay period immediately preceding the day of such emergency service. Hours so paid shall not contribute toward hours worked for the calculation of overtime.

ARTICLE XVIII

Duration and Termination

18.1 Except as herein provided, all terms of this Agreement shall become effective the date of the Agreement and shall continue in effect thereafter to and including **October 3, 2005**. Unless terminated as herein provided, all terms of this Agreement shall continue in effect thereafter from year to year. Either party may terminate this Agreement at 11:00 p.m. on **October 3, 2008**, by giving not more than seventy-five (75) or less than sixty (60) days' prior notice to the other party of its desire to so terminate.

18.2 Any notice of termination under this Agreement shall be given by registered or certified mail, be completed by and at the time of mailing, and if by the Company be addressed to the President of Local 285, **United Steelworkers, AFL-CIO, CLC**, 202 West Liberty Street, Lancaster, Pennsylvania; and if by the Union be addressed to Armstrong World Industries, Inc., attention Plant Manager, Lancaster Plant, PO Box 3001, Lancaster, Pennsylvania. Either party may, by like written notice, change the address to which registered or certified mail notice to it shall be given.

IN WITNESS WHEREOF the parties have caused this Memorandum of Agreement to be duly executed as of the day and year first above written.

FOR
ARMSTRONG WORLD INDUSTRIES, INC.,
Stanley M. Savukus
Frederic Barall
John P. Claus
Steven J. Pfeifferberger
Robert V. Mattam
Roger D. Heiser
Mark D. Webb
Lori Swinger

FOR
UNITED STEELWORKERS,
AFL-CIO, CLC ON BEHALF
OF ITS LOCAL 285
Leo W. Gerard,
International President
James English, Intl. Secy./Treas
Thomas Conway, Intl. V.P. Adm
Leon Lynch, Intl. V.P. Human Affairs
John DeFazio, District Director
Tom Jones, Staff Representative
Jerry P. Eshleman,
Local 285 President
George G. Schanz
George M. Suydam
David Boyd
Harry (Skip) Mimm

SUPPLEMENT "A-1"
Job Classes and Rates of Pay
(Effective *December 12, 2005*) 3.0% Base Increase

Job Class	Non-Incentive Job Rate of Pay	Incentive Job Rate of Pay
1	\$15.22	\$19.34
1½	\$15.31	\$19.46
2	\$15.40	\$19.56
2½	\$15.53	\$19.73
3	\$15.67	\$19.90
3½	\$15.80	\$20.06
4	\$15.94	\$20.26
4½	\$16.35	\$20.79
5	\$16.88	\$21.44
5½	\$17.67	\$22.45
6	\$17.84	\$22.67
6½	\$18.38	\$23.34
7	\$18.94	\$24.05
7½	\$19.55	\$24.83
8	\$20.03	\$25.43
8½	\$20.51	\$26.06
9	\$20.97	\$26.65
9½	\$21.48	\$27.26
10	\$21.96	\$27.88
10½	\$22.44	\$28.50
11	\$22.95	\$29.13
11½	\$23.43	\$29.77
12	\$23.92	\$30.37

SUPPLEMENT "A-1"
Job Classes and Rates of Pay
(Effective *December 18, 2006*) 3% base increase

Job Class	Non-Incentive Job Rate of Pay	Incentive Job Rate of Pay
1	\$15.68	\$19.92
1½	\$15.77	\$20.04
2	\$15.86	\$20.15
2½	\$16.00	\$20.32
3	\$16.14	\$20.50
3½	\$16.27	\$20.66
4	\$16.42	\$20.87
4½	\$16.84	\$21.41
5	\$17.39	\$22.08
5½	\$18.20	\$23.12
6	\$18.38	\$23.35
6½	\$18.93	\$24.04
7	\$19.51	\$24.77
7½	\$20.14	\$25.57
8	\$20.63	\$26.19
8½	\$21.13	\$26.84
9	\$21.60	\$27.45
9½	\$22.12	\$28.08
10	\$22.62	\$28.72
10½	\$23.11	\$29.36
11	\$23.64	\$30.00
11½	\$24.13	\$30.66
12	\$24.64	\$31.28

SUPPLEMENT "A-1"
Job Classes and Rates of Pay
(Effective December 17, 2007) 3% base increase

Job Class	Non-Incentive Job Rate of Pay	Incentive Job Rate of Pay
1	\$16.15	\$20.52
1½	\$16.24	\$20.64
2	\$16.34	\$20.75
2½	\$16.48	\$20.93
3	\$16.62	\$21.12
3½	\$16.76	\$21.28
4	\$16.91	\$21.50
4½	\$17.35	\$22.05
5	\$17.91	\$22.74
5½	\$18.75	\$23.81
6	\$18.93	\$24.05
6½	\$19.50	\$24.76
7	\$20.10	\$25.51
7½	\$20.74	\$26.34
8	\$21.25	\$26.98
8½	\$21.76	\$27.65
9	\$22.25	\$28.27
9½	\$22.78	\$28.92
10	\$23.30	\$29.58
10½	\$23.80	\$30.24
11	\$24.35	\$30.90
11½	\$24.85	\$31.58
12	\$25.38	\$32.22

SUPPLEMENT "B"
LETTERS OF UNDERSTANDING

December 12, 2005

Mr. Jerry P. Eshleman
President, Local 285, **USW**
202 West Liberty Street, Lancaster, PA 17603

Dear Mr. Eshleman:

B-1. This letter will confirm the understanding reached in our **2005** contract negotiations.

All Letters of Understanding B-2 through B-27, agreed to during the **2005** Negotiations will be in force for the term of the Agreement, unless the parties mutually agree to changes.

B-2. Effective April 1, 1996, the Company will continue to make Workers' Compensation payments in accordance with its established procedure except that payment will also be made voluntarily for temporary-total disabilities of less than seven (7) days' duration that are accepted by the Company as being work related. Such benefits will be paid on the basis of the number of days during which the employee was totally disabled starting with the employee's first scheduled work-day following the date of injury.

B-3. Safety Shoes: The Company will credit each employee up to one hundred (\$100.00) dollars towards the purchase of safety shoes each year. The credit limit does not apply to situations where shoes are already replaced by the Company due to damage sustained in the production process.

B-4. During a period of unusually bad winter weather, when the Company declares a "snow emergency" and announces the same on local radio stations for the purpose of communicating to employees whether work is available, employees who find it too difficult to report for work may elect to have any such day which has been scheduled but not worked paid as a day of vacation. The employee who so elects to have the day count as vacation shall be paid one fifth (1/5) of a normal week's vacation pay, or one third (1/3) for an employee scheduled for three 12-hour shifts, for each such week-day's absence providing the employee notifies his or her supervisor of the employee's desire to be so paid on the first day of the employee's return to work.

B-5. The Company will make available a means by which employees may elect to have their regular weekly paychecks and bonus checks deposited in an established checking/savings accounts. After normal deductions, the employee's funds may be distributed to three bank/accounts provided they have electronic routing capabilities, with the understanding that:

1. The credit from that deposit will not be available to the employee until the first bank working day (excluding Saturdays) following the date of the check. The Company's responsibility shall be limited to transmitting funds in a timely fashion. Since the Company cannot control when an employee cashes a check or when a bank credits an account, differences which arise as a result of those conditions shall be matters to be handled solely between those parties.
2. When a paid holiday occurs, the deposit will move by one day for each holiday in the week. For example, if the deposit is normally Friday, and Thanksgiving week the plant celebrates the holiday on Thursday and Friday, the deposit would shift for all employees from Friday to Tuesday of the following week. This would allow for sufficient time to deposit the money into the employees' account.
3. The Company may add or eliminate banks, and may terminate the program if it determines just cause exists.
4. Any employee who withdraws the deposit authorization will be ineligible to submit another deposit authorization before one year from the date of withdrawal.

B-6. The Union and the Company agree that it is necessary for an employee to acquire skill and job knowledge while working on the job before the employee can perform adequately the jobs and responsibilities in **the Facilities Mechanic Group.**

The parties also agree to meetings between Company representatives and the Union's Skilled Trade Program Committee **along with the Union President or his designee** to explore the concept of a skilled trades program. The meetings may be called by either the Company or Union representatives. Both parties must be in agreement to conduct said meetings. Such meetings will not include discussions of matters which are the domain of the collective bargaining Agreement between the parties.

B-7. The Company and the Union recognize the importance of health care cost and quality. To address these issues, the Company and the Union agree to establish a Joint Health Care Committee that will address;

- Evaluation of new and existing carriers
- Health care cost containment strategies
- Medical usage and access to quality health care.

The Company agrees to include an International staff benefits representative from both the **USW** and the IAM and one representative each from Local 285 **USW** and IAM Lodge 928, to participate in the Joint Health Care Committee. The Union representatives will consult with Company representatives concerning rates, access, and quality of medical plans. Such meetings will take place not less than annually prior to the open enrollment period.

Effective: January 1, 2000.

B-8. The parties agreed that an International Union Representative would be admitted to the plant upon request by the Union for the purpose of studying an allegation which has been unresolved through step 1 of the grievance procedure that pertain to job classifications, incentive plan disputes, and/or unsafe conditions. Access to the plant for this purpose will be provided under the following conditions:

1. The study will be made by a person qualified by training and experience.
2. The study will be relevant and necessary to the particular dispute involved.
3. The study will not involve access to operations or data which could help competitors.
4. The study will be of reasonable duration and will be conducted at a time when it is convenient for Company representatives to be present.
5. The study will be conducted without undue interference with production.
6. The Company will be provided with a copy of the written report as soon as possible.

B-9. *The Company and the Union agree to explore the use of mediation prior to arbitration. After a grievance has been appealed to arbitration but prior to scheduling the same, a representative from the International Union, President of the Local Union and a chairman of the grievance committee of the local union shall meet with Company representatives in an effort to settle such grievance prior to arbitration.*

If both parties are willing, such settlement efforts may include non-binding mediation. The Federal Mediation and Conciliation model and procedures will be utilized in order to keep incurred costs to a minimum.

The Company and the Union agree to meet following the conclusion of negotiations to establish further guidelines on the use of mediation in lieu of arbitration.

B-10. 1. The Company will provide the Union with written notification, and E-MAIL or telephone notification, of the death of retirees, and will continue to provide written notification of other deaths as in the past.

2. The Union will supply the Company with the names of Union officers and Union representatives in each department and the Company will supply the Union with the names of salaried supervisors in each department. Both parties will make reasonable provisions for keeping the lists up-to-date.

B-11. Union earnings, payable by Local 285 to its bargaining committee members for time spent in meetings with Company officials for Union-paid grievance meetings, arbitration hearings, and time on leave of absence from the Company to replace the President of Local 285 for leaves associated with Lancaster Plant business and Company and Local 285 paid monies for negotiations credited to Lancaster Plant employee members of Local 285's bargaining committee, will be credited to the employee's Company earnings for the purpose of vacation pay calculation and for determining the employee's benefit class in the Group Life Insurance Program, the Temporary Disability Benefits Program (A & S), Long Term Disability Program and the guaranteed pension benefit.

Local 285 agrees to provide monthly documentation acceptable to the Company of any such payments to support all earnings credits granted by the Company.

B-12. This letter will confirm the understanding reached in the 1995/1996 contract negotiations concerning benefits made available by the Company to the President of Local 285.

They include Medical, Dental, Life Insurance, Long Term Disability and continuous service credit for guaranteed pension and LTD. The above programs with required employee contributions are offered at the same premium rates as an active employee.

In addition, the Temporary Disability Benefits Plan will be provided at Company expense. Benefit class will be based on the same earnings level for which he is currently covered for Group Life Insurance.

This letter will remain in effect for the term of the current basic Agreement and may be extended with the mutual agreement of the parties.

B-13. As part of the Early Retirement Agreement of November 17, 1998 to offer an ERO, the Company and the Union agree as follows:

1. Reassignment of employees to other departments within the FBU. Employees, who are extra or are scheduled to a job on a line and the line is down, will be, when needed, loaned to other departments within the FBU in lieu of assigning people on overtime, as defined by the Site-wide procedure.
2. Cooperation in the creation of an extra list within a department for the purpose of assigning extra employees to jobs within the FBU, as defined by the Site-wide procedure.
3. Cooperation in creating a shutdown procedure will be developed by each FBU to be used individually by the FBU when the Business need arises to shut down the entire FBU Business for a period of time.

As part of the 2005 negotiations for the purpose of this procedure the departments within the FBU are defined as:

- A. Rotogravure - Rotogravure, Coating, Coating & Fusion, Roto ICP**
- B. Distribution Center - Distribution Center, CDL Drivers**

4. Increased flexibility of Skilled Trades within the **USW** will occur as follows:
 - a. Lubrication of mobile equipment of a general nature can be performed by any skilled trades employees in the **USW** bargaining unit.
 1. **Facilities Mechanics** working on mobile equipment may also perform lubrication on pieces of mobile equipment.
 2. **Facilities Mechanics** working in FBU's may also perform lubrication and minor repairs and parts replacements on pieces of mobile equipment in the FBU.
 3. **Facilities Mechanics** can perform minor repairs and parts replacement on mobile equipment.
 4. Maintenance and repairs to bicycles can be performed by any member of the **USW** bargaining unit.
 - b. Assist in implementing the job description changes of work duties for the **Facilities Mechanic**.

B-14. Upon management approval, the Division Chairperson will be released from regularly assigned work and wage protected for a period of time agreed to by the Company for the sole purpose of discussing settlement options with Managers, Personnel Managers, and departmental grievants whose cases are on the arbitration list for longer than three (3) years. Such discussion will take place on Company premises.

B-15. The Company and the Union agreed, during 2005 negotiations, *that the existing Roto and Distribution Center procedures would remain in effect and apply to their respective departments within the Roto FBU as of January 1, 2006.*

B-16. 1. For the purpose of this Letter of Understanding, the following provisions will apply to the calculation of vacation pay and vacation time when periods of vacation of less than a full week are involved.

a. A week of vacation is defined as one calendar week or seven consecutive days away from work and will be paid as per the Company/Union Agreement.

b. Single days of vacation or vacation periods of less than five consecutive calendar days will be paid and counted as follows when on a 12-hour schedule:

(1) When scheduled for three days, each day of vacation equals $1/3$ or .333% of a normal week's vacation pay and time.

(2) When scheduled for four days, each day of vacation equals $1/4$ or .250% of a normal week's vacation pay and time.

(3) In the event an employee has received the full amount of pay for all vacation pay due but there remains a fraction of the time due and that fraction equals six hours or more, the employee will be offered a scheduled day off without pay.

(4) In the event an employee has received all the time due but there is a fraction of pay remaining, the employee will receive the pay in lieu of time.

c. Half days of vacation will be paid and counted as follows when on a 12-hour schedule:

(1) When scheduled for three days, each half day of vacation equals $1/6$ or .167% of a normal week's vacation pay and time.

(2) When scheduled for four days, each half day of vacation equals $1/8$ or .125% of a normal week's vacation pay and time.

- (3) In the event an employee has received all the time due but there is a fraction of pay remaining, the employee will receive the pay in lieu of time.

2. The Union and Company agree that the intent of this Letter of Understanding is to confirm procedures that are currently in effect.

B-17. VALUES:

- * We value the safety and well-being of all employees.
- * We value total employee involvement in safety.

BELIEFS:

- * Continuous training and development will lead to improved safety performance.
- * All injuries and occupational illnesses can be prevented.
- * Improved safety performance will lead to lower Worker's Compensation and associated costs.
- * Personal responsibility for safety is important for prevention of injuries.
- * Increased individual responsibility for safety will increase interest in safety.
- * Not all people have the same value for safety, so different approaches need to be taken with different people.

PRINCIPLES:

- * Safety is our first priority.
- * Working safely is part of everyone's job.
- * Management will provide and maintain safe working conditions.
- * Each employee is accountable for notifying supervision of unsafe conditions.
- * Lack of time or tools is not an excuse for violating safe work behavior.

B-18. a. All work (soldering or electrical), on window type air conditioning unit's formerly performed by IAM employees, shall be performed by the **Facilities Mechanic employees** with no limitations.

b. The work of positioning weights for electronic scale calibration, formerly performed by **USW** employees, shall be performed by IAM electricians trained to perform such work. **USW** employees will calibrate mechanical scales.

c. The work of painting of any kind, including machinery, can be performed by any employee in either bargaining unit, provided they follow the guidelines listed:

1. For safety reasons, no painting will be done by production employees when extension ladders or scaffolding are needed.

2. IAM employees will be limited to painting those items they are responsible to install or work on.
 3. Departmental production employees will be permitted to paint on premium days if the paint shop also has the opportunity to work.
 4. *During periods of downtime, employees will be wage protected to their job class. Employees will be paid to a Job Class 2 1/2 when they are scheduled to paint on a premium day or when they are assigned painting tasks from the extra list.*
- d. Lubrication Mechanic work of an emergency repair nature will be performed by a **Facilities** Mechanic if available in the department on the shift. If no **Facilities** Mechanic is available the work can be performed by skilled craft members of either Bargaining Unit (**USW** or **IAM**).
- e. The Union agrees that effective April 1, 1996, routine parts replacement, equipment changeovers, and adjustments associated with production line cleans, pattern changes, commodity changes, and all Die changes may be performed by members of either Bargaining Unit. Employees will not be expected to perform this work without first receiving proper training and safety instruction in how to do the work. During the transition period from October 1, 1995 to March 31, 1996, employees will be expected to assist in the above mentioned work. Also, the FBU Business Team Manager, **USW** Division Chair, and **IAM** Area Representative will have discussions prior to the re-assignment of particular work to help make the transition as effective as possible. Any job descriptions affected by the above will be re-evaluated to reflect changes in job duties.

B-19. The Company and the Union agree to explore and implement substance abuse awareness and educational programs. The Company and Union also agree to jointly explore and implement programs to help employees with substance abuse problems and provide assistance to create a safe, drug and alcohol free workplace. The Central Safety and Health Committee will be responsible for implementation of this Letter of Understanding.

B-20. SAFETY PROCESS FACILITATOR

In accordance with our discussions during 1995 negotiations, the Company will continue the position of Safety Process Facilitator which was created in 1995 as a **USW** or **IAM** hourly position for the term of this Agreement. Should there be no hourly **USW** or **IAM** employees acceptable to the joint

selection committee when an opening occurs, the Company retains the right to place a salaried person into the position upon approval of the joint selection committee.

B-21. The parties recognize the importance of technological change, and work practice or process changes involving all employees, if the Lancaster Plant is to become and remain competitive and viable in world markets.

It is further recognized that a competitive and viable manufacturing environment provides the only meaningful guarantee for stable and improved employment levels for present and future employees.

For this reason, the Company continues to endorse the practice that the Union will be notified of technological, work practice, or process changes that will result in the displacement of employees, in order to enable such employees to make arrangements to bid on, or move to, other jobs that may be available.

To further minimize the impact on employees that may be displaced, the Company agrees to provide special hiring consideration at other Armstrong facilities, provided recall rights are waived by any displaced employee securing employment at another Company facility.

B-22. The Lancaster Plant recognizes that employment security is essential to an employee's well being and acknowledges that it has a responsibility, with the cooperation of the Union, to provide stable employment to its workers. The parties also recognize that a healthy viable business is an essential ingredient to employment security and that employees' efforts toward continuous improvement are essential to achieving business viability. Each FBU and the Lancaster site have specific cost, quality, and delivery measures to achieve business improvements to assure the business will first achieve and then maintain best cost supplier status. The Company will consult with the Union over the definition of these measures and the goals established for each year.

Hence, the Lancaster Plant agrees that as long as the Lancaster Plant is achieving or exceeding its business improvement objectives (as measured by appropriate FBU/site cost, quality and delivery measures), it will not indefinitely lay off employees unless compelled to do so by business conditions associated with any FBU or the entire site. Employees not fully utilized in one FBU will be assigned to work in any FBU on the site. The terms of this Employment Security and Business Improvement agreement will be in effect for the length of the current contract.

There are many situations that can impact a business which are not associated with employee improvement. These situations include, but are not limited to, the following:

- * significant capital improvements;
- * changes to technology impacting either product or process;
- * changes in market conditions.

Layoffs that result from these or similar circumstances will not be covered by the provisions of this agreement.

The parties agree that a continuing objective is stable employment. In an effort to reduce or remove the adverse impact of a layoff that may result, the Company, with support from the Union, commits its best efforts to provide additional employment at the site to displaced employees.

An about to be laid off employee, with more than two years of company service at the Lancaster Plant and who has not had a time-off disciplinary infraction within the prior two years from the date of layoff, will be given the opportunity to apply to up to three parent company manufacturing plants for potential employment. The company agrees to provide special hiring first consideration at other Armstrong facilities in descending order of Lancaster Plant continuous service among such applicants. An interest form will be completed by the employee that along with a copy of the employee's employment record and resume will be forwarded by the company to the Shared Services Center for forwarding to the plant(s) selected, at the time they are hiring. The employee's request must be renewed annually while on layoff and will expire upon recall or expiration of recall rights. Any employment decision rests solely with the gaining plant.

When a laid off employee secures employment at another company plant he/she will waive any recall rights to the Lancaster Plant upon completion of the probationary requirements at the new plant.

In the event of a shut-down of an FBU, the Company will meet with Union officials to conduct effects bargaining to reduce the negative impact on the employees affected. Options such as enhancements to retirement benefits, severance pay, outplacement services and the like, will be explored by the parties. The parties commit to give their best efforts to this task. The parties recognize that ERO's require the approval of others above the Plant level.

B-23. Broaden management's ability to video surveillance. Management shall have the discretion to use video surveillance in the plant for the purpose of protecting company property. The company

must notify the Union President or designate in regard to the areas of surveillance and the intended duration. This notification will be by written notice as well as telephone notification prior to activating any video surveillance.

B-24. Skilled Trades: The Company and the Union agreed during the 2002 negotiations that prior to the printing of the Agreement that the Skilled Trades Division Chairperson, and/or a designate determined by the Union President of Local 285, will meet with a Company representative to arrange Skilled Trades contractual language in one area of the Contract where it is practical to do so without duplication.

B-25. Grievance Settlement: The Company and Union agree to settle all outstanding arbitration backlog of grievances within 90 days of the contract being ratified. These settlements will not constitute or bind the parties in any past, present and future language disputes.

These settlements will conform with the rulings and decisions of the Bankruptcy Court concerning pre-petition claims.

B-26. CDL/Certification Payment: Commercial Driver's License (CDL) for all active DOT drivers, who are drivers on file, and/or certification costs related to the job for Skilled Trades employees will be paid in the future by the Company. The licensed employees will be reimbursed after presenting a copy of their new license to management.

B-27. Anyone who leaves under the negotiated enhanced retirement package will have the Armstrong Educational Expenses waived. Anyone who has entered into the Armstrong Educational Program may continue with that program through the current semester at the time of his or her separation from the Company.

Sincerely,

(signed)
Jerry P. Eshleman
President, Local 285

(signed)
John P. Claus
Senior Human Resource Manager
Corporate

SUPPLEMENT "C"
Multi-Craft Consolidation

Effective the first day of the second month following the anticipated second (Final) USW lay-off event associated with the closure of Corlon Operations, the following Craft Consolidation will occur:

1. Employees in the current USW skilled craft trades will be combined into one (1) Facilities Mechanic Department. Employees must become proficient to the First-class level in each of the below-mentioned craft lines:

Sheet Metal

Air Conditioning

Facilities Mechanic employees must be proficient to the 2nd Class in the following craft lines:

Building Maintenance

Garage

Lubrication

Powerhouse

Initial members of the consolidated craft group will be encouraged, although not required, to obtain certification in Sheet Metal and Air Conditioning craft skills. The Union and the Company agree to cooperate in all training efforts for the skilled trades employees.

2. Facilities Mechanics who obtain 1st Class level Sheet Metal or Air Conditioning skills will receive a \$.50 per hour premium. Facilities Mechanics who obtain both Sheet Metal and Air Conditioning skills will receive an additional \$1.00 per hour. (Maximum \$1.50 per hour premium)

3. Employees will be given an adequate opportunity to demonstrate they are capable to perform all craft work to the above-mentioned levels. Demonstration through an assessment process can be done as soon as practical after the signing of the Agreement, in seniority order. If it is determined that an employee needs additional training, it will be provided as soon as possible after the assessment, in seniority order, according to individual development plans.

4. It is understood that the original staffing of the Facilities Mechanic Department will include the following: one (1) Sheet Metal, one (1) Air Conditioning and three (3) senior employees from the current skilled craft departments.

Any new hire or entrant to the craft group will be required to obtain skills in accordance with Section 1 above within a twenty-four (24) month period.

5. The Facilities Mechanic will be required to participate, demonstrate, be assessed and progress in a timely fashion. Employees will be expected to use these skills in their daily work.

6. A base rate adjustment of 3% will continue to be provided to all Facilities Mechanics effective upon the date of the consolidation.

7. Education and training will be given for all impacted employees to enable them to demonstrate their proficiency in performing all craftwork described above in the respective groups. Off-site training will be on the employee's own time. When possible, on-site training will be conducted with a member of the USW skilled trades group serving as an instructor. The Union agrees to help in obtaining any available training funds.

8. The Company will pay all approved training costs upon successful completion of training (fees, tuition, books and materials).

9. Situations where an employee is unable to meet the requirements of the Multi-Craft Consolidation Agreement, the Company and the Union will develop a plan tailored to the individual needs of the employee to attain the skills to meet the Multi-Craft Consolidation requirements. At this point, non-compliance may be viewed as a work performance issue.

10. The Facilities Mechanic Group Leader will be compensated at a one and one-half (1 1/2) grade premium from his/her normal job class.

11. A tool allowance will be provided whereby regular employees will be reimbursed for fifty percent (50%) of the cost of hand tools purchased from a commercial supplier for uses in performing the work of the employee's specific craft in the Plant. The Company will provide a list of hand tools eligible for reimbursement under this program. Reimbursement will be made upon presentation of a valid proof of purchase up to a maximum of six hundred (\$600) dollars reimbursement during the term of the Contract.

12. New employees in their probationary period and "Summer Workers" are not eligible for reimbursement of tools under this program. Effective Date = July 1, 2006.

13. Effective with the Multi-Craft Consolidation, the following Job Classes will be assigned (non-incentive):

Facilities Mechanic Grade 8 1/2

14. Plant wide postings will occur at the 2nd Class Level unless a 1st Class Level in a required skill area, as determined by the Company, is not currently present in that job classification. In that case, the Company may require any new employee to the skilled trades group to be proficient to the first class.

SUPPLEMENT "D"

It is the company's intention to use its employees for bargaining unit work that is covered by this Agreement where in its reasonably exercised business judgment assignment of such work is appropriate.

Bargaining unit work will not be contracted out unless the company determines that assigning such work to a contractor is the more reasonable course.

In any grievance proceeding involving this provision, the union shall have the burden of proving that the company's actions were unreasonable.

The business determination by the company as to the means and manpower to be used to perform particular work shall be conclusive and shall not be deemed in violation of the Agreement unless the union proves either unreasonable negative impact on the bargaining unit or bad faith on the part of the company in making a particular contracting out decision.

Except in cases where the company in its sole judgment determines that immediate action is required, the company shall inform the union in advance when it plans to subcontract work. The union representative will be given the opportunity to discuss the matter and offer alternative considerations for accomplishing the work. The implementation of a subcontracting decision shall not be delayed by the unavailability of a union representative to discuss the matter.

This provision is not intended to include work that may be transferred to another Company facility.

The Company will refrain from contracting out work to the extent that such work can be performed by available qualified employees in a timely and an economic manner for which adequate tools and equipment are available. The Union will be notified prior to contracting out work using the appropriate form.

Upon the Unions request, the Company will meet to discuss the subcontracting plans. Such notification and discussion will take place as early in the process as practicable. The scope of the discussion would include the rationale for contacting and would provide the Union with an opportunity to suggest means to keep work in house. It is understood there may be occasions where the urgency of the work does not allow for such notification and/or meeting to take place prior to the start of the work.

**SUPPLEMENTARY
BENEFITS
AGREEMENT**

**Between
LANCASTER PLANT**

Armstrong

Armstrong World Industries, Inc.

AND

UNITED STEELWORKERS, AFL-CLC

on behalf of

LOCAL 285



**Effective December 12, 2005
through October 3, 2008**



AMENDATORY AGREEMENT

This AMENDATORY AGREEMENT is made and entered into this *12th* day of *December, 2005*, between the Lancaster Plant of Armstrong World Industries, Inc. (hereinafter referred to as the "Company"), and United Steelworkers, AFL-CIO, CLC on behalf of its Local 285 (hereinafter referred to as the "Union"), WITNESSETH:

WHEREAS, the Company and the Union entered into an Agreement dated *September 26, 2002*, as amended; and the Pension, Disability, Life Insurance, Medical and Dental Benefits Supplement to the Basic Agreement dated *September 26, 2002*, as amended; and

WHEREAS, the parties, having concluded negotiations on *December 12, 2005*, now desire to modify the Basic Agreement dated, *September 26, 2002*, as amended, and the Pension, Disability, Life Insurance, Medical and Dental Benefits Supplement to the Basic Agreement dated *September 26, 2002*, as amended:

NOW THEREFORE, the Company and the Union agree as follows:

To amend the Basic Agreement dated *December 26, 2002*, as amended; and

To amend the Pension, Disability, Life Insurance, Medical and Dental Benefits Supplement to the Basic Agreement dated *September 26, 2002*, as amended, and the Employees' Program Booklets, as amended, in accordance with attached Exhibits, to become effective *December 12, 2005*, except as otherwise noted on the attachments.

The aforesaid modifications of amendments shall be incorporated into the Agreement dated *December 12, 2005*, as amended; and the Pension, Disability, Life Insurance, Medical and Dental Benefits Supplement to the Basic Agreement dated *September 26, 2002*, as amended; and the Employees' Program Booklets, as amended. The new Basic Agreement and Supplement shall be printed with the names of the parties who have signed below.

IN WITNESS WHEREOF, the parties have caused this Memorandum of Agreement to be duly executed as of the day and year first above written.

FOR
ARMSTRONG WORLD INDUSTRIES, INC.
LANCASTER PLANT

Stanley M. Savukus
Frederic Barall
John P. Claus
Steven J. Pfeffenberger
Robert V. Mattem
Roger D. Heiser
Mark D. Webb
Lori Swingler

FOR
UNITED STEELWORKERS, AFL-CIO,
CLC ON BEHALF OF ITS LOCAL 285

LOCAL 285
Leo W. Gerard, International President
James English, Intl. Secy/Treas
Thomas Conway, Intl. V.P. Adm
Leon Lynch, Intl. V.P. Human Affairs .
John DeFazio, District Director
Tom Jones, Staff Representative
Jerry P. Eshleman, Local 285 President
George G. Schanz
George M. Suydam
David Boyd
Harry (Skip) Mimm

Exhibit 3 (2005) Medical Care Program

Modify Medical Benefit provisions as follows:

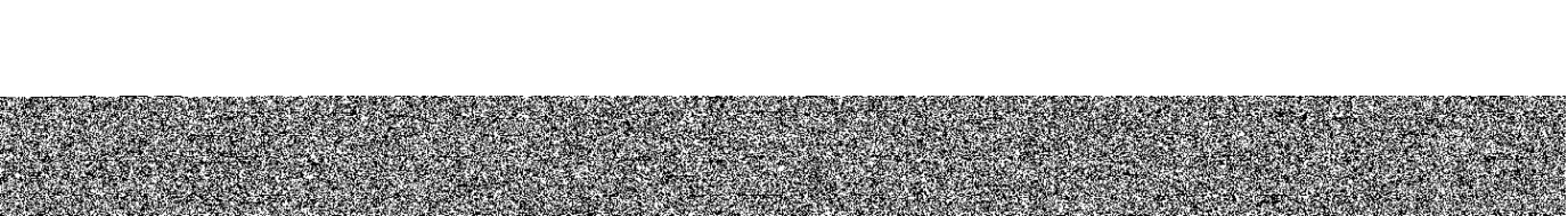
Effective February 1, 2006:

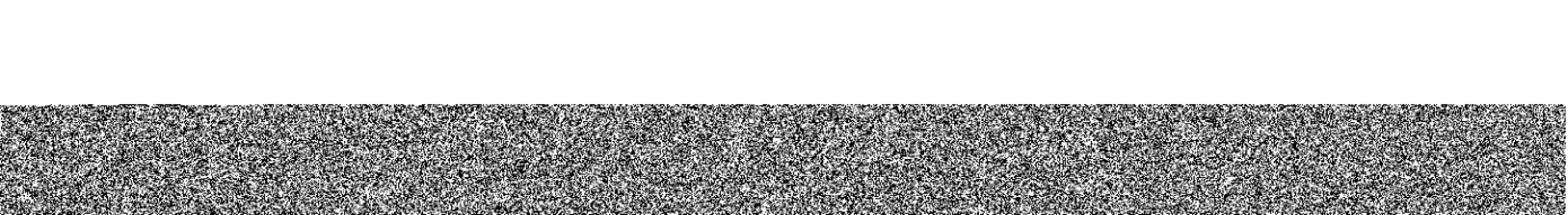
Offer two PPO Plan design options:

- Option 1: 90%/70% coinsurance
- Option 2: 80%/65% coinsurance

Each option will have the following design:

- \$300 individual/\$600 family annual deductible (separate in and out of network)
- \$20 office visit copay
- \$2,000 individual/\$4,000 family in-network out of pocket annual maximum (combined with out-of-network out of pocket)
- \$3,000 individual/\$6,000 family out-of-network out of pocket annual maximum (combined with in network out of pocket)
- 100% coverage up to \$500/person/year Wellness Account Benefit





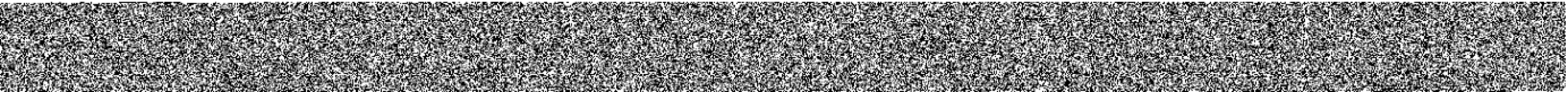


EXHIBIT 9 (2005)
Armstrong PPO Plan Rates

Armstrong PPO Plan contribution rates:

Employee monthly contributions under the Armstrong PPO Plan for medical, dental, and prescription drug coverage will be a fixed dollar amounts as shown on the chart below beginning **February 1, 2006**.

Option 1: 90/70 Plan

	<u>EFFECTIVE DATE</u>		
	<u>02/01/2006</u>	<u>01/01/2007</u>	<u>01/01/2008</u>
Employee Only:	\$65.55	\$74.07	\$83.70
Employee + Spouse:	\$124.89	\$141.12	\$159.47
Employee + Children:	\$126.83	\$143.31	\$161.94
Family:	\$187.84	\$212.26	\$239.85

Option 2: 80/65 Plan

	<u>EFFECTIVE DATE</u>		
	<u>02/01/2006</u>	<u>01/01/2007</u>	<u>01/01/2008</u>
Employee Only:	\$57.40	\$65.58	\$74.74
Employee + Spouse:	\$112.07	\$127.92	\$145.67
Employee + Children:	\$112.88	\$128.91	\$146.86
Family:	\$166.40	\$190.06	\$216.55

EXHIBIT 7 (2005)
Spouse Access Fee

Spouse Access Fee: Effective January 1, 2007

\$50/month spouse access fee for covered spouses who decline coverage in his or her employer sponsored medical plan (see user fee guidelines).

EXHIBIT 15 (2005)
Medical Spending Account

Effective **January 1, 2006**, the Company will make available an optional Medical Spending Account program for all active regular and temporary employees. The maximum amount which can be contributed to this plan in any calendar year is **\$5,000** per family. This plan would allow employees to set aside before-tax dollars from their paychecks to pay for out-of-pocket medical expenses with tax-free money (i.e., it is not subject to federal income taxes, either currently or in the future).

To participate in the plan, employees must designate the total amount they would like to contribute for the plan year, up to the **\$5,000** maximum. A portion of their total contribution will be deducted from each paycheck

received during the plan year, before federal income taxes are applied. When employees incur eligible medical expenses, they would submit a claim and be reimbursed tax-free from their account. Any money remaining in the account at the end of the year will be forfeited.

Eligible expenses include:

- Deductibles, coinsurance and co-payments under all medical plans
- Many charges not covered under Armstrong medical plans (such as above R&C) (cosmetic surgery excepted)
- Dental and orthodontic expenses beyond Armstrong Dental Assistance Plan provisions
- Vision exams, eyeglasses, and contact lenses
- Hearing exams, hearing aids

EXHIBIT 4 (2005) Prescription Drug Plan

Prescription Drug Plan: Effective **February 1, 2006**, the following changes will occur.

Prescription Drug Plan:

- A Four (4) Tier Coinsurance structure for the Armstrong Prescription Drug benefit as described below.
- Replace the current Expanded Formulary with a National Formulary.
- Increase the retail maximum employee cost to \$75 per script and mail maximum to \$150 for Tier 1 and Tier 2.
- Any employee affected by a change in the Formulary list will be notified in writing thirty days prior to the change taking effect.

Explanation of Tiers: **Effective February 1, 2006**

- Tier 1: 20% retail, **20%** mail coinsurance percentages for generic and formulary brand. Retail maximum employee cost of \$75 per script/Mail maximum of \$150. Retail minimum **\$10 for generic, \$15 for formulary brand drugs** and mail minimum **\$20 for generic drugs, \$30 for formulary brand drugs.**
- Tier 2: **40% retail/40%** mail coinsurance percentages for non-formulary brand. **Retail minimum \$30 for non formulary brand drugs Mail minimum \$60 for non formulary brand drugs.**
- Tier 3: 50% coinsurance for lifestyle medications (mainly sexual dysfunction and infertility). **Retail minimum for lifestyle drugs \$30 Mail minimum for lifestyle drugs \$60.**
- Tier 4: 100% coinsurance for non-covered medications (includes anti-obesity drugs, cosmetic drugs, flu-related drugs like Relenza and Tamiflu). No minimums or maximums. (100% coinsurance

indicates employees will pay 100% of Armstrong's discounted price when using their prescription drug card, instead of the full retail price which they pay today.)

**EXHIBIT 6 (2005)
Step Therapy Program**

Implement Step Therapy Program for the following drugs: Effective February 1, 2006

- ***Proton Pump Inhibitors (gastrointestinal)***
- ***COX-2 – (anti-inflammatory)***
- ***ACE Inhibitors (high blood pressure)***
- ***A2's or Angiotensin Receptor Blockers (high blood pressure)***
- ***Anti-Depressants***
- ***Cholesterol Lowering Agents***
- ***Additional therapy classes of drugs as they become available***
- ***First Line Drug covered for newly prescribed drugs in the Step Therapy Program***

**EXHIBIT 5 (2005)
Home Delivery**

Exclusive Home Delivery: Effective January 1, 2007

- ***Prescription drugs that treat an ongoing condition such as diabetes, high cholesterol or high blood pressure***
- ***Prescriptions for maintenance medications can be filled at a retail pharmacy two (2) times***
- ***After two (2) fills at the retail pharmacy, medication will only be covered through the mail-order pharmacy***

EXHIBIT 10 (2005)
Retirement Income Plan

Guaranteed Pension Schedule

The Guaranteed Pension Schedule is revised to increase the maximum Guaranteed Pension per month per years of service, beginning at the average final compensation level of \$39,999, and by adding new classes, as follows:

<u>Average Final Compensation</u>	<u>Present Benefit (\$/Month/ Year of Service)</u>	<u>2006 Proposed Benefit (\$/Month/ Year of Service)</u>
Less than \$39,999	\$41.00	\$45.00
\$40,000-\$40,499	\$41.50	\$45.50
\$40,500-\$40,999	\$42.00	\$46.00
\$41,000-\$41,499	\$42.50	\$46.50
\$41,500-\$41,999	\$43.00	\$47.00
\$42,000-\$42,499	\$43.50	\$47.50
\$42,500-\$42,999	\$44.00	\$48.00
\$43,000-\$43,499	\$44.50	\$48.50
\$43,500-\$43,999	\$45.00	\$49.00
\$44,000-\$44,499	\$45.50	\$49.50
\$44,500 and over	\$46.00	\$50.00

Effective for retirements on or after *February 1, 2006*.

Exhibit 24
Retirement Income Plan

Improved Early Retirement:

Effective June 1, 1996, employees will be eligible to receive a pension unreduced for early retirement if at least 55 years of age and plus service are 90 or more (Rule of 90 and Age 55).

No early retirement reduction factors are applied if this criteria is met.

EXHIBIT 65
Retirement Income Plan

Joint & Survivor Annuity:

Effective May 1, 2002, when a retiree elects the Joint & Survivor form of payment and the spouse or other named survivor predeceases the retiree within a 10-year period, beginning the date of retirement, the retiree's form of payment will revert to a Life Annuity.

EXHIBIT 66
Pension Supplement

Effective July 2, 1999, a supplemental pension benefit will be provided under the Retirement Income Plan For Employees of Armstrong World Industries, Inc. The supplemental amount will be calculated as:

Average Final Compensation divided by 260 (working days in year) times Years of Service (up to a maximum of 30 years) times .7, such amount will be payable in the form of a lump sum at retirement or termination. The amount will be determined as an age 65 benefit and actuarially reduced for early retirement. Individuals retiring at age 62 or retiring under the "Rule of 90" will receive an unreduced supplemental payment.

All active employees on the contract settlement date who are represented by the USW are eligible for the pension supplement. Employees hired after this date are ineligible.

Features of Pension Supplement

- Eligible employees shall also include those who terminate with vested pension benefits. This benefit amount will be determined in accordance with the plan reduction factors used to determine lump sum pension benefit amounts. A surviving spouse is also eligible if an active employee dies.
- The pension supplement is a secure benefit paid from the Armstrong qualified pension plan and is not subject to the general creditors of the company in the case of bankruptcy.
- Employees may elect to receive the pension supplement as part of their normal pension annuity rather than a lump sum payment.
- For the year 1999, employees, who prior to the effective date stated above, have taken more vacation than what was earned as per Company proposal #106, will not be eligible for this pension supplement.

New Disability Pension Benefit

Disability Pension Benefit:

An employee who is disabled and approved for Long Term Disability and/or Social Security Disability can continue to accrue seniority and company service for a maximum of seven (7) years while on LTD. At the end of this seven year period the employee will be eligible to receive a reduced disability pension benefit (based on total years of service accumulated by the end of the seven year period on LTD and on the age of the employee at that time) in addition to other disability benefits he/she is receiving. The reduction factor used will be the same reduction factors currently existing in the Pension Plan as follows:

I. Employees Age 55 and Older at End of LTD:

Employees who become age 55 or older at the end of the seven year Long Term Disability period will continue to receive approved disability benefits (LTD and/or SSD) and the reduced disability pension benefit until age 62 at which time it will be recalculated as an unreduced retirement pension benefit. Employees in this category will also be eligible for retiree medical coverage for employee, spouse and dependents.

The employee's retirement pension benefit will be recalculated at age 62 using the same number of total years of company service for the disability pension benefit but without a reduction factor. The employee will receive this unreduced pension benefit at age 62.

<u>Age</u>	<u>% Pension Received</u>
62 or older	100%
61	94.8
60	89.6
59	84.4
58	79.2
57	74.0
56	68.8
55	63.6

II. Employees Younger Than Age 55 At End of LTD:

Employees who are younger than age 55 at the end of the seven year Long Term Disability period will continue to receive approved disability benefits (LTD and/or SSD) and the reduced disability pension benefit until age 62 at which time it will be recalculated as an unreduced retirement pension benefit. Employees in this category are not eligible to retire. Employees in this category will be eligible after the seven-year LTD period for an additional three (3) years of COBRA medical coverage for employee, spouse and dependents by paying 50% of the full COBRA rate.

The employee's retirement pension benefit will be recalculated at age 62 using the same number of total years of company service used for the disability pension benefit but without a reduction factor. The employee will receive this unreduced pension benefit at age 62.

<u>Age</u>	<u>%Pension Received</u>
62 or older	100%
61	94.8
60	89.6
59	84.4
58	79.2
57	74.0
56	68.8
55	63.6

III. Disabled employees (described in I or II above) receiving LTD or Social Security Disability benefits who fully recovered and are medically approved to return to work will be reinstated within ten (10) years from the effective date of Long Term Disability (within contractual provisions), receiving a maximum credit seven (7) years toward seniority and company service while on LTD.

Effective date - April 1, 2003.

EXHIBIT 57 (2005)

Retiree Medical Coverage for New Hires

Employees who are hired after January 1, 2003 who subsequently retire under the Armstrong Retirement Income Plan will be provided a company subsidy for retiree health coverage. The amount of the monthly company subsidy for medical, dental and prescription drug benefits each year will be a set percentage of the Company's previous year's actual full plan costs, for an employee and spouse in the same age bracket (Pre-Medicare eligible-age 55 to 64 or Medicare eligible-age 65 and over) and coverage class and will be based on an employee's years of company service, his or her eligibility for Medicare and a full plan cap as shown in the following tables.

Pre-Medicare Eligible (age 55 to 64)

Years of Service	Retiree Contribution Percent	Company Subsidy Percent	Maximum Monthly Company Subsidy Per Person*
30 or more	18%	82%	\$683.33
20 to 29 yrs. 11 mo.	28%	72%	\$600.00
Under 20	38%	62%	\$516.66

Medicare Eligible (usually age 65)

Years of Service	Retiree Contribution Percent	Company Subsidy Percent	Maximum Monthly Company Subsidy Per Person*
30 or more	18%	82%	\$239.17
20 to 29 yrs. 11 mo.	28%	72%	\$210.00
Under 20	38%	62%	\$180.51

*retiree and spouse only

As noted above, the company subsidy is subject to a cap. The full plan cost cap used to determine the maximum monthly company subsidy is as follows:

- Pre-Medicare eligible retirees is \$10,000 per year (\$833.33 per month) per retiree or \$20,000 per year (\$1,666.66 per month) for retiree and spouse.
- Medicare eligible retirees is \$3,500 per year (\$291.67 per month) per retiree or \$7,000 per year (\$583.34 per month) for retiree and spouse.

The Company will pay a percentage (62% / 72% / 82%) of the full plan cost, subject to the maximum monthly company subsidy, and the retiree will pay the remaining amount.

Note: The parties agree that this proposal (Company #123) applies only to future employees hired after January 1, 2003. This proposal does not affect any existing employees.

LETTER OF AGREEMENT BETWEEN ARMSTRONG WORLD INDUSTRIES, INC., AND UNITED STEELWORKERS

The Company shall maintain its program of medical benefits for future retirees and surviving spouses. The current plan has a retiree contribution rate of 10%, 20% or 30% based upon years of service. The annual cost of benefits paid for by the Company under this program shall be limited to an amount of:

- \$8,200 annually, per person for retirees, dependent children and spouses not eligible for Medicare.
- \$2,870 annually, per person for retirees, dependent children and spouses eligible for Medicare.

In the event that the Company contribution exceeds the amount established above in any calendar year, the excess shall be allotted to and paid by each covered person on a pro rata basis.

Notwithstanding the foregoing, no covered person shall be required, solely by reason of this limitation, to make any additional contribution toward the costs of the program coverage until September 26, 2008

The parties also agree that the subject of the amount of the limitation set forth in this letter of Agreement shall be mandatory subject of bargaining in any contract renewal negotiations between the parties occurring subsequent to September 26, 2002 and prior to September 26, 2008. This is strictly limited to the subject of the amount of the limitation explained in this section and does not limit any other legal right the Company currently has.

For the Union:
Jerry P. Eshleman

For the Company:
John E. Sonefeld

EXHIBIT 40 (2005)
Future Retiree Medical Contributions

December 5, 2005

**Mr. Tom Jones
District Representative
United Steelworkers
Pittsburgh, PA**

Subject: Clarification Regarding Limitation in Lancaster Letter of Agreement Reached in 2002 Negotiations – Future Retirees Medical Premium Contributions

Dear Tom:

This is to confirm our discussion during 2005 Lancaster contract negotiations regarding the Letter of Agreement reached in the 2002 contract negotiations concerning future retiree medical premium contributions, as follows:

The final two paragraphs of the above-referenced Letter of Agreement make reference to the date of September 26, 2008. By this letter, the Company hereby confirms that the intention with regard to the September 26, 2008 date was that any implementation which would occur pursuant to these provisions would coincide with the beginning of the next plan year, commencing on January 1, 2009.

Please let me know if you have any questions.

Sincerely,

**Stanley Savukas
Senior Manager, Labor Relations**

EXHIBIT 62
Group Life Insurance Program

Changes to Retiree Life Insurance coverage are as follows:
Future Retiree Life Insurance Benefit:

For employees retiring on or after January 1, 2003, an eligible employee's current company-paid life insurance benefit will reduce to a company-paid retiree life insurance benefit of \$25,000. At retirement, the employee may convert their employee paid coverage to an individual policy, without evidence of insurability if the employee makes application to the insurance company within 31 days after retirement.

This individual policy coverage into retirement may be in any amount not less than \$1,000.00 and not greater than the amount of employee paid life insurance in effect prior to retirement.

EXHIBIT 14 (2005)
Accidental Death & Dismemberment

Increase eligible employee's Company paid Accidental Death and Dismemberment (AD&D) benefit from:

50% of highest years annual earnings to a maximum of \$25,000

To

50% of highest years annual earnings to a maximum of \$35,000

EXHIBIT 11 (2005)
Temporary Disability Plan

Changes to the Temporary Disability Plan are as follows:

- The maximum period of benefits for any one Disability is 26 weeks. A continuous period of Disability is considered a single Disability even if two or more successive conditions contribute to the Disability. A series of successive periods of Disability from the same or related causes will be considered a single period of Disability unless you have returned to work for at least thirty (30) consecutive days between such periods.
- * The maximum "Weekly Temporary Disability" benefits will be increased as follows:

From **\$525 to \$535** Effective Date: **January 1, 2006**

*The minimum "Weekly Temporary Disability" benefit will be **\$115**.

*Four additional classes will be added to the schedule on April 19, 1999; and two more classes on February 1, 2000.

*Eligibility for the additional benefits are those employees who become disabled on or after the effective date of the increased benefits.

Rate of Annual Earnings	Schedule of Benefits Effective 2004	Schedule of Benefits Effective 2006
\$10,800	\$105	\$115
11,400	110	120
12,000	115	125
12,600	121	131
13,200	127	137
13,800	133	143
14,400	138	148
15,000	144	154
15,600	150	160
16,200	156	166
16,800	162	172
17,400	167	177
18,000	173	183
18,600	179	189
19,200	185	195
19,800	190	200
20,400	196	206
21,000	202	212
21,600	208	218
22,200	213	223
22,800	219	229
23,400	225	235
24,000	231	241
24,600	237	247
25,200	242	252

Rate of Annual Earnings	Schedule of Benefits Effective 2004	Schedule of Benefits Effective 2006
\$25,800	\$248	258
26,400	254	264
27,000	260	270
27,600	265	275
28,200	271	281
28,800	277	287
29,400	283	293
30,000	288	298
30,600	294	304
31,200	300	310
31,800	306	316
32,400	312	322
33,000	317	327
33,600	323	333
34,200	329	339
34,800	335	345
35,400	340	350
36,000	346	356
36,600	352	362
37,200	358	368
37,800	363	373
38,400	369	379
39,000	375	385
39,600	381	391
40,200	387	397
40,800	392	402
41,400	398	408
42,000	400	410
42,600	410	420
43,200	415	425
43,800	421	431
44,400	425	435
45,000	433	443
45,600	438	448
46,200	444	454
46,800	450	460
47,400	456	466
48,000	462	472
48,600	467	477
49,400	475	485

50,440	485	495
52,000	500	510
53,040	510	520
54,080	520	530
54,600	525	535

**EXHIBIT 13 (2005)
LONG TERM DISABILITY**

Modify Pension and Insurance Supplement – Long Term Disability as follows: Effective January 1, 2006

"Increase the Company paid LTD maximum amount from **\$800 to \$900** per month."

"Increase the employee paid LTD maximum amount from **\$1800 to \$1900** per month."

**EXHIBITS 8 (2005)
Dental Assistance Plan**

- Increase the annual maximum benefit payable per covered individual from \$2,000 to \$2,100 for all Diagnostic, Preventative, Basic, and Major procedures effective January 1, 2002; and to \$2,200 effective January 1, 2003; and to \$2,300 effective January 1, 2004.
- Increase the lifetime maximum benefit for Orthodontic procedures from \$2,000 to \$2,100 per covered child for all existing or new treatment beginning on or after the effective date of January 1, 2002; and to \$2,200 per covered child for all existing or new treatment beginning on or after January 1, 2003; and to \$2,300 per covered child for all existing or new treatment beginning on or after the effective date of January 1, 2004.

* The estimate of dental benefits provided by the Plan's claims administrator under the Pretreatment Review provision is good for six months (rather than one year).

* Increase Dental Assistance Plan benefits for fluoride treatments from one (1) per year to two (2) per year for dependent children under age 19. Effective date – January 1, 2003

* Preventive and Diagnostic care under the Dental Assistance Plan will be covered at 100% instead of 80%. The deductible does not apply to Preventive and Diagnostic care.

* ***Increase the annual deductible from \$30 to \$50 per person effective February 1, 2006.***

EXHIBIT 68 LONG TERM CARE INSURANCE

Employees and their spouses and/or parents and/or parents-in-law will be permitted to enroll for Long-Term Care Insurance, to provide coverage for nursing home or in-home custodial/maintenance-type care, which is not typically covered by other health insurance or Medicare.

Effective Date: January 1, 2000.

Type of Insurance:	Long-Term Care Insurance
Insurance Company	Metropolitan Life Insurance Company (MetLife)
Eligible Covered Persons:	<ul style="list-style-type: none"> • Armstrong Active Employees and their Spouses; • Armstrong Retirees (who retired from active service) and their spouses • Parents and parents-in-law of active employees. <p>Guaranteed issue for active employees and new hires only; all others will require proof of insurability before being accepted by MetLife for coverage. Family members can elect different daily benefit amounts than the employee, and employee's participation is not required for participation of other family members.</p>
Plan Design to be Offered:	<ul style="list-style-type: none"> • Reimbursement Model with 2 of 6 ADLs as trigger for benefits. • Daily Benefit Amount (DBA) of \$100, \$200, or \$300 can be selected by participant (Licensed professional home care and adult day care paid at 50% of DBA). • Benefits will be paid for up to 5 years (1,825 x DBA) • Benefit Bank: After paying premiums for at least 3 yrs., even if premium payments stop, insured is still entitled to full daily benefit for a total lifetime benefit based on the amount of premiums paid. • Inflation Protection: (1) Periodic: Individuals can buy additional coverage every 3 yrs. to increase DBA without evidence of insurability. (2) Automatic: Alternately, automatic 5% annual benefit increase feature available as employee option (at higher constant premium).
Explanation of Reimbursement Model Plan Design:	<p>If a covered individual is disabled from performing 2 of 6 Activities of Daily Living (ADLs, i.e., bathing, dressing, toileting, transferring, continence, eating) or has a cognitive disability (e.g., Alzheimer's Disease), AND is receiving paid care, the cost of those services will be covered up to the daily benefit amount. No benefits paid for informal caregivers (family members). 90 day waiting period from date of disability of 2 ADLs.</p>

Rates:	Based on age of individual at inception of policy and on DBA and inflation protection selected. Paid in full by the participant (no company subsidy) on a post-tax basis. Payroll deductions will be facilitated for active employees. Rates are significantly better than available through an individual policy, and are guaranteed by MetLife for 10 years.
--------	--

NOTE: The above information is intended to serve as a summary of the highlights of the proposed plan only.

EXHIBIT 67

Ernst & Young: Beneficiary Financial Counseling Service

Effective April 19, 1999, a company-paid financial counseling service for the surviving family members of deceased or terminally ill employees will be provided to current employees.

Pension & Insurance Supplement

Homeowners & Auto Insurance

Optional employee-paid homeowner's and auto insurance plans through weekly payroll deductions, implement optional employee paid Metropolitan Property and Casualty Insurance homeowner and auto insurance plan.

College Savings Plan

Optional employee-paid after tax savings plan through Fidelity Investments. Implement a 529-college savings plan.

SECTION VII - GENERAL

A. Should any dispute arise as to the facts calling for the application of any of the sections of this Supplement to an individual employee, such dispute may be taken up by the employee or the employee's representative with the supervisor of the employee's department. If the matter shall not have been resolved satisfactorily within five (5) working days, it may be taken as a grievance by the employee and the employee's Union President to the Plant Manager, or designated representative, after first having been reduced to writing.

Upon failure to resolve the grievance satisfactorily, either party may then cause the matter to be submitted to arbitration; provided that intent to arbitrate must be given in writing to the other party within twenty (20) calendar days following management's decision or the matter will be

considered closed. In the event the parties cannot agree upon an arbitrator within one (1) week, either party may request the Federal Mediation and Conciliation Service to submit the names of five persons qualified to so act.

Representatives of the Union and the Company each have the choice of rejecting the names of two of these five persons, and the remaining person shall be elected as the arbitrator. The scope of the arbitration shall not exceed a finding as to whether the Company has carried out its commitments set forth in this Supplement and shall, in any event, be limited to the specific subject matter jointly submitted to the arbitrator. The arbitrator shall not be empowered to rule contrary to, to amend, to enlarge upon, or to eliminate any of the provisions of this Supplement. The decision of the arbitrator shall be rendered within (30) days from the date of the hearing, and such decision shall be final and binding upon the parties. In such arbitration proceedings, any party may require that the testimony of witnesses be given under oath. The expense incident to the services of the arbitrator shall be borne equally by the Union and the Company.

B. It is agreed that, prior to the exercise by the Company of its right : 1) to effect a change (except in the case of change in the monthly contribution of the employee for the Long-Term Disability Plan) other than as herein above provided, in the Employees' Group Insurance Program, Medical Care Program, Dental Assistance Plan, Retirement Income Plan, Long-Term Disability Plan, or Disability Income Plan, so as to affect the employees adversely; or 2) to discontinue any or all such programs, the Company shall notify the Union thereof in writing and, if the parties have reached no agreement with respect thereto at the expiration of sixty (60) days from date of notice, this Supplement shall become void, and thereafter either party may give to the other party sixty (60) days' notice in writing of its intention to terminate the then-existing primary Collective Bargaining Agreement between them, notwithstanding any provisions to the contrary contained in such primary Collective Bargaining Agreement.

EXHIBIT 44
SECTION VIII
TERM OF AGREEMENT

1. The improvements and amendments described herein will become effective for retirements, disabilities, medical services, dental services, benefit periods, deaths, accidents, or any other covered occurrences or procedures occurring on or after **December 12, 2005**, except as otherwise stated herein.

2. All provisions of this Agreement shall continue in effect until the termination date **October 3, 2008**, of the Basic Collective Bargaining Agreement between the parties. Unless terminated as herein provided, this Agreement shall continue in effect from year to year. Either party may terminate the Supplement on the above date in the year **2008** or on a termination date in a subsequent year thereafter by giving prior written notice at least sixty (60) days in advance of the termination date of its desire to so terminate.

LANCASTER PLANT ATTENDANCE PROGRAM

for

LOCAL NO. 285



United Steelworkers , AFL-CLC

Revisions effective July 1, 2006



PREFACE

Absence from work is a disruptive and costly problem for both the employee and the Company. The employee suffers loss of earnings that can never be recovered. For the Company, it disrupts work schedules, creates inefficiencies, affects product quality, and often adds to payroll costs.

A significant majority of employees at the Lancaster Plant are conscientious about attending work. While the Company has a right and need to expect regular attendance, *there sometimes are valid reasons why a person must be absent.* Employees with reasonable amounts of absences will not be affected by this program. Therefore, this attendance program takes into account the needs of both the Company and the employee.

Another major objective of the Lancaster Plant's Attendance Program is to ensure fair and consistent treatment of all employees. This program should provide the means to achieve uniformity.

Regular, conscientious attendance on everyone's part will enable our Plant to increase both efficiency and its productivity and will certainly have a positive effect on everyone.

Site Manager

PURPOSE

The Lancaster Plant Attendance Program is designed to:

1. Encourage employees to attend work regularly and on time.
2. Encourage employees to *inform their Supervisors ahead of time when they are unable to attend.*
3. Inform and warn an employee when an improvement in attendance is necessary and offer help when requested to solve any problems causing poor attendance.
4. Remove from the work force an employee who, after a reasonable opportunity to do so, does not meet attendance standards.
5. Recognize employees who display exemplary attendance through the Attendance Incentive Program (Page 6).

Points will be charged and accumulated for any combination of different types of absences which occur in a consecutive twelve-month period.

Upon return to work from an absence of 28 days or longer the employee's consecutive 12 month period will be adjusted by the length of the absence.

TYPES OF ABSENCES

1. Unauthorized Absence

- A. Code U - An employee fails to notify the Company at least one-half (1/2) hour prior to the start of the scheduled shift or does not report to work within two (2) hours of the start of the shift, or does not work any of the shift.
- B. **Code Uc** - **An employee calls at least one-half (1/2) hour prior to the start of the scheduled shift and reports to work after two (2) hours, but before four (4) hours of the start of the shift. Any employee reporting to work four (4) hours or later after the scheduled shift begins will be coded "U".**

Each day of unauthorized absence will result in a charge of:

Each absence (code Uc) one (1) point

Each absence (code U) two (2) points

2. Tardy

- A. Code Tc - An employee calls at least one-half (1/2) hour before the start of the scheduled shift and reports to work within two (2) hours after the start of the shift.
- B. Code T - An employee fails to call at least one-half (1/2) hour before the start of the scheduled shift and reports to work within two (2) hours after the start of the shift.

Each tardy will result in a charge of:

* First two (2) Tc codeszero (0) points

* Each subsequent Tc codeone (1) point

* **Each T codeone (1) point**

3. Part-Day Absences

An employee begins to work as scheduled, works at least one-half (1/2) hour of the scheduled shift, but does not complete the shift because of the employee's sickness (Code Es) or personal reasons (Code EPR). No points will be charged for authorized EPR absences.

Each Es part-day absence will result in a charge of:

* First two absenceszero (0) points

* Each subsequent absence over two one (1) point

NOTE: Documentation that an employee has seen a doctor will result in the code being absolved.

4. Authorized Absence

A full-day absence may be authorized when the request is made at least one-half (1/2) hour before the start of the shift. The following absences may be authorized by the employee's Supervisor:

A. Sickness or Accident (excluding occupational)/ Personal Request

* Code S - an employee calls at least one-half (1/2) hour before the start of a scheduled shift to report the employee's sickness or accident.

1. Each day of "S" will be counted as a separate day.
2. The first three (3) days of a sickness absence will count as one(1) day. Each subsequent day of "S" after the first three (3) days will be counted as a separate day.
3. Those continuous absences for which non-occupational disability benefits are paid will only count as one day. In these cases all days related to the absence will count as one day.
4. Any sickness or accident period which includes an inpatient hospital confinement (i.e., overnight stay) or which involves outpatient surgery in a hospital or doctor's/dentist's office will not count.
5. When an employee has called on the first day of a sickness or accident and reports an estimated duration for the sickness or accident, the employee is not required to call again until the time discussed and agreed upon with the Supervisor.

* Code PR - an employee requests permission to be off work for personal reasons other than those in Section 5. Each single full day absence will count as a day.

Points will accumulate as follows:

* **First four dayszero (0) points**

* Each subsequent

day of (S, PR)one (1) point

NOTE: The first three (3) days of a sickness will count as one day.

B. Special Personal Request (Code SPR) - See definition under Part 5, Special Absences

5. Special Absences

The Company recognizes that certain absences are of a special nature. The employee should notify the Supervisor of such an impending absence prior to the start of the scheduled shift and receive authorization from the Supervisor for such absence.

Absences of the following types may be authorized by the employee's Supervisor without points being charged.

- C Attending a Company- paid program.
- G Participating in approved activities such as grievance meeting preparation, contract negotiations, arbitrations and Union Leaves of Absence according to contractual provision.
- J Attending Jury Duty or serving as a witness according to contractual provision.
- F Taking of Funeral Leave according to contractual provisions.
- PF Serving as a pallbearer or driving a car at a funeral upon request of the Company.
- EP Engaging in emergency service according to contractual provisions
- A-25 Taking a Military Reserve Leave of Absence, according to contractual provisions.
- N Management decides because of lack of work, downtime or reduced activity that the employee's services are not required.
- GE General emergencies such as bad winter storms where special operating conditions are publicly announced by the Site Manager.
- I-28 Personal Leave of Absence of more than 7 days.
- P Regular day off.
- B Saturday/Sunday scheduled day of work where the employee requests off and can be replaced by another employee.
- K Occupational injury or disease.
- EPR An employee begins to work as scheduled, works at least one-half(1/2) hour of the shift, but does not complete the shift because of personal reasons.
- V Vacation.
- H Holiday.
- FL Family and Medical Leave.
- SPR When the Company has been given two (2) working days advance notice, the Company will grant three (3) personal request days per year.
- R Penalty.
- EPV Early Permission half day Vacation.

ATTENDANCE INCENTIVE PROGRAM

Perfect attendance will be defined as no days away from work for any of the following reasons:

1. Sickness (S)
2. Personal Request (PR)
3. Special Personal Request (SPR)
4. Unauthorized Absence (U or Uc)
5. Occupational Injury (K)
6. Personal Leave of Absence (I-28)
7. Penalty (R)
8. Tardiness (T or Tc)

An employee who achieves perfect attendance for the calendar year will receive a payment of \$140.00. Checks will be issued no later than the fifth pay period of the subsequent year of the perfect attendance. ***Effective 1/1/07 the perfect attendance incentive will be increased to \$175.00.***

REVIEW PROCEDURE

When an employee is absent or tardy because of an emergency and disagrees with the code applied to the absence, the employee may request a discussion with ***their Supervisor***. This request must be made within seven (7) calendar days of notification to the employee of the absence code. Upon request of the employee, the absence will be reviewed with the Attendance Review Committee. The employee may appear before the Review Committee, with or without a Union representative as the employee chooses, providing the employee has previously submitted a written statement of their position. Any documentation provided by the employee will aid the Review Committee in their decision. The decision of the Review Committee ***will be within twenty-one (21) calendar days from the date of the employee's request for review, unless by a mutually agreed upon extension and will be communicated to the employee or appeal will be in favor of the employee.***

ATTENDANCE REVIEW COMMITTEE

The Company and the Union agree to have equal representation on the Attendance Review Committee. Both parties reserve the right to assign members yearly. If the committee cannot reach a majority decision, the charge will stand and individuals have the right to grieve the decision.

NOTIFICATION

A. PHASE I _____ (0 to 3 points)

An employee will be notified by the Supervisor each time an Attendance Sheet is generated.

B. PHASE II _____ (4 to 6 points)

An employee will be notified by the Supervisor each time points are charged. The employee will be warned that attendance is poor and discipline will result if improvement is not made. The employee will be required to attend three (3) EAP sessions at the time the employee enters Phase II. The first EAP consultation session must be scheduled within seven (7) calendar days from the date of notification and evidence from EAP of completion of all three (3) visits must be provided to the Company within two (2) months. Three (3) additional paid sessions are available upon the employee's request.

Any employee who enters Phase II for a second time within 12 months will be required to meet the requirements of Phase III, unless the employee had been required to attend EAP within the last two months. The Union Division Chair and Union President will be notified when an employee enters this phase.

C. PHASE III _____ (7 to 8 points)

An employee will be notified by the Business Team Manager or Personnel Manager each time points are charged. The employee will be warned that review for discharge will result if *nine (9)* points are reached in a consecutive twelve-month period. In addition, the employee will be given a three-calendar-day disciplinary suspension at the time the employee enters Phase III. This suspension will be applied each time the employee enters this phase unless the employee had received a similar suspension for absenteeism in the previous six months. Any employee who receives one three-day disciplinary suspension and again becomes eligible for a second within a two-year period will be reviewed for discharge. Any employee remaining in Phase III for twelve months will be reviewed for discharge. The Division Chair and Union President will be notified of each three-day penalty assessed. Any person who enters Phase III will be subject to random testing for drugs and alcohol for a twelve-month period as per Section 13.5 of the Agreement.

Those continuous absences for which non-occupational disability benefits are paid will be counted as one day.

- D. PHASE IV _____ (9 or more points)
An employee will be reviewed for discharge.

SPECIAL ATTENDANCE PROBATION

1. When an employee accumulates frequent periods of absence and/or tardiness or there is a shift from the employee's normal acceptable attendance pattern due to a special personal, physical, or mental problem, the employee may be placed in a special probationary program which removes the employee from the normal requirements of the Attendance Program. The purpose of this special probation is to give an employee the opportunity to resolve a personal, physical, or mental problem without being in jeopardy under the Attendance Program.
2. Chronically absent employees are also subject to a special probationary program which could lead to discharge. Such a discharge would be subject to the Grievance Procedure and Arbitration provisions of the Basic Agreement. The placement of a chronically absent employee in a special probationary program will be a decision of the Attendance Review Committee.

SUMMARY LANCASTER PLANT ATTENDANCE PROGRAM

Types of Absence	Code	Points
1. Unauthorized Absence with call	Uc	1
Unauthorized Absence	U	2
2. Tardy		
a. Two Tardies with a call	Tc	0
b. Each subsequent Tardy with a call	Tc	1
c. Each tardy	T	1
3. Authorized Absence		
a. First four days	S, PR	0
b. Each subsequent day (1st three (3) days of sickness count as one absence)	S, PR	1
c. Special Personal Request	SPR	0
d. Part-day absence		
(1) EPR	EPR	0
(2) ES	ES	
(a) First two absences	0	
(b) Each absence over two With no documentation		1
4. Special Absence	Various Codes	0

NOTIFICATION, WARNING, DISCIPLINE

Points will be accumulated in a consecutive twelve-month period and will result in:

PHASE I	(0 - 3 points)	Notify employee
PHASE II	(4 - 6 points)	Warning and three (3) EAP sessions
PHASE III	(7 - 8 points)	Three-calendar-day disciplinary suspension, random D&A testing
PHASE IV	(9 or more points)	Review for discharge

2006

JANUARY

S	M	T	W	T	F	S
1	H	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

FEBRUARY

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

MARCH

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

APRIL

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	H	15
16	H	18	19	20	21	22
23	24	25	26	27	28	29
30						

MAY

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	H	30	31			

JUNE

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

JULY

S	M	T	W	T	F	S
						1
2	3	H	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

AUGUST

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

SEPTEMBER

S	M	T	W	T	F	S
					1	2
3	H	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

OCTOBER

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

NOVEMBER

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	H	H	25
26	27	28	29	30		

DECEMBER

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	H	H	27	28	H	30
31						

2007

JANUARY							FEBRUARY						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
	H	2	3	4	5	6					1	2	3
7	8	9	10	11	12	13	4	5	6	7	8	9	10
14	15	16	17	18	19	20	11	12	13	14	15	16	17
21	22	23	24	25	26	27	18	19	20	21	22	23	24
28	29	30	31				25	26	27	28			

MARCH							APRIL						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3	1	2	3	4	5	H	7
4	5	6	7	8	9	10	8	H	10	11	12	13	14
11	12	13	14	15	16	17	15	16	17	18	19	20	21
18	19	20	21	22	23	24	22	23	24	25	26	27	28
25	26	27	28	29	30	31	29	30					

MAY							JUNE						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
		1	2	3	4	5						1	2
6	7	8	9	10	11	12	3	4	5	6	7	8	9
13	14	15	16	17	18	19	10	11	12	13	14	15	16
20	21	22	23	24	25	26	17	18	19	20	21	22	23
27	H	29	30	31			24	25	26	27	28	29	30

JULY							AUGUST						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
.1	2	3	H	5	6	7				1	2	3	4
8	9	10	11	12	13	14	5	6	7	8	9	10	11
15	16	17	18	19	20	21	12	13	14	15	16	17	18
22	23	24	25	26	27	28	19	20	21	22	23	24	25
29	30	31					26	27	28	29	30	31	

SEPTEMBER							OCTOBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1		1	2	3	4	5	6
2	H	4	5	6	7	8	7	8	9	10	11	12	13
9	10	11	12	13	14	15	14	15	16	17	18	19	20
16	17	18	19	20	21	22	21	22	23	24	25	26	27
23	24	25	26	27	28	29	28	29	30	31			
30													

NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3							1
4	5	6	7	8	9	10	2	3	4	5	6	7	8
11	12	13	14	15	16	17	9	10	11	12	13	14	15
18	19	20	21	H	H	24	16	17	18	19	20	21	22
25	26	27	28	29	30		23	H	H	26	27	28	29
							30	H					

2008

JANUARY							FEBRUARY						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
		H	2	3	4	5						1	2
6	7	8	9	10	11	12	3	4	5	6	7	8	9
13	14	15	16	17	18	19	10	11	12	13	14	15	16
20	21	22	23	24	25	26	17	18	19	20	21	22	23
27	28	29	30	31			24	25	26	27	28	29	

MARCH							APRIL						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1			1	2	3	4	5
2	3	4	5	6	7	8	6	7	8	9	10	H	12
9	10	11	12	13	14	15	13	H	15	16	17	18	19
16	17	18	19	20	21	22	20	21	22	23	24	25	26
23	24	25	26	27	28	29	27	28	29	30			
30	31												

MAY							JUNE						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3	1	2	3	4	5	6	7
4	5	6	7	8	9	10	8	9	10	11	12	13	14
11	12	13	14	15	16	17	15	16	17	18	19	20	21
18	19	20	21	22	23	24	22	23	24	25	26	27	28
25	H	27	28	29	30	31	29	30					

JULY							AUGUST						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
		1	2	3	H	5						1	2
6	7	8	9	10	11	12	3	4	5	6	7	8	9
13	14	15	16	17	18	19	10	11	12	13	14	15	16
20	21	22	23	24	25	26	17	18	19	20	21	22	23
27	28	29	30	31			24	25	26	27	28	29	30
							31						

SEPTEMBER							OCTOBER							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	
		H	2	3	4	5	6				1	2	3	4
7	8	9	10	11	12	13	5	6	7	8	9	10	11	
14	15	16	17	18	19	20	12	13	14	15	16	17	18	
21	22	23	24	25	26	27	19	20	21	22	23	24	25	
28	29	30					26	27	28	29	30	31		

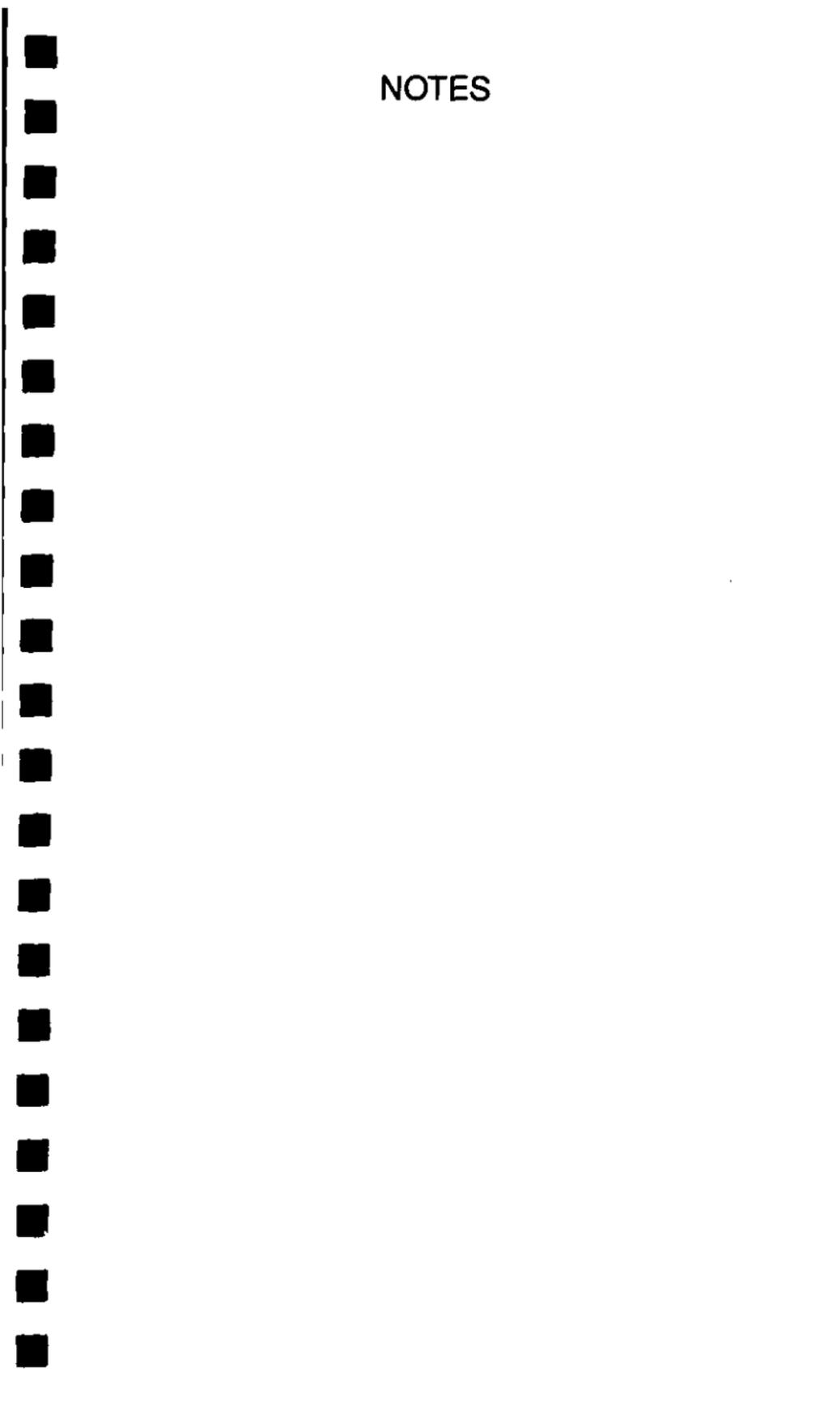
NOVEMBER							DECEMBER							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	
						1			1	2	3	4	5	6
2	3	4	5	6	7	8	7	8	9	10	11	12	13	
9	10	11	12	13	14	15	14	15	16	17	18	19	20	
16	17	18	19	20	21	22	21	22	23	H	H	26	27	
23	24	25	26	H	H	29	28	29	30	H				
30														

NOTES

NOTES



NOTES



K# 4611

AGREEMENT

Between

LANCASTER PLANT

Armstrong

Armstrong World Industries, Inc.

AND

**UNITED STEELWORKERS OF AMERICA
AFL-CIO, CLC**

on behalf of

LOCAL 285



Effective Dates

September 26, 2002 through September 30, 2005



49 Pages

TABLE OF CONTENTS

	Page
ARTICLE I - Purpose and Definition	1
1.1 - Purpose of Agreement	1
1.2 - Employees Covered by Agreement	1
ARTICLE II - Recognition	1
2.1 - Union Recognition	1
2.2 - Joining the Union	1
2.3 - Union Responsibilities	2
2.4 - Collection of Union Dues	2
2.5 - Management Rights	2
2.6 - No Lockouts, Strikes, or Work Stoppages	2
2.7 - Discrimination	3
2.8 - Names and Addresses	3
2.9 - Plant Closing	3
2.10-Company Successors	3
ARTICLE III - Grievance Procedure	4
3.1 - Departments in Each Division	4
3.2 - Union Bargaining Committee	5
3.3 - Grievance Procedure	5
3.4 - Arbitration Procedure	6
3.5 - Participation in Grievance Meetings	7
3.6 - Scheduling of Step I Grievances	7
3.7 - Investigation of Grievances	8
3.8 - Suspension or Discharge Grievances	8
3.9 - Time Limit on Discharges or Suspension Grievances	8
3.10- Arbitration Backlog	9
ARTICLE IV - Hours of Work and Overtime Pay	9
4.1 - Definition of "Regular Rate of Pay"	9
4.2 - Payment of Overtime Hours	9
4.3 - Application of Overtime Provisions	9
4.4 - Distribution of Overtime	10
4.5 - Overtime Premium Not Applicable	11
4.6 - Avoiding Excessive Overtime	11
4.7 - Rest Periods	11
4.8 - Lunch Periods	11
4.9 - Observing Rest and Lunch Periods	11
4.10- Posting of Regular Weekly Schedules	11
ARTICLE V - Pay for Holidays Not Worked	12
ARTICLE VI - Night Work Differential	14

BLANK

ARTICLE VII - Wages 15

7.1 - Starting Rate..... 15

7.2 - Job Evaluation and Classification 15

7.3 - Job Classification or Incentive Rate Change 16

7.4 - Pay for Temporary Assignments and Training 16

7.5 - Reporting-In Pay 18

7.6 - Call-In Pay 18

7.7 - Job Class Change..... 18

7.8 - Dispensary or Hospital Pay 18

7.9 - Skilled Trades Helper Rates 19

7.10-Appendix A — Incentive Plan 19

ARTICLE VIII - Vacation with Pay 21

8.1 - Eligibility for Vacation..... 21

8.2 - Length of Vacation 23

8.3 - Pay in Lieu of Vacation..... 24

8.4 - Vacation Pay..... 25

8.5 - General Vacation Policies 25

8.6 - Appendix A 26

ARTICLE IX - Seniority 27

9.1 - Promotion and Filling Vacancies 27

9.2 - Seniority Status 29

9.3 - New Employee Probation..... 29

9.4 - Determining Continuous Seniority 29

9.5 - Continuous Seniority Broken 29

9.6 - Definition of Seniority 29

9.7 - Determining Identical Seniority 29

9.8 - Layoff From Work 30

9.9 - Layoff Notification 30

9.10 - Reinstatement From Layoff 30

9.11 - Recall Procedure..... 30

9.12 - Recall to Work of Less Than 90 Days Duration 31

9.13 - Rights of Recalled Individuals 31

9.14 - Work Force Reduction..... 31

9.15 - Curtailment or Elimination of Employee's Job 31

9.16 - Reassignment Due to Unforeseen Emergency 31

9.17 - Transfer to Another Position 32

9.18 - Layoff Procedure Within Plant..... 32

9.19 - Disability Transfers and Loans..... 32

9.20 - Posting of Seniority Lists 32

9.21 - Transfers at Company's Request..... 33

9.22 - Plant-wide Postings 33

9.23 - Retention Rights 34

9.24 - Transfers to Another Department 34

9.25 - Educational Program 34

9.26 - Schedule Changes..... 34

ARTICLE X - Voluntary Irrevocable Checkoff 35

10.1 - Deductions of Union Dues 35

10.2 - Management Non-liability 36

ARTICLE XI - Leave of Absence 36

ARTICLE XII - Bulletin Boards 37

ARTICLE XIII - Safety and Health 38

13.1 - Provisions for Safety and Health..... 38

13.2 - Promotion of Safety and Health..... 38

13.3 - Accompany OSHA Inspector..... 39

13.4 - List of employees on disability to Union..... 39

13.5 - Drug and Alcohol testing..... 39

13.6 - Mandatory health monitoring..... 41

13.7 - Ergonomic Process 41

13.8 - Access to MSDS's 41

13.9 - Attendance at Safety conventions 41

ARTICLE XIV - Legislation..... 42

ARTICLE XV - Jury Duty / Witness 42

ARTICLE XVI - Leave for Death in Family 40

ARTICLE XVII - Emergency Service 43

ARTICLE XVIII - Duration and Termination 43

18.1 - Duration of Agreement..... 43

18.2 - Notice of Termination..... 44

SUPPLEMENT "A-1" WAGE SCALES 45

SUPPLEMENT "B" - LETTERS OF UNDERSTANDING 48

B-1 - Duration of Letters of Understanding..... 48

B-2 - Worker's Compensation- Temporary Total Disability 48

B-3 - Safety shoes 48

B-4 - Snow Emergencies 48

B-5 - Paycheck Deposits..... 48

B-6 - Skilled Trades Program 49

B-7 - Joint Healthcare committee..... 50

B-8 - Admittance to Plant of Union Timestudy representative 50

B-9 - Expedited arbitrations 50

B-10 - Notification of Deaths and Lists of Union
Representatives and Salaried Supervisors 52

B-11 - Union Earnings Credit 52

B-12 - Benefits Available to President 52

B-13 - 1998 Early Retirement Opportunity 52

B-14 - Pay for Division Chairperson to Adjust Back
Arbitration Cases 53

B-15 - Uniform overtime procedures.....53
 B-16 - Three-day, Twelve-hour Shift Operations53
 B-17 - Values, Beliefs and Principles.....54
 B-18 - Air Conditioner, Scale Calibration and Painting Work55
 B-19 - Substance Abuse Awareness and Education.....56
 B-20 - Process Effectiveness.....56
 B-21 - Technological Change.....56
 B-22 - Employment Security.....56
 B-23 - Lancaster Site Bonus Modification58
 B-24 - Obsolescence and Line Restart.....58
 B-25 - Grievance Settlement58
 B-26 - CDL/Certification Payment58
 SUPPLEMENT "C" - CRAFT FLEXIBILITY59
 SUPPLEMENT "D" - SUBCONTRACTING.....60

**SUPPLEMENT TO COLLECTIVE BARGAINING
 AGREEMENT PENSION, DISABILITY, LIFE INSURANCE,
 MEDICAL, AND DENTAL BENEFITS**

Exhibit	Page
Amendatory Agreement	62
50, 51, 52, 57 Medical Care Program	64-65
Medical Plan Comparisons.....	66-67
Retiree Medical.....	68
59, 60, 61 Dental Assistance Plan	69
58 Medical Spending Account.....	70
62 Group Life Insurance Program	70
68 Long Term Care Insurance.....	71
67 Ernst & Young: Beneficiary Financial Counseling Service.....	72
63 Temporary Disability Plan.....	73-74
Long Term Disability.....	75
64 Retirement Income Plan.....	75
65, 66 Pension Supplement.....	75-76
Disability Pension.....	76
Section VII - General.....	78
22 Section VIII - Term of Agreement	79

LANCASTER PLANT ATTENDANCE PROGRAM

Preface.....82
 Purpose.....83
 Types of Absences.....84
 Attendance Incentive Program.....87
 Review Procedure.....87
 Attendance Review Committee.....87
 Notification of Phases and Points.....88
 Special Attendance Probation.....89
 Summary.....90

AGREEMENT

THIS AMENDATORY AGREEMENT is made and entered into this *26th day of September, 2002*, between the Lancaster Plant of Armstrong World Industries, Inc. (hereinafter referred to as the "Company"), and United Steelworkers of America, *AFL-CIO, CLC on behalf of its Local 285* (hereinafter referred to as the "Union"), WITNESSETH:

ARTICLE I

Purpose and Definition

1.1 The Purpose of this Agreement is to set forth herein certain basic provisions covering wages, rates of pay, hours of employment and other conditions of employment to be observed by the parties hereto; to provide a procedure for orderly collective bargaining and to govern relationships between the Union and the Company; and to secure prompt and fair disposition of grievances.

1.2 The term "EMPLOYEE" as used in the Agreement shall include all production employees and certain maintenance employees of Armstrong World Industries' Lancaster Plant, and service and maintenance employees, with the exception of office, clerical, technical and salaried employees, security officers and security inspectors, shift supervisors and all other supervisory employees within the meaning of the Act.

(a) Employees who do not qualify for membership in the Union under the definition of "EMPLOYEE" as used in this Agreement shall be permitted to perform production, maintenance or experimental work in emergencies and for purpose of instruction.

ARTICLE II

Recognition

2.1 The Company recognizes the Union as the exclusive bargaining agency for all employees defined in Article I, Paragraph 1.2 above, with respect to wages, rates of pay, hours of employment and other conditions of employment reserving to any employee the rights to which such employee is entitled under Section 9 (a) of the Labor-Management Relations Act, 1947.

2.2 The Company will not interfere with the right 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 employee because of membership or activity in the Union to which the employee is entitled under Section 7 of the Labor-Management Relations Act, 1947. The Union agrees not to intimidate or coerce employees into Union membership. The Union further agrees not to solicit Union membership and not to conduct activities, except as otherwise provided for by the terms of this Agreement, on Company time or in any manner that may interfere with employees engaged in work. The President or Vice President or an Executive Board member will be invited to participate in

the new hire orientation program for new bargaining unit employees, to review information on the local and international organization and new membership procedures.

2.3 The Union recognizes the responsibilities imposed upon it as the exclusive bargaining agent of the employees and realizes that the Company, in order to provide maximum opportunities for steady, continuing employment; good working conditions and good wages, must be in a strong competitive position which means that it must produce efficiently and at the lowest possible cost consistent with fair labor practices. The Union agrees to cooperate in the attainment of these goals.

2.4 Any collection of Union initiation fees, dues, and assessments on Company property shall be done by the employees of the Company who are designated by the Union. Any such collections shall be made on the collector's own time, and in a manner to be determined by the Union representatives and the plant management, so that there will be no interference with production or with employees at work.

2.5 It is understood and agreed that all matters pertaining to the conduct and management of the Company's business are vested exclusively in the Company except as otherwise provided for in this Agreement.

2.6 For the duration of the Agreement the Company agrees that there shall be no lockout, and the Union agrees that it will not call, incite or encourage a strike, work stoppage, slowdown, or secondary boycott.

- (a) In the event of a strike or other interference with work in violation of this Agreement, the President of Local 285 shall promptly declare such conduct to be unauthorized by the Union, shall immediately deliver such declaration to the Company in writing, and shall immediately take affirmative action to induce employees to resume work.
- (b) Any employee who has promoted or participated in a strike, work stoppage, slowdown, or secondary boycott in violation of this Agreement may be subject to disciplinary action. A grievance arising as a result of disciplinary action taken under this subparagraph (b) may be processed through the grievance procedure including arbitration.
- (c) It is mutually agreed that adequate watching and maintenance service for the essential protection of Company property shall be maintained at all times.

2.7 The parties agree that there shall be no discrimination against any employee because of race, color, religion, national origin, age, sex, handicap or veteran status.

2.8 Monthly, the Company will provide the Union with a list of the names and addresses of Local 285 bargaining unit members. Any addresses that have changed since the previous list will be so identified. **This information will be supplied by hard copy and electronically.**

Weekly: The Company will provide the Union on a weekly basis the dues check off by hard copy and electronically.

When or if the electronically provided method meets the needs of the Union the supply of a hard copy will be discontinued.

2.9 In the event a full Plant closure occurs during the life of this Agreement:

1. The Company will notify the Local and International Union at least six (6) months prior to the cessation of production operations.
2. Following such notification, the Local and International Union will have the right to discuss and explore with the Company any possible means of averting the closure.
3. If attempts to avert the Plant closure are not successful, Company and Union Representatives will meet to negotiate the manner in which the closure is carried out.

In the event of the closure of a Focused Business Unit, the Company will notify the Local and International Union at least three (3) months prior to the cessation of production operations.

2.10 This Agreement shall be binding upon the successors, assigns, and transferors. It is agreed in the event of a sale or merger of the Company or a part thereof, the successors, assigns, and transferors to the Company's interests shall recognize the Union as the exclusive representative of the bargaining unit employees and that this Agreement shall be binding upon the successor.

**ARTICLE III
Grievance Procedure**

3.1 The desirability of setting any grievance promptly and having it disposed of as close to the point of origin as possible is mutually recognized by the Union and the Company. In order to establish an orderly procedure for the disposition of a grievance, the Union and the Company agree to the following arrangement:

(a) The Plant shall be divided into five main divisions. Each division shall be made up of the following departments or sections:

Division I

- Garage Mechanics Occupational Group
- Scales, Chain Block and Lubrication Dept.
- Sheet Metal Workers Occupational Group
- Building Maintenance Occupational Group
- * Miscellaneous Occupational Group
(Material Transfer & Painter(s) & Tool Room Attendant)
- Plant Stores
- Power House
- Janitors

* Rates of pay will remain the same. Each member of the group will be entitled to overtime on their own job and opportunities through flex craft if applicable.

Division II

- Coating Operations
- Rotogravure Print Operations
- Roto Inspection Tables
- Coating and Fusion Lines
- Paints and Plastics
- Floor Products Distribution Center
- Yard

Division III

- Finishing Operations
- Stencil Mixing
- Stencil Consolidation Lines
- Coatings and Lacquers
- Stencil Shop
- Calendar

Division IV*

- Molded Plastics Mixing
- Corlon Consolidation & Inspection Lines

Division V

- Tile Production Operations
- * Tile Warehouse and Shipping

* Employees working out of Job Placement will have grievances handled by the Division IV Chairperson.

3.2 Each of the Divisions set forth in Paragraph 3.1 above shall be represented by an employee selected by the Union and designated as Division Chairperson. These five Division Chairpersons together with the President of Local No. 285 shall constitute the Local 285, Bargaining Committee. The Division Chairperson's (Roto, Stencil, Corlon, Tile) will be placed on 7-3 shift to handle issues and grievances that arise in their respective areas. Also, any and all duties agreed to by the parties. Pay rate for these jobs will be based on wage protection to master scheduled job. The Skilled Trades Division Chairperson will be provided time to work on these same areas on an as needed basis with the mutual agreement of both parties. (Note: Either party can end any or all of these assignment with notification to the other party.)

The Local 285, Bargaining Committee shall be maintained at but shall not exceed six such employees. In each Division there shall be at least one employee for each shift selected by the Union and designated as Shift Chief Representative.

The Company recognizes that any two officers of Local No. 285 in addition to the above Local 285, Bargaining Committee may attend and be a participant in meetings with the Local 285, Bargaining Committee.

3.3 The desirability of settling issues promptly and having them disposed of as close to the point of origin as possible is mutually recognized by the Union and the Company.

Unless a grievance is presented no later than six (6) months from the incident giving rise to the grievance, or from the time the employee knew or reasonably should have known of the incident, it shall be considered closed.

Grievances arising during the term of this agreement with respect to wages, rates of pay, hours of employment or other conditions of employment shall be handled in the manner provided for below:

Discussion: Unresolved issues between an employee and their supervisor may be appealed to the Business Team Manager (BTM), with the submission of a form signed by the employee and supervisor. Upon receiving the form, the BTM will schedule a meeting which will include the employee, the Union Representative, the Division Chair, the Business Team Manager (BTM), the Personnel Manager, and the Supervisor involved

who will meet to attempt to settle the issue. Such meetings shall be scheduled by the Company within ten (10) calendar days of the date when the issue was presented to the Company. The BTM shall give an answer, in writing, to the employee and Division Chair, within ten (10) calendar days following the meeting. The Company's written answer from this discussion shall be considered as a final settlement of the issue, unless the Union gives written notice within twenty (20) calendar days from the receipt of the discussion answer, its desire to process the issue to a grievance.

Step 1: If the matter is not settled by discussion, and is reduced to writing, it shall then be deemed a grievance. The grievance shall be referred to the Local 285 Bargaining Committee with the FBU Manager involved at a monthly meeting provided for in Paragraph 3.6. Representatives of the Company and representatives of the International Union may participate in meetings as provided for in this Step 1. The FBU Manager involved shall give an answer in writing within fifteen (15) calendar days following the Step 1 meeting. However, such time limits on the answer at any step may be waived by mutual agreement of the parties.

3.4 In the event a grievance arising out of differences with respect to the meaning and application of any provisions of this Agreement shall not have been adjusted to the satisfaction of the parties through the first two steps of the grievance procedure outlines in Paragraph 3.3 above, the matter shall, at the request of either party, be submitted to arbitration; provided that the intention of either party to arbitrate must be given in writing to the other party within thirty (30) calendar days following the conclusion of Step 1, of Paragraph 3.3 above, or the matter will be considered closed and the decision made in Step 1 above as an answer to the specific grievance in question shall become final.

(a) The Company and the Union shall select an impartial arbitrator agreeable to both parties. In the event the parties cannot agree upon an arbitrator, either party will then request the Federal Mediation and Conciliation Service to submit the names of seven persons qualified to act as impartial arbitrator. A representative of the Company and of the Union shall alternate in rejecting names from the list, each party rejecting one name at a time until only one name remains. The remaining person shall be selected as impartial arbitrator. Either party shall have the right to completely reject the first list of arbitrators. Further, either party may opt to select the American Arbitration Association instead of the Federal Mediation and Conciliation Service and that party will bear the expense of the filing fee.

(b) As long as a backlog of arbitration cases exists, the parties will try to arbitrate at least monthly. Additional hearings will be scheduled with the mutual consent of both the Company and the Union.

(c) Normally unresolved grievances shall be arbitrated in order of receipt. Unresolved discharge grievances will be assigned a position at the top of the arbitration list and will be scheduled for immediate arbitration. Once a grievance has been assigned a hearing date, the Company and the Union agree to argue that grievance on that date except by mutual agreement. Upon failure of either party to appear, the matter shall be considered closed and the controversy resolved on the basis of the last position taken by the other party.

(d) The scope of the arbitration shall not exceed the meaning and application of the provisions of the Agreement, and shall in any event be limited to the specific subject matter jointly submitted to the arbitrator. The arbitrator shall not be empowered to rule contrary to, to amend, or to add to, or to eliminate any of the provisions of the Agreement. The decision of the arbitrator shall be final and binding upon the parties. The arbitrator shall submit to both parties a written opinion explaining the decision within thirty (30) days of the completion of the arbitration proceedings. Any remedy required by the arbitrator's opinion shall be calculated and paid within thirty (30) days of the time the opinion is received except by mutual agreement of the parties. In any arbitration proceedings either party may require that the testimony of all witnesses be given under oath. The expense of the arbitrator and of the arbitration proceedings shall be borne equally by the Union and the Company.

3.5 It is mutually agreed that either the Union or the Company may call into any and all steps of the Grievance Procedure the employee or employees involved, provided that at no time shall the number of employees so called exceed three (3) except by mutual agreement.

3.6 Meetings between the Union President, Vice President, and FBU Division Chairperson and FBU management will be scheduled monthly in a central location on a date mutually agreeable to the parties to review that FBU's Step I grievances. **Prior to the start of the Step 1 grievances the FBU Managers, or designate will provide a business update.** Special meetings, between the Local 285 Bargaining Committee and the Company, to review other pertinent matters, may be arranged by mutual consent of the parties. The Company agrees that Lancaster Plant employees who are representatives of the Union shall not suffer any loss of wages for time lost while attending the meetings referred to in this paragraph, with the exception and limitation noted below, provided they are scheduled to work at such time, and further provided that any such time spent at such meetings shall not affect any right to overtime which they may have. The Union on its part agrees that it and its representatives will diligently endeavor to keep such meetings within reasonable limits of time and frequency.

- (a) Representatives of the Union will not be compensated by the Company for time spent in meetings held with any outside agency, such as conciliation or arbitration.
- (b) The Company will provide up to *six hundred (600) hours of pay* at the appropriate scheduled job class rate for Local 285's Bargaining Committee for time spent in negotiations with the Company's Bargaining Committee.
- (c) The company will provide the union bargaining committee one (1) paid day per month for other pertinent company/union business.

3.7 The Company recognizes that some grievances, by their very nature, may require investigation on the job and it, therefore, agrees that it will issue within reason special temporary passes to any Lancaster Plant employee member or members of the Local 285, Bargaining Committee to permit that employee member or members to enter specific areas of the Plant for the purpose of adjusting or making an investigation of such grievances that may arise, under the terms of this Agreement. Such Lancaster Plant employee member or members of the Local 285, Bargaining Committee shall contact the Supervisor or department head immediately upon entering a department to advise the Supervisor of the purpose of the visit. It is mutually agreed that such visits shall be so conducted as not to interfere with employees engaged in work and shall be confined to the departments of the plant involved in the specific grievance. When necessary, and after a request to and approval of the employee's department Supervisor, a Union Representative from the department or departments concerned in the grievance may accompany such Lancaster Plant employee member or members of the Local 285, Bargaining Committee.

3.8 A written grievance on the suspension or discharge of an employee may be filed at any step in the grievance procedure, other than the normal first step, by mutual agreement of the parties.

3.9 In the event that it should be decided under the provisions of the Agreement that it should be decided under the provisions of the Agreement that discrimination because of Union activities, or an inadequately supported charge, or arbitrary application of discipline has resulted in the discharge or suspension of an employee, the Company shall reinstate such employee to full seniority rights and pay full compensation for work during such time; provided that the parties may agree upon a different settlement of such a case; and provided further that in case the matter is referred to arbitration, the arbitrator shall have the authority and power to determine whether or not such employees shall be reinstated and the extent, if any, not to exceed the amount specified herein to which such employee shall be entitled to compensation for time lost. All such cases of discharge must be taken up

with the Company by the Union within ten (10) calendar days from the date of discharge or the matter will be considered closed. All such cases of suspension must be taken up with the Company by the Union no later than the employee's fifth (5th) working day (excluding Saturday, Sunday or Holiday) following the final day of the suspension or the matter will be considered closed.

3.10 When the number of arbitration cases pending a hearing becomes excessive, the parties may meet in an effort to reduce the backlog by offering settlement proposals.

ARTICLE IV

Hours of Work and Overtime Pay

4.1 For the purpose of calculating overtime pay in this Article, the term "regular rate of pay" is interpreted to mean the hourly job classification rate of an employee, plus the night work differential and incentive earnings where applicable.

4.2 In addition to the amounts earned at the regular rate of pay, the Company agrees to pay as overtime a premium for such hours or fractions thereof worked in a workweek, as described and determined by the following subparagraphs (a), (b), (c) and (d); such overtime to be based on the regular rate of pay:

- (a) One-half (1/2) hour's pay for each hour worked in excess of eight (8) hours in any one day;
- (b) One (1) hour's pay for each hour for the first eight (8) hours worked on the holidays specified in Paragraph 5.1 (a); and two (2) hours' pay for each hour in excess of eight (8) hours worked on the holidays specified in Paragraph 5.1 (a) (in addition to such overtime premium pay for each hour worked in any of these holidays, the employees shall also receive the holiday pay as provided for in Article V).
- (c) One-half (1/2) hour's pay for each hour worked on Saturday;
- (d) One (1) hour's pay for each hour worked on Sunday.

4.3 In interpreting and applying the preceding overtime compensation provisions, it is mutually understood and agreed that:

- (a) Each holiday specified in Paragraph 5.1(a) shall be that period between 11:00 P.M. on the day prior to the holiday and 11:00 P.M. on the holiday.
- (b) The regularly scheduled workweek is that period of time between

11:00 P.M. Sunday until 11:00 P.M. of the following Sunday. An established workday as used solely for the purpose of computing Saturday, Sunday, and holiday overtime premiums is a twenty-four (24) hour period beginning at 11:00 P.M. of the preceding day. The normal workday for an employee shall be eight consecutive (except for the regular lunch period) hours. This paragraph shall not be construed as a guarantee of any given number of hours of work per day or days of work per week.

(c) A scheduled workweek for 12-hour shift days will be agreed upon by the Company and the Union prior to any implementation. This schedule will be carried out until the conclusion of this work schedule.

(d) A day as used to determine the hours in excess of eight (8) is any period of twenty-four (24) consecutive hours which begins at the time the employee starts to work or reports for work in accordance with the employer's instructions whichever is the earlier; but in no case will it begin earlier than at the termination of the previous twenty-four (24) hour period which was used in the calculation of daily hours worked.

(e) Saturday, Sunday; and holiday overtime premiums apply to all hours worked on Saturdays, Sundays, and holidays respectively and they satisfy the premium requirements for daily overtime hours worked on those days. Therefore, daily overtime premium as such is computed and paid only for daily hours worked in excess of eight (8) on Monday, Tuesday, Wednesday, Thursday, and Friday when such days are not holidays.

(f) There shall be no pyramiding or duplication of overtime premium rates. If two or more types of overtime premium apply to the same hours of work, only one - the higher- shall be paid.

4.4 Overtime work on a job shall first be offered to employees who are regularly assigned on the shift to such job. Overtime which cannot be satisfied in this manner shall be distributed as equally as practicable among the employees of the seniority group. If additional employees are needed over and above those assigned after the entire seniority group has been offered such overtime opportunity, qualified employees from Job Placement who worked in the affected department during the workweek one or more days which included the straight-time day just prior to the premium day (Saturday, Sunday or Holiday) in question will then be offered the premium day overtime work. Employees who are hired specifically on a temporary basis during the vacation period shall be designated as Summer Workers. If such employees continue employment beyond September 20 of any year, they shall be considered regular employees. Employees who are designated

Summer Workers shall not be considered for overtime work unless all other available employees in the seniority group, the employees from Job Placement mentioned above, and other regular employees under the Business Team Manager's area refuse such overtime work.

4.5 Overtime premium will not apply for any time less than one-quarter (1/4) of an hour.

4.6 In accordance with the generally accepted principle that every employee is entitled to one day of rest per week, the Union and the Company agree to cooperate to the greatest possible extent to the end that no employee, except in cases of the protection of life or property, shall work more than six (6) consecutive days in any scheduled workweek or more than forty-eight (48) hours in any six (6) consecutive days.

4.7 The Company agrees that two ten (10) minute rest periods shall be permitted each shift. They shall be scheduled by the Company for each employee without pay reduction for such time, subject to the following provisions:

(a) Should it happen that an employee foregoes such rest period, the Company will not be obligated to pay for the time involved in such rest periods as extra compensation.

(b) Employees scheduled for six (6) hours or less will be permitted only one rest period per shift.

4.8 Lunch periods with pay on continuous operations shall be continued in accordance with the current practice in the Lancaster Plant.

4.9 The Union, in behalf of the employees, agrees that the lunch and rest periods described in Paragraphs 4.7 and 4.8 shall be the only such periods permitted and that it will cooperate with the Company by seeing to it that all employees comply with the starting and stopping times of such periods. The Union further agrees that any employee who, repeatedly and in spite of due warning, fails to observe the established starting and stopping times for such periods shall be subject to discipline, even to the extent of discharge.

4.10 Regular weekly schedules will be posted on departmental bulletin boards as early in the workweek as possible for work performed in the following week.

ARTICLE V

Pay for Holidays Not Worked

5.1 The Company agrees to pay its hourly employees for holidays not worked, subject to the conditions and exceptions set forth in the following paragraphs:

(a) The holidays so paid shall be New Year's Day, Good Friday, Easter Monday, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Friday after Thanksgiving Day, Day before Christmas, Christmas Day and Day before New Year's.

(b) Should any of these holidays fall on Sunday, it shall be observed the following Monday. Should any of these holidays fall on Saturday, it may be observed on a different day by mutual agreement of the Company and the Union. The Company and the Union have agreed on holiday observances as a result of the above as follows:

2003

<i>New Year's Day</i>	<i>Wednesday, Jan. 1, 2003</i>
<i>Good Friday</i>	<i>Friday, April 18</i>
<i>Easter Monday</i>	<i>Monday, April 21</i>
<i>Memorial Day</i>	<i>Monday, May 26</i>
<i>Fourth of July</i>	<i>Friday, July 4</i>
<i>Labor Day</i>	<i>Monday, Sept. 1</i>
<i>Thanksgiving Day</i>	<i>Thursday, Nov. 27</i>
<i>Friday after Thanksgiving Day</i>	<i>Friday, Nov. 28</i>
<i>Day before Christmas</i>	<i>Wednesday, Dec. 24</i>
<i>Christmas Day</i>	<i>Thursday, Dec. 25</i>
<i>Day before New Year's</i>	<i>Wednesday, Dec. 31, 2003</i>

2004

<i>New Year's Day</i>	<i>Thursday, Jan. 1, 2004</i>
<i>Good Friday</i>	<i>Friday, April 9</i>
<i>Easter Monday</i>	<i>Monday, April 12</i>
<i>Memorial Day</i>	<i>Monday, May 31</i>
<i>Fourth of July</i>	<i>Monday, July 5</i>
<i>Labor Day</i>	<i>Monday, Sept. 6</i>
<i>Thanksgiving Day</i>	<i>Thursday, Nov. 25</i>
<i>Friday after Thanksgiving Day</i>	<i>Friday, Nov. 26</i>
<i>Day before Christmas</i>	<i>Friday, Dec. 24</i>
<i>Christmas Day</i>	<i>Monday, Dec. 27</i>
<i>Day before New Year's</i>	<i>Friday, Dec. 31, 2004</i>

2005

<i>New Year's Day</i>	<i>Monday, Jan. 3, 2005</i>
<i>Good Friday</i>	<i>Friday, March 25</i>
<i>Easter Monday</i>	<i>Monday, March 28</i>
<i>Memorial Day</i>	<i>Monday, May 30</i>
<i>Fourth of July</i>	<i>Monday, July 4</i>
<i>Labor Day</i>	<i>Monday, Sept. 5</i>

(c) In order to be eligible for the holiday pay, an employee who qualifies under one of the following subparagraphs (1), (2), (3), (4), or (5) of this paragraph (c), must work the employee's last scheduled shift before and the employee's first scheduled shift after the holiday, or be excused there from by the employee's Supervisor:

(1) The employee would normally be scheduled to work on the day on which the holiday falls, except for the occurrence of the holiday.

(2) The holiday occurs within the customarily scheduled days of operation while the employee is on an approved leave of absence which does not exceed one week's duration, except for a Union official replacing the President of Local 285 for no more than six weeks.

(3) The employee is scheduled to work or is called in on the holiday, and either completes the work assigned to the employee or is excused there from by the employee's Supervisor.

(4) The holiday occurs outside of the employee's customarily scheduled days of work solely because the Company has found it necessary to reduce its operation schedule to five days per week or less, beginning in the workweek in which the holiday occurs or during the three workweeks immediately preceding.

(5) The plant or department is customarily operating six or seven days per week and the employee's scheduled day off coincides with the holiday.

(d) An employee who qualifies under one of the following subparagraphs (1), (2), and (3) of this Paragraph (d) shall be eligible to receive the holiday pay without further qualifications:

(1) The holiday occurs within the customarily scheduled days of operation and while the employee is on approved vacation, in which case the employee shall not be required to count the holiday as a day of vacation.

- (2) The employee is scheduled off or laid off through no fault of the employee's own, in the workweek in which the holiday occurs or in the immediately preceding workweek, provided the holiday occurs within the customarily scheduled days of operation.
- (3) The employee is on sick leave due to illness or accident and the holiday occurs within the customarily scheduled days of operation and before sickness, accident, or Worker's Compensation benefits apply.
- (e) An employee who does not qualify under any of the conditions stated in Paragraph (c) or (d) above shall not receive the holiday pay.
- (f) Calculation of Holiday Pay
 - (1) Hours paid for holidays not worked shall not contribute towards hours over eight (8) in the computation of overtime premiums.
 - (2) Pay for hours not worked on the holiday shall be calculated on the employee's average straight-time hourly earnings (including shift differential and incentives, if any, but excluding overtime) for the first preceding pay period which does not include a holiday multiplied by 8. If a holiday is observed on a day that would otherwise have been one of the employee's scheduled twelve-hour days that workweek, **including company scheduled shut down weeks** the multiplier for holiday pay will be **twelve (12) hours**.
 - (3) An employee who qualifies for call-in pay under Article VII - Paragraphs 7.5 and 7.6 - shall be paid the requisite call-in pay in addition to the holiday pay for which the employee may be eligible under Paragraphs (c) and (d) above.

ARTICLE VI.

Night Work Differential

6.1 A night work differential shall be paid in accordance with the following procedure:

- (a) Employees working the day shift shall receive no shift differential. For this purpose, the day shift is any shift which starts between 6:00 A.M. and 8:00 A.M. inclusive and continues for up to eight (8) hours of work.
- (b) Employees working the afternoon shift shall be paid a premium rate of **thirty-eight cents (\$.38)** per hour. For this purpose, the afternoon shift is any shift which starts between 2:00 P.M. and 4:00 P.M. inclusive and continues for up to eight (8) hours of work.

- (c) Employees working the night shift shall be paid a premium rate of **forty-three cents (\$.43)** per hour. For this purpose, the night shift is any shift which starts between **10:00 P.M.** and 12:00 midnight inclusive and continues for up to eight (8) hours of work.
- (d) Employees working shifts with starting times other than those listed above, or employees working hours in excess of eight (8) in a day between 3:00 P.M. and 7:00 A.M. shall be paid a premium rate of **thirty-eight cents (\$.38)** per hour for hours worked between 3:00 P.M. and 11:00 P.M. and shall be paid a premium rate of **forty-three cents (\$.43)** per hour for hours worked between 11:00 P.M. and 7:00 A.M.
- (e) In cases where employees are tardy, they will be considered as having started to work at their scheduled starting time for purposes of administering (a), (b), (c), and (d) above.
- (f) The night work differential shall be considered as part of the base rate for the computation of overtime premium pay.
- (g) The night work differential shall not be added to the base rate for the purpose of calculating incentive earnings.
- (h) The night work differential, where applicable, shall be added to any payments made under conditions set forth in Article VII, Paragraphs 7.5 and 7.6.

ARTICLE VII

Wages

7.1 The Company agrees that the minimum rate of pay shall be **fourteen dollars and seven cents (\$14.07) an hour effective September 30, 2002**, with the following exception:

- (a) The Company may establish a fixed starting rate of Class 1 for the three-year term of the Agreement. Ninety (90) days from the date of hire, such employee shall be paid the classification rate of the job to which the employee is assigned.
- (b) Summer workers hourly rate of pay for the entire period of employment as a summer worker shall be **eleven dollars and fifty cents (\$11.50)** an hour for the three-year term of the Agreement.

7.2 Rates of pay above the aforementioned minimum for specific jobs shall be determined by job evaluation and job classification. The agreed wage scale of job classes and corresponding job class rates is shown in Supplement "A" attached to this Agreement. Upon written request from the Union, the Company agrees to furnish the Union with a job classification rate schedule and a list of job titles and their respective job classifications. Each month,

the Company will send to the Union the job descriptions in which changes have occurred in description and/or point value during the preceding month.

7.3 When the content of a job is changed as the result of a change in method, production, tools, material, design, or production conditions, or when a new job is created, the Company shall evaluate and classify the job in accordance with the job evaluation and classification plan then in existence. The Company shall discuss contemplated changes in job classification rates with employees affected and representatives of the Union prior to making them effective. The Company's current incentive plan is as specified in Appendix A, 7.10.

(a) If the Union and the Company do not agree upon the rate of pay for a changed job or for a new job, the rate established by the Company shall be put into effect without prejudice to the Union's position to refer the matter to the Grievance Procedure after such rate has been in effect for fourteen (14) days.

(b) Unless the Union submits a complaint on the rate of pay in writing to the Company within thirty (30) days from the date the rate was made effective, the rate shall stand confirmed. If a written complaint is filed, it shall be processed promptly through the Grievance Procedure as set forth in Paragraph 3.3. If, as the result of this effort, no agreement is reached, then it shall be referred immediately to arbitration as established in Paragraph 3.4 of this Agreement; provided, however, that in cases of disputes arising under this paragraph the Federal Mediation and Conciliation Service shall appoint a technically qualified arbitrator in the event the parties fail to agree within one week upon the selection of the arbitrator. The award of the arbitrator shall be based upon whether or not the Company has ranked the job in its proper relationship to other jobs in the Plant. Any change in the rate of pay that may be made as a result of the operation of this procedure shall be retroactive to the date the changed or new rate was first made effective. Either party may opt to select the American Arbitration Association instead of the Federal Mediation and Conciliation Service and that party will bear the expense of any filing fee.

7.4 Pay for temporary assignments shall be as follows:

(a) When an employee is temporarily assigned to a job other than the employee's regular job for any of the following reasons, the employee shall be paid the job classification rate of the job to which the employee is assigned, plus any incentive earnings that the employee may earn on the job to which the employee is assigned.

(1) When work on the employee's usual job is not available;

(2) When the assignment is made at the request of the employee;

(3) When the employee is physically incapable of performing the employee's regular job (this shall not be construed so as to deny an employee rights under the Workers' Compensation Law of Pennsylvania);

(4) When the transfer is the result of disciplinary action;

(5) When the employee is working out of job Placement.

(b) When an employee is temporarily assigned to a job other than the employee's regular job for any of the following reasons, the employee shall be paid the job classification rate plus the incentive earnings on the job to which the employee is assigned, or the employee shall be paid the job classification rate plus incentive earnings that the employee would have received had the employee worked instead on the employee's regular job, whichever is higher:

(1) When the employee is removed from the employee's regular job and is temporarily assigned to another job and is replaced on the employee's regular job by another employee;

(2) When the employee is removed from the employee's regular job and is temporarily assigned to another job in the same seniority group and the employee is not replaced by another employee but the employee's regular crew continues to operate shorthanded;

(3) When the employee is removed from the employee's regular job and is temporarily assigned to a job in another seniority group, provided work is available to the employee on the employee's regular job during such temporary assignment;

(4) When the employee is removed from the employee's regular job and is temporarily assigned to work on another job because the employee's special skill and/or knowledge, in the opinion of the Company, will be required on the temporary assignment until such time as another employee can be trained.

(c) Pay for employees in training shall be as follows:

(1) When an employee is training, the training pay shall be calculated by the following two methods and the employee shall receive the higher of the two:

(a) The earnings of the employee who replaced the trainee on the trainee's regular job.

(b) The trainee's average hourly earnings, including shift differential and incentives, if any, but excluding overtime premiums, for the two preceding pay periods prior to being placed in training.

(d) The Union undertakes for itself and the employees to cooperate with the Company in cases where such temporary assignments are necessary to prevent interference with Plant operations, to meet production schedules, or to do work caused by emergencies such as fire, flood, etc.

7.5 Except in cases such as fire, flood, failure of power, steam or light, when an employee is scheduled to report for work and does report, not having been given prior notice not to report, and the employee's regular work or other work is not available, or when an employee actually starts to work and less than four (4) hours of work are available, the employee shall receive four (4) hours' pay at the employee's job classification rate. If the employee accepts other work available, the employee shall be paid the regular job rate for such other work for the employee's time worked thereon, but in amount not less than four (4) hours at the employee's job classification rate. If the employee refuses the work offered, the employee shall receive no pay for reporting for work. This paragraph shall not be construed to mean that an employee may refuse to do work the employee can reasonably be expected to perform, when such work is necessary for the effective operation of the Plant.

7.6 In case an employee is called in to perform work outside of the employee's scheduled work time, the employee shall be guaranteed the equivalent of four (4) hours' pay at the employee's job classification rate or the rate of the job the employee is called in to perform, whichever is higher.

7.7 When a job is reclassified under Paragraph 7.3 and the job class changes:

(a) When the job class goes up one full class, the job will be considered as a "vacancy" under Paragraph 9.1. An employee occupying the job at the time will have the same rights as provided for in Paragraph 9.15 when a job is "eliminated."

(b) When the job class goes down one-half class, the job will be considered as a "vacancy" under Paragraph 9.1. Any employee occupying the job at the time will have the same rights as provided for in Paragraph 9.15 when a job is "eliminated."

7.8 In case an employee is being treated by a Company approved physician or a hospital immediately following an occupational injury or illness and such treatment extends beyond the end of the employee's scheduled shift, the employee shall be paid at the job classification rate of the job on which

the employee was injured, plus any applicable shift differential and overtime, for such time up to a maximum of four (4) hours.

7.9 USWA skilled trades will carry their man rate when working the weekends as helpers.

7.10 APPENDIX A - Incentive Plan

1. Performance increases/decreases will be paid using the formula of $(PI - 1) \times 2$.

2. All current incentive and non-incentive jobs would be set at a 0% payout for achieving the standard performance level. $(PI = 1.00)$.

3. All current incentive jobs have 27% rolled into the base pay for that job.

4. The new plan will be effective June 3, 1996.

5. A performance index of $PI = \text{Allowed } \$ / \text{Actual } \$$ will be calculated for the following FBU's: Stencil, Corlon, Tile, Rotogravure, Production Services, SAMS, and Site.

6. Allowed \$ for a given year will be based on the actual historical costs of each FBU and the site, from the prior year, less certain excluded items.

7. Employees will earn 80% of their bonus from the performance of the FBU(s) they are related to and 20% from the total site. The Yard department incentive jobs will be the total site only. Tile warehouse will be part of the Tile calculation. 900 Bldg. & Inspection will be based on all sheet FBU's calculations.

8. Incentive calculation will be made monthly, when the month ending costs are available, normally by the 15th. Payments will be with the first full week pay after the 15th of the following month.

9. All site costs will be included except specific costs charged or changed from outside the plant. Those items to be excluded are:

- * Cost changes due to purchase cost.
- * Taxes.
- * Obsolescence and related salvage sales.
- * Corporate BIS and Development charges.
- * Cost related to removing approved obsolescence requests.

10. The base will be adjusted when the plant accepts new Product/ Process; or changes to Bill of Material items due to Formula changes, or an existing process change due to capital investment that reduce/increase the FBU costs more than 1% of total manufacturing costs on an annualized basis. Crews would be given three months at the old baseline to learn the new process.

11. New Products and Processes will be included into the base when the plant accepts the Product/ Process. At the time of acceptance a new standard will be developed by the FBU controller and reviewed with the FBU Bonus Committee.

12. New allowed costs will be established each year. Employees on the payroll, with average earnings more than standard on the new plan of 5.00%, will receive a monthly payment of 50% of the difference between the standard % (excluding the first 4 months of 1999 on the old plan) of their base pay, and the total of their incentive earnings for the last 8 months of 1999 divided by 12. Payments will be made to employees, on the payroll, monthly, on the 1st of each month of the following year, starting February 1 and continuing for 12 months, until January 1, of the following year. If site costs increase, then the base will be set at these actual costs and the standard payout will be at the actual achieved site effort. There would be no buyback, or roll-in. The buyback will apply to the last 8 months of 1999, year 2000, and year 2001.

13. A joint Union/Management committee will monitor the plan. This will be equally comprised of members of the Local 285 and Lodge 928 bargaining units and the Lancaster Plant management. The committee will meet monthly. Their major responsibilities will be:

- * Monitor the plan's implementation and progress.
- * Review and discuss issues associated with the administration and the payout of the plan's provisions.
- * If the Union concludes that the plan is not administered or paid in accordance with the provisions of the plan, the Union can use the grievance/ arbitration provisions of the contract available should they wish to pursue those. If the matter cannot be resolved through the grievance process it will proceed immediately to arbitration.
- * Any modifications to the incentive plan provisions will be mutually discussed and cannot be effected without the agreement of both the Company and the Union bargaining committee.

14. Any references to incentive earnings in Article VII, or this plan, do not include buyouts or buybacks.

15. All letters agreed to will be incorporated into this agreement.

**ARTICLE VIII
Vacation with Pay**

8.1 Eligibility for Vacation

(a) First Calendar Year of Employment:

Employees earn one vacation day for each two months of Company service completed through December 31 of the year they are hired up to a total of five days.

(1) Days earned during the first calendar year of employment may be taken as earned or saved to be taken together during the year they are earned.

(2) If an employee fails to schedule all earned vacation days by the end of the calendar year, the Company may schedule it beginning near the end of the calendar year.

(3) If a period of vacation is started near the end of the calendar year and cannot be completed during the year, it may be continued into the following year, but only if completed without interruption.

(4) Employees hired on one of the last days of a month who are eligible for an additional day of vacation during the last days of December may take the additional day in either the last working week of the year or the first working week of the next year, with the approval of their Supervisor.

(5) Employees hired after October 31 will not be eligible to earn vacation for service in the calendar year of hire.

(b) Subsequent Years of Employment:

Employees who will complete their first year of employment during a year are eligible to take their vacation during that calendar year.

Employees who become eligible for two or more weeks of vacation may take the additional week at any time during the calendar year.

Employees are eligible to take vacation that is expected to be earned in the year in advance of having earned it; if an employee should terminate (for reasons other than retirement, layoff, change in status from temporary disability to long-term disability or to termination, or death) during the year having taken more vacation than had been earned to the point of termination, the employee will owe to the Company the value of taken but unearned vacation days. Such value will be treated as a wage advance and will be recovered from other wages, if available, or by other payment from the terminating employee.

- (c) Regular full-time employees are eligible for vacation as described in Sections (a) and (b).
- (d) Former employees re-employed on a regular full-time basis earn one vacation day for each two months of Company service completed through December 31 of the year in which they are re-hired up to a total of five (5) days. Beginning the January 1 following their re-hire, they will be eligible for vacation based on their total years of Company service.
- (e) *Summer Workers as defined in Paragraph 4.4 are ineligible to earn any vacation benefits.*
- (f) **Employees returning from leaves of absences or layoff:**
 - (1) **Military Leave:** Employees returning from military leave with reemployment rights will be considered eligible for their regular vacation in the year they return to work, based on their total years of Company service.
 - (2) **Family and Medical Leave or personal leaves of absence:**
 - [a] Employees may take their earned vacation prior to their leave, or take their current year's vacation upon their return to work. They may not receive pay in lieu of vacation at the time the leave begins. Employees returning to work from a leave of absence following childbirth/adoption that spanned year end without having taken all vacation earned in the year the leave began may carry over such vacation into the year they return, provided they take the remaining vacation immediately following the end of the leave, or the Company will schedule it immediately following the end of the leave.
 - [b] Employees terminating employment following the leave will receive pay for any vacation earned but not taken for the year of termination.
 - (3) **Layoff:**
 - [a] Employees who are laid off prior to September 15 may choose to receive vacation pay at the time of layoff or when the employee submits a signed written request to the Company. All employees on layoff as of September 15, who have not received their vacation pay, shall receive such vacation pay on the first pay date following September 15.
 - [b] Employees who return from layoff in any year subsequent to the year they were placed on layoff status will earn one vacation day for each two months of Company service

completed through December 31 of the year in which they are recalled from layoff up to a total of five (5) days. Beginning the January 1 following their return from layoff, they will be eligible for vacation based on their total years of Company service.

[c] The vacation eligibility of an employee who is laid off from November 1 through December 31 in a year will be calculated upon return to work using two methods - this Article and Appendix A. The employee will receive the highest amount of vacation from either method.

(g) Employees must be actively at work to be eligible for vacation with pay, except as otherwise provided in this Article.

8.2 Length of Vacation

(a) An eligible employee shall receive vacation with pay according to the following schedule and as defined otherwise in the Article:

<u>Completed Years of Company Service</u>	<u>Length of Vacation Period</u>
1st Calendar Year	Up to 1 Week
1 Year	1 Week
2 to 4 Years Inclusive	2 Weeks
5 to 14 Years Inclusive	3 Weeks
15 to 20 Years Inclusive	4 Weeks
21 to 27 Years Inclusive	5 Weeks
28 Years or More	6 Weeks

(b) **Completed Years of Company Service:**

This determines the length of vacation for which the employee may become eligible and shall mean the aggregate of all calendar time for all periods of employment (including employment on a part-time basis), from the effective date of employment, reemployment or reinstatement to the effective date of termination of employment by reason of resignation, discharge, dismissal, retirement, layoff, or death, exclusive of the calendar time of any period of leave of absence or disciplinary suspension.

(1) Military Leave of Absence counts toward this calculation.

(2) Time on occupational or nonoccupational illness or accident counts toward Company service even after expiration of Workers' Compensation payments or weekly sickness and accident benefits.

(3) Time on Long-Term Disability status; up to eighty-four (84) months, counts toward Company service. (Effective 4/1/03)

- (4) Time on special leave of absence for Union activities, as provided in Paragraph 11.3 and 11.4, when such leave of absence is to carry on Union activities for Local 285, USWA, which are in the interest of the members of Local 285 employed at the Lancaster Plant, counts towards Company service for determining length of vacation for which the individual is eligible.

8.3 Pay in Lieu of Vacation

An employee shall not be permitted to forego the employee's vacation and receive pay in lieu thereof, except as noted below, nor shall the employee receive vacation pay for any period of absence for which the employee is otherwise compensated by Workers' Compensation, temporary disability benefits or paid leave of absence.

(a) Earned Vacation Payment

- (1) Employee termination for reasons of quit, discharge, retirement, death, layoff or long-term disability will receive a vacation payment based on the service completed during the year of termination:
- (2) Because employees are required to take all earned vacation during the calendar year, or to commence such vacation prior to the end of the calendar year, employees who continue in active employment will not receive pay in lieu of vacation.
- (3) The earned vacation payment is calculated by dividing the number of days of Company service during the year by 365 and multiplying the result by the amount of full vacation the employee would have received had the year of employment been completed. The number of days should be rounded up to the nearest 1/10 day.
- (4) If the employee had taken more vacation days in the year of terminating than were earned to the date of termination, the value of those unearned days will be recovered from the terminated employee, *except for termination due to death, long-term disability or layoff.*

(b) Periods of Temporary or Occupational Disability

- (1) Employees who are disabled and receiving disability benefits will not receive pay in lieu of vacation.
- (2) Employees returning to work will be eligible to take their regular vacation in the year they return based on their total years of Company service.

- (3) Employees terminating employment following the period of disability will receive pay for any vacation earned but not taken for the year of termination.

(4) Temporary disability at year end:

If the period of temporary disability benefits, or Workers' Compensation payments, continues to the end of the calendar year and the employee is thereby prevented from receiving all of the vacation during that year for which eligible, the employee shall receive pay at or about the end of the year for that portion of vacation due but not received.

- (5) An employee may elect to receive vacation pay for one or more days during the three day waiting period before temporary disability benefits begin.

- (d) An employee may elect to receive pay in lieu of time off for all but two (2) weeks of their eligible vacation each year. Such pay in lieu must be in increments of full weeks. The number of weeks for which pay in lieu is elected must be declared no later than April 15th of the vacation year, and such declaration cannot be revoked thereafter. Vacation weeks that are paid in lieu will be paid the week following April 15th of the vacation year.

8.4 Vacation pay

- (a) Vacation pay shall be based on an employee's previous year's gross pay (less personal travel, supplemental compensation, Awards for Excellence, taxable awards, and A & S payments) divided by 52, per week of vacation. For the purpose of the vacation calculation, the minimum gross pay will be \$35,000. Employees who elect full weeks of "n" days during designated shutdown weeks as defined in the ero agreement will have those weeks removed from the vacation calculation formula.

Note: vacation taken during the first three(3) pay periods of the year will be governed by (b) below.

- (b) Vacation taken during the first three (3) pay periods of the calendar year will be paid at the same rate as vacation taken during the previous year, excluding the first three (3) pay periods of that year. Vacation pay for the rest of the year will be based on the employee's gross pay, as defined in (a) above, from the previous year.

8.5 General Policies

(a) Dividing Vacations

Total vacation time may be divided into one or more periods. The number of periods may be equal to, but not greater than, twice the

number of days of vacation for which an employee is eligible. Vacation time must be approved in advance by the employee's Supervisor.

(b) Vacation Time Not Cumulative:

The vacation period shall be from January 1 to December 31 inclusive. Vacation time shall not be permitted to accumulate from year to year, except as provided for in Paragraph 8.1 (g) (2) [a], and all vacations must be commenced before the end of the calendar year. If the vacation is commenced too near the end of the calendar year to allow the entire vacation within that year, it may be continued into the following year, but only if it is then completed without interruption.

(c) Computing Overtime

Time spent on an approved vacation, any payment applicable thereto, or made in lieu thereof, shall not be considered in computing overtime hours and overtime premium pay.

(d) Vacation schedules shall be arranged to conform to the Company's production schedule. Employees will be given preference in the selection of their vacation periods, if possible, in the order of their plant-wide seniority within their department.

(e) Half day vacations

Half day vacations will be granted under the following conditions:

- (1) Overtime will not be scheduled to grant half day vacations.
- (2) Previous day notice required.
- (3) Supervisor approval is required.

8.6 Appendix "A"

(applies to Paragraph 8.1 (g) (3) [c] only)

(a) An employee who was eligible for vacation in a prior calendar year (and who has not subsequently quit, retired, been discharged, or dismissed) shall be eligible for vacation for the current calendar year, if, on December 31 of the immediately preceding calendar year, the employee was actively employed and had 44 weeks "on the payroll" during that year, or if on any date in the current calendar year the employee shall be actively employed and has 44 weeks "on the payroll" since the date of eligibility for the employee's last vacation.

(b) The following periods of absence shall count toward the required 44 weeks "on the payroll":

- (1) Absence on approved Vacations, Paid Leave and for Jury Duty.
- (2) Absence on reserve active duty for training or National Guard Field Exercises as specified in the Military Service Policy.

(3) Absence on account of an occupational accident or illness compensable as temporary total disability under the applicable State Workers' Compensation Law or Company policy (including any "waiting period" thereunder), and for which time the employee has received or has been eligible to receive compensation thereunder (absence following the expiration of such benefits cannot be counted toward the required time "on the payroll").

(4) Absence on account of nonoccupational accident or illness compensable under the then existing Temporary Disability Plan (including the "waiting period") and for which time the employee was entitled to weekly sickness and accident benefits thereunder, or would have been entitled had the employee been a member thereof (absence following the expiration of the benefit period cannot be counted toward the required time "on the payroll").

(5) Absence while on active service in the Armed Forces or the Coast Guard of the United States, rendered in accordance with and under the provisions of the Military Service Policy of the Company provided the individual is re-employed by the Company within the 90-day period from the date of the employee's certificate of satisfactory service or honorable discharge from the Armed Forces or the Coast Guard, established in the Military Service Policy.

(6) Each week, during any part of which the employee has worked (except while working on a part-time basis) counts as a full week "on the payroll."

(7) All absences from work, other than those specified above, shall not count as "on the payroll." Such absences include, but are not limited to:

- [a] Layoff;
- [b] Leave of Absence;
- [c] Disciplinary Suspension;
- [d] Absence without Permission;
- [e] Absence because of occupational or nonoccupational accident or illness after expiration of the compensation or benefit period.

(8) No period of part-time shall be a period "on the payroll."

ARTICLE IX

Seniority

9.1 Seniority is determined by length of continuous service with the Lancaster Plant as hereinafter defined. The term "seniority" referred to in this article means plant-wide seniority.

Layoffs and re-hiring on jobs in the bargaining unit shall be based upon each employee's seniority, except in cases where special skill is required.

The following groups will be retained out of seniority order based on skill and ability:

Sheet Metal
Air Conditioning

Departments listed below, who are retaining employees out of seniority order from layoff will, at the time of future layoffs, grant access to one untrained employee replacing the least senior employee in that department, provide there is at least a nine (9) month period from the time of the last unskilled entry:

Building Maintenance
Scales, Chain Block and Lubrication Department
Garage
*Power House

*Note: The job of Clarifier Operator will be posted as a separate job and will not be included in the rotation of Tanker Driver, Relief and Boiler Room Technician.

No new employee will be hired until all laid-off employees have had an opportunity to return to work, except in cases where special skill is required.

Promotions and filling vacancies of jobs in the bargaining unit shall be based on seniority, except in those cases where, in the opinion of the Company, greater ability or physical fitness as between individuals justifies a departure from this principle.

Whenever the Company finds it necessary to make a selection for promotion or the filling of a vacancy on any basis other than seniority, the Company agrees to review, before the selection is made, with the proper Union Representative its reasons therefore. When such instances involve layoff or re-hiring, the Company will notify the President of the Union in writing with a copy to the appropriate Division Chairperson three (3) days before the effective date of the layoff or re-hiring its reasons therefore.

In the event that it is charged that in any such layoffs, re-hiring, promotion or filling of vacancies, the Company's judgment relative to ability and physical fitness has been exercised without any reasonable basis so as to result in improper and unfair discrimination, the Company agrees that such charge may be resolved under the terms of the grievance procedure set forth in Article III of this Agreement, including arbitration, if necessary, and providing such charge is made in writing within fifteen (15) working days, excluding Saturdays, Sundays, and holidays, from the date the change is made.

9.2 The seniority status of each employee shall be as it existed on the official seniority list, dated October 1, 1945.

9.3 A new employee shall be on probation for the first ninety (90) calendar days of employment. The dismissal of such employees during this probationary period, without regard to seniority or the reason therefore, shall not be taken up by the Union as a grievance.

9.4 In determining seniority any of the following absences shall be counted:

- (a) Absence resulting from accidents compensable under the compensation law.
- (b) Absence resulting from illness or nonoccupational accidents up to eight- four (84) months on Long Term Disability. (Effective 4/01/03)
- (c) Absence resulting from an approved leave of absence as provided for under Article XI, "Leave of Absence."
- (d) Absence due to layoff, limited to Paragraph 9.5.
- (e) Time spent on approved vacations.

9.5 Seniority shall be broken for any of the following reasons:

- (a) Discharge.
- (b) Quit voluntarily.
- (c) A period of "layoff" in excess of
 - (1) 36 months for employees with less than 5 years of seniority, or
 - (2) 48 months for employees with 5 or more years of seniority.
- (d) Failure of a laid-off individual to report for recall as prescribed in Paragraphs 9.11 and 9.12.
- (e) Failure to report on the first day following the expiration of an approved leave of absence, unless the employee, however, has a justifiable reason for the employee's inability to report.
- (f) A nonoccupational condition in excess of eighty-four (84) months on Long Term Disability. (Effective 4/01/03)

Note: Employees approved for Long Term Disability prior to 4/01/03 will be grand-fathered and will not be limited for accruing Company Service.

9.6 Seniority rights on a plant wide basis shall accrue to an employee after the employee has completed ninety (90) calendar days of continuous service from the date of the employee's employment. The occupational groups in Paragraph 3.1 constitute departments for seniority purposes.

9.7 When two (2) or more employees have identical seniority, the employee with the lowest employee number is considered to have the greater seniority.

9.8 A layoff is defined as a separation from work for an indefinite period of time because of a lack of need for an employee's services. Upon layoff, an individual's name is removed from the payroll, and thereafter all benefits which would accrue hereunder to the employee as an employee shall cease immediately, excepting only for the employee's opportunity to reemployment in accordance with the recall provisions described herein.

9.9 The Company agrees that, prior to any layoff, it will, except in cases of emergency and for employees specifically hired for vacation relief, give at least seven (7) days' notice to the employees affected. Except in cases of emergency, employees hired for vacation relief purposes shall be given a prior one (1) workday notice of layoff. A list of employees affected by any layoff shall be made available to the Division Chairperson and the President of the Union.

9.10 A list of the laid-off individuals arranged in order of their seniority shall be maintained and such individuals will be offered reinstatement with the Company, in order of their seniority, except in cases where special skill is required, before any new employees are hired, provided that their period of layoff does not exceed thirty-six (36) months for employees with less than five (5) years of service or forty-eight (48) months for employees with five (5) or more years of service.

9.11 Upon layoff, the employee will provide, and keep current, a telephone number and address for recall notification. The Company will furnish an employee, at the employee's request, a receipt verifying any change in address that the employee reports. When recall is available the Company will call the individual at the telephone number provided. Also, a written notice of recall will be forwarded by certified mail to the address provided. **Within five (5) calendar days of the date of delivery of the certified mail notice, or within fourteen (14) days from the date of the mailing, the individual must contact the Lancaster Shared Service Center by telephone. Failure to do so will result in automatic forfeiture of recall rights.**

After responding to the recall written notice, if the work is described as being greater than one hundred twenty days (120) the individual will have forty-eight (48) hours to accept the job offered, and then must report to work at the prescribed time, unless excused by the Company, or forfeit recall rights.

After responding to the recall written notice, if the work is described as being of less than one hundred twenty (120) days duration, the employee shall have the privilege of refusing to accept the work offered and the employee shall be eligible for subsequent recall provided the employee's recall rights have not expired. Anyone presently on layoff status, their recall rights will remain as it was at the time of their layoff.

9.12 Laid-off individuals recalled to jobs in the bargaining unit will be offered opportunity to return to their resident departments in accordance with the seniority provisions of this Agreement when an opening occurs, provided they are able to perform the work within a reasonable period of time.

9.13 Whenever it is necessary to reduce the working force in a department to the point where it is necessary to send employees to Job Placement, the employees with the least amount of seniority shall be sent out of the department, providing there are employees remaining in the department who are able to perform the work required.

9.14 Whenever an employee is displaced from the employee's job as a result of the curtailment of the work force or the permanent elimination of the employee's job, the employee may exercise the employee's seniority to replace an employee with less seniority, provided the employee is able to perform the work required. When the number of crews or crew sizes or operations are reduced making it necessary to remove an employee, the employee with the least amount of seniority shall be removed first. Such employee who is removed shall have the right to exercise the employee's seniority to replace an employee with less seniority providing the employee is able to perform the work required. The provisions of this paragraph shall apply only to movement within a department and will be made effective as soon as practicable and no later than the beginning of the next work week. The Company shall not be obligated to cross shifts during the work week in carrying out such reassignments.

9.15 In the event that an employee's job is interfered with due to an unforeseen emergency, during the course of a shift, the employee shall be given the opportunity to be placed for the remainder of the shift on any available job for which the employee may be qualified in the employee's respective department, or be sent to Job Placement. If the unforeseen emergency lasts beyond the shift, the employees affected shall be assigned on the basis of seniority to fill other jobs in the department for which they may be qualified. The Company will make such reassignments as soon as practical, but in no event later than the beginning of the next normal work week.

9.16 In determining seniority for transfer into the bargaining unit, the following applies:

- (a) An employee transferred from the bargaining unit to a salaried position will continue to accrue up to but not to exceed thirty-six (36) months of seniority, to be added to seniority previously accrued while in the bargaining unit, if and when that employee returns to the bargaining unit. The employee must return to the employee's former resident department.

(b) An employee, as described in paragraph (a) above, will be credited with seniority for all time spent in a salaried position, along with accrued seniority for time spent while in the bargaining unit, for purposes of determining layoff and recall only.

(c) An employee who is employed by the Company originally in a position not covered by the terms of this Agreement and who is transferred into a position covered by this Agreement, will be considered as a new employee with seniority beginning on the date of the employee's transfer.

9.17 An employee who is about to be laid off because of lack of work shall have the right, in accordance with the seniority provisions of this Agreement, and provided the employee is able to perform the work within a reasonable length of time, to replace the employee in the Plant who has the least seniority.

9.18 Every effort will be made to place employees in other jobs, in the Plant, which they can reasonably be expected to perform, who, because of physical disability or health, are unable to perform their regular work. Information regarding transfers made under the provisions of this paragraph will be provided to the chairperson of the Division into which this employee is being transferred, prior to the date of transfer.

(a) An employee who is transferred because of physical disability or health shall carry the employee's seniority in the department to which the employee is transferred.

(b) An employee who is transferred temporarily because of physical disability or health shall return to the employee's resident department when the reason for the temporary transfer ceases.

(c) Employees who because of health and physical disability are unable to perform their regular work within their department may be loaned to another department for a period of twelve (12) consecutive months.

9.19 Departmental and Master Plant-wide Seniority Lists shall be placed on the bulletin boards of the respective departments of the Plant. A Master Plant-wide seniority list shall be sent to the Union. Such lists shall be revised every four (4) months.

9.20 An employee who is transferred at the request of the Company because of skill shall return to the employee's department when the reason for the transfer ceases.

9.21 A regular full-time employee, who has satisfactorily completed the employee's probationary period, may apply for a transfer to another department. When transferred, the employee shall be credited with seniority in the new department. Such transfer is subject to the following limitations:

(a) (1) Vacancies will be posted on available communications media such as Target Vision, CCMail and plant bulletin boards, and the Audix telephone system (Ext. #3600) for eight (8) calendar days. Vacancies will be posted on Tuesday and end the following Tuesday at 3:00 P.M.

(2) It is the employee's responsibility to monitor the postings.

(3) A USWA Plant-Wide Posting Interest Form must be submitted for the opening(s) for which the employee wants to be considered, during the posting period.

(4) Requests may not be submitted or withdrawn after the posting deadline.

(5) Requests may not be submitted by telephone.

(6) Requests may be withdrawn or changed prior to the posting deadline.

(7) Selected employee(s) must accept the transfer.

(8) Selection decisions will be posted on the Audix telephone system (Ext. #3600) for eight (8) calendar days.

(b) Whenever it is necessary to reduce the workforce resulting in a layoff at the Site, department openings that occur due to employees leaving the workforce shall be posted and made available to the entire plant seniority group.

(c) An employee may post for an unlimited number of requests.

(1) The USWA Plant-Wide Posting Interest Form will list available departmental opening(s). Employees must indicate their preferred Department choice(s) in numerical order.

(2) Employees will be placed by seniority and highest numerical choice available as requested on the USWA Plant-Wide Posting Interest Form.

(d) There must be a period of twenty-four (24) months between each transfer.

(e) An employee in Phase III of the Lancaster Plant Attendance Program will be disqualified from selection for posting to another department.

9.22 An employee transferred from the employee's resident department to a new department as a result of the curtailment of the work force as provided for in Paragraph 9.14 shall be given the immediate opportunity to apply the employee's seniority to avoid transfer from said new department.

9.23 An employee transferred to another department to avoid layoff will return to the employee's resident department in accordance with the employee's seniority when an opening occurs.

- (a) If, as a result of a curtailment of the work force as is provided for in Paragraph 9.14 of the Agreement, an employee has been transferred to another department, the employee shall have the opportunity to exercise the employee's seniority in the new department to which the employee has been transferred.

9.24 When an employee is enrolled in the Armstrong Educational Program, the Company will, at the request of the employee, assign the employee to another shift of the Company's choosing for the week without displacing other employees. The reassigned employee will then be the least senior person on that shift. The opening created by an employee using this option will be treated as a temporary opening.

9.25 All departmental procedures involving schedule changes will continue to be followed, but, at least one schedule change will occur every calendar year in all production areas. All Skilled Trades groups will have a schedule change to occur on or before January 30 of each calendar year. Schedule changes within the Power House and Air Conditioning seniority group will occur separately.

9.26 The Company will inform the Union of the need for an employee from the bargaining unit to perform non-bargaining unit work in a temporary or special assignment, excluding relief supervisor. He or she will be eligible for such assignment for up to but not to exceed six (6) months per temporary or special assignment. If the temporary or special assignment needs to be extended beyond six (6) months the Company will notify the Division Chairperson. Individual(s) leaving the temporary position will return to his or her master schedule position at the completion of the non-bargaining unit assignment.

ARTICLE X

Voluntary Irrevocable Checkoff

10.1 The Company agrees that it will deduct Union dues from the pay of each employee who in writing, in accordance with the authorization form set forth below, voluntarily authorizes the Company to do so for the period covered thereby and will forward the total amount thus deducted to the official designated in writing by the Union to receive the same.

- (a) All employees with dues deduction authorization cards currently in effect shall have the right to withdraw their authorization cards for a fifteen (15) day period beginning April 1, starting 1997, and each year after.
- (b) The authorization for dues deduction for an employee commencing on or after the effective date of this Agreement shall be in the following form:

"To Armstrong World Industries, Inc.:

"I, _____ Clock No. _____ Department, in

accordance with the terms of the Agreement between Local 285, USWA, AFL-CIO, CLC and the Company, hereby authorize the Company to deduct from my earnings Union dues in the amount determined from time to time pursuant to the procedure set forth in the Union's International Constitution and direct the Company to pay over to the duly designated Union official the amount so deducted. I agree that such dues deductions shall begin with the date hereof and that this authorization shall be irrevocable for the period of one (1) year or until the termination date of the current collective bargaining agreement between the Company and the Union, whichever occurs sooner; and I agree and direct that this authorization shall be automatically renewed and shall be irrevocable for successive periods of one (1) year or until the termination date of each succeeding applicable collective bargaining agreement between the Company and the Union; whichever shall be shorter, unless written notice to the contrary is given by me to the Company and Union during the fifteen (15) calendar day period immediately after the end of any such period of irrevocability.

"The Union agrees that one of its accredited officials shall certify in writing to the company the dues that may be established from time to time pursuant to the procedure set forth in the Union's International Constitution.

"If I have not worked during a pay period from which a deduction should have been made, the Union dues in arrears shall be deducted from subsequent pays.

" The foregoing deduction shall in any event be subject to the existence of a contractual obligation of the Company with the Union to check off Union dues.

"Date _____ Signature _____"

10.2 The Union shall indemnify and save the Company harmless from any claims, suits, judgments, attachments, and from any other form of liability including the full cost of any litigation therefrom as a result of making any deductions under this Article.

ARTICLE XI
Leave of Absence

11.1 An employee, upon written request, may be granted a general leave of absence subject to the approval of the Company, with the understanding that the Company will require a physical examination before and after such absence, if such absence is for a period of three (3) weeks or longer, including any vacation which may be taken consecutively with the leave.

11.2 the seniority of any employee on an approved leave of absence shall not be broken and the time spent on such leave of absence shall be counted as continuous service for seniority purposes, provided the employee does not engage in employment elsewhere while on said leave of absence and reports to work on or before the expiration date of such leave of absence unless, the employee, however, has a justifiable reason for not being able to report.

11.3 Under the above conditions, a special leave of absence to the termination date of this Agreement will be granted by the Plant Manager to a maximum of eight (8) employees who are Union Officers or Division Chairpersons, at any one time to carry on Union activities for Local 285, USWA, which are in the interest of members of Local 285 employed at the Lancaster Plant. Requests for such special leaves must be submitted in writing at least seven (7) calendar days prior to the time such leaves are to begin. Time on such leaves shall be counted as continuous service for purposes of the Guaranteed Pension Retirement Income Plan and the Long Term Disability Program.

11.4 An employee who is elected or selected to serve in the position of President, Local 285, USWA, requiring full-time work in the interest of members of Local 285, USWA, employed at the Lancaster Plant will, upon written request, be granted time off to serve in the position of President, Local 285, USWA. In the case of such employee, the time off shall be counted as continuous service only for purposes of Guaranteed Pension of the Retirement Income Plan and the Long Term Disability Program.

The Company will credit the annual wages paid by the USWA to the Local 285 Union President for the determination of Average Final Compensation under the Retirement Income Plan.

11.5 The Company will notify the President, with a copy to the Secretary of the Union, of all leaves of absence granted, with the effective date and the expiration date.

11.6 Military leaves of absence shall be granted in accordance with the Universal Military Training and Service Act of 1951, as amended.

11.7 It is the mutual intent and understanding of the parties, arrived at in view of the program of the Federal Government for the rehabilitation of returning service men and women having service-connected disabilities, that it is within the scope and spirit of this entire Agreement that the Company will use its best efforts to re-employ its service men and women having such disabilities and to assign them to jobs which are suitable for them, and the Union and the Company agree to cooperate fully in carrying out this program.

11.8 In the event an employee on the active payroll is called for annual military duty for paid training or temporary emergency active duty, the Company will pay the difference between the gross amount received for such duty on each day (not exceeding two weeks in any calendar year for annual military duty and two weeks in any calendar year for temporary emergency active duty) such employee would have been scheduled to work and the employee's straight-time hourly earnings (including shift differentials and incentives, if any, but excluding overtime) for the pay period immediately preceding the first day of such duty, multiplied by the hours the employee would have been scheduled to work (not to exceed twelve hours per day and thirty-six hours per week). Hours so paid shall not contribute toward hours worked for the calculation of overtime.

ARTICLE XII
Bulletin Boards

12.1 The Company agrees to post Union notices on the bulletin boards and target vision of the Plant restricted to the following, provided such notices have been approved by the Plant Manager's Office:

- (a) Notices of Union recreational and social affairs.
- (b) Notices of Union elections.
- (c) Notices of Union appointments and the results of Union elections.
- (d) Notices of Union meetings.
- (e) Notices of Union interest.

12.2 The Company agrees to post the incentive earnings with the bonus and hours worked for all operations on incentive within 24 hours after payroll calculations have been made.

**ARTICLE XIII
Safety and Health**

13.1 The Company shall continue to make reasonable provisions for the safety and health of its employees at the Plant as required by law during the hours of their employment. The Company agrees to provide, at no cost to the employee, necessary protective clothing and equipment of all types. The Union agrees to make every reasonable effort to have its members observe all safety and health rules and use all safety and protective equipment furnished for this purpose.

13.2 The Union and the Company agree to cooperate in the promotion of safety and in the maintenance of safe working conditions and practices and also agree to cooperate in the prevention of willful damage or destruction to Company property, equipment, or materials. The cooperation of the parties shall include the following:

(a) A Central Safety Committee will be comprised of management representatives and the USWA President and Vice-President, or their designates, and the IAM President and Vice-President, or their designates. The Central Safety Committee will meet monthly to discuss jointly agreed upon safety issues.

A Company-Union safety and health committee, operating as a subcommittee of the Central Safety Committee, shall be composed of one representative designated by the Company and three employee representatives designated by the Union. The committee shall meet one day each quarter for a period of up to eight (8) hours and such other times as may be mutually agreed upon. During these meetings, the committee will review injury statistics, make on-site inspections to review safe working practices and conditions, as may be mutually agreeable to the parties, and make recommendations for the promotion of safe working practices and safe working conditions.

(b) Departmental inspections shall be conducted approximately twelve (12) times per year to observe departmental working practices and working conditions. A Union-designated departmental safety steward, working on the shift, shall be given an opportunity to participate in each such inspection. Minutes of the meeting held to review results of the departmental inspection shall be supplied to the departmental safety steward participating in the inspection and copies sent to the Union office.

(c) Two employee representatives of the Union shall be designated by the Union to participate in meetings with the Company Safety Program Committee to prepare recommendations for the coming year's Plant Safety Program.

(d) Time spent by employee representatives of the Union in the meetings described in (a), (b), and (c) immediately above shall be compensated at a rate equal to the employee's average straight-time hourly earnings (including shift differential and incentives, if any, but excluding overtime).

13.3 Time spent by an employee serving as an accredited Union representative accompanying an OSHA Inspector on a routine OSHA inspection of the workplace which coincides with the hours said employee would have been scheduled to work shall be compensated at a rate equal to the employee's average straight-time hourly earnings (including shift differential and incentives, if any, but excluding overtime). The Union agrees to make every effort to persuade employees to afford the Company an opportunity to take corrective action regarding potential safety complaints before they are submitted to OSHA.

13.4 The Company will provide the *President, Local 285*, monthly with a listing of bargaining unit employees who have been receiving occupational or non-occupational total disability benefits for a period of three weeks or more. The date of exit and date of return will be included. The Company will also notify the President, Local 285, of any safety or health emergencies and, within seven (7) days, of any injuries that result in lost time from work.

13.5 To help ensure a safe work environment, effective *July 1, 1999*, employees will be required to submit to drug and/or alcohol testing under the conditions of paragraphs A, B and C below.

A. Post-Incident/Injury Testing

Any employee who contributes to the injury of another employee or CONTRIBUTES TO AN INJURY to themselves for a second time within a 12 month period in which the injured employee receives medical treatment by an outside medical facility will be required to submit to a drug and/or alcohol test. The test will be conducted immediately following the incident. The 12 month period starts with the first incident.

B. Reasonable Cause

When there is reasonable evidence, supported by two(2) or more management employees, to suspect that an employee has reported to work impaired, or is working impaired, the employee will be subject to a drug and/or alcohol test. The management employee will inform the suspected employee that he/she has the right to union representation. If working, the employee will be immediately removed from the work site and tested.

When the conditions of either A or B apply:

1. The employee will complete a course of treatment recommended by the Medical Review Officer(MRO) within a period of time as prescribed by the MRO.
2. A split sample will be maintained for a drug test.
3. An employee who refuses to submit to a drug and/or alcohol test will be treated as having had a positive test.
4. The employee will be wage protected for time spent away from work to take the drug and/or alcohol test. Pay will be determined in the same manner as it is for employees who spend time at the hospital on the day of an occupational injury.
5. All drug and alcohol testing will be performed by a certified technician at an off site medical facility that has been agreed to; by both the Union and the Company.
6. Any incident occurring under paragraph 13.5 will be documented and supplied upon review with the Union President.

C. Attendance program - phase III

Any employee who enters Phase III of the Lancaster Plant Attendance Program will be subject to drug and/or alcohol testing. Random testing will be conducted at any time during a 12 month period following notification to the employee that he/ she has entered Phase III.

When the conditions of C apply:

1. An employee who refuses to submit to a drug and/or alcohol test will be treated as having had a positive test.
2. The employee will be wage protected for time spent away from work to take the drug and/or alcohol test. Pay will be determined in the same manner as it is for employees who spend time at the hospital on the day of an occupational injury.
3. A positive drug or alcohol test will result in suspension from work without pay until the employee successfully completes the course of treatment recommended by the Medical Review Officer (MRO) and receives a negative drug and alcohol test. The course of treatment recommended by the MRO must be completed within the prescribed period of time or the employee will be reviewed for discharge. After a positive drug or alcohol test, the employee will be placed on a 12-month probation, with random drug and alcohol testing during those 12 months. The 12-month probation begins on the day the employee returns to work after successfully completing treatment and receiving a negative drug and alcohol test. Refusal to participate in the course of treatment recommended by the MRO will result in review for discharge.

4. If an employee receives a second positive drug or alcohol test at anytime in a four year period the employee will be reviewed for discharge.

When the conditions of A, B or C apply:

1. An employee who seeks drug and/or alcohol treatment on his/her own initiative will not be placed on a 12-month probation with random testing unless he/she receives a positive drug or alcohol test.
2. For employees who test positive for drugs and/or alcohol, the Company will pay for up to three (3) EAP visits in addition to the six (6) Company-paid visits offered to all employees.
3. For the purpose of alcohol testing, the test will be conducted using a Breathalyzer. A positive test will result if the alcohol level is (.10) or greater.

13.6 Employee participants in mandatory health monitoring programs will be informed of the reasons for the examinations and the results of those examinations.

13.7 The Company and the Union recognize the need for a sound continuing Ergonomic Process and will work together accumulating and analyzing information to continue making ergonomic corrections. Through joint involvement the Ergonomic process will become more pro-active from all those involved.

Where new equipment or devices have been or will be added to jobs, employees will be provided with the necessary training to perform their job in a safe ergonomically sound method. When new equipment or jobs are coming into an area, it is pertinent to focus on the ergonomic impact of the additions.

13.8 The Company will provide the Union computer on-line access to the Material Safety Data Sheet database, effective January 1, 2000. This will provide an up-to-date listing of "chemicals" used in the Plant. This information is currently available in the Plant and can be accessed by contacting the Manager, Plant Safety and Health.

13.9 The Company will pay travel and seminar costs, in accordance with Company policy, to have two (2) Union representatives per year attend the spring National Safety Council Convention, two (2) Union representatives per year attended the fall National Safety Council Convention, and two (2) Union representatives per year attend the joint USWA/Management Safety and Health Seminar. The Union will invite two(2) management representatives to attend the joint seminar. The individuals attending the conventions and/or seminar will give a full report at the next scheduled Central Safety and health Committee meeting.

13.10 The Company and the Union agree to meet with the Plant Central Safety and Health Committee, upon ratification of the current Labor Agreement, to develop a Safety Recognition Program for the Lancaster Site. (Including 800 and 900 Buildings). The program would be implemented no later than January 1, 2003 and be reviewed every three years thereafter.

ARTICLE XIV
Legislation

14.1 The parties hereto agree that, in the event any existing or future compulsory legislation by the Congress of the United States or the Legislature of the Commonwealth of Pennsylvania specifically invalidates any of the provisions of this Agreement or any portion thereof, such provisions shall be amended or construed to conform with the applicable law pertaining thereto, and the portion of this Agreement unaffected by such legislation shall be and remain in full force and effect.

ARTICLE XV
Jury Duty/ Witness

15.1 When an employee (summer worker excluded) who is on the active payroll is called to serve on a jury, the Company will pay the difference between the amount received for such jury service on each day (for one unlimited period in any calendar year for jury service in county court and one unlimited period in any calendar year for jury service in Federal Court) such employee would have been scheduled to work and the employee's average straight time hourly earnings (including night shift differential and incentives, if any, but excluding overtime) for the pay period immediately preceding the first day of jury service multiplied by the hours the employee would have been scheduled to work (not to exceed twelve hours). Hours so paid shall not contribute toward hours worked for the calculation of overtime. **If the jury service exceeds thirty (30) days in length, the Company reimbursement payment to the employee will be made on a monthly basis in a regular paycheck.**

15.2 In case an employee (summer worker excluded) on the active payroll is called as a witness under subpoena to appear in court, the Company will pay the difference between the amount received for such witness service on each day such employee would have been scheduled to work and the employee's average straight-time hourly earnings (including night shift differential, if any, but excluding overtime) for the pay period immediately preceding the first day of witness service multiplied by the hours the employee would have been scheduled to work (not to exceed twelve [12] hours). Hours so paid shall not contribute toward hours worked for the calculation of overtime.

ARTICLE XVI

Leave for Death in Family

16.1 An employee (summer worker excluded) on the active payroll shall be entitled to receive a paid leave of absence of not more than three days upon the death of the employee's son-in-law (effective 11/5/90), daughter-in-law (effective 11/5/90), grandchild, stepmother, stepfather, mother-in-law, father-in-law, brother, sister, brother-in-law, sister-in-law, half-brother, half-sister, stepbrother, stepsister, grandmother or grandfather. An employee (summer worker excluded) on the active payroll shall be entitled to receive a paid leave of absence of not more than five days upon the death of the employee's spouse, child, stepchild, adopted child, and mother or father. Such paid leave shall be for a continuous period of not more than three/five scheduled shifts either within ten days following the death or at the time of the funeral. Pay for each shift shall be the hours the employee would have been scheduled to work (not to exceed twelve [12] hours) multiplied by the employee's average straight-time hourly earnings (including shift differential, and incentives, if any, but excluding overtime) for the pay period immediately preceding the first day of such leave. Hours so paid shall not contribute towards hours worked for the calculation of overtime. Should the employee desire additional personal unpaid leave of absence, such arrangements may be made with the employee's Supervisor.

(a) In-law relationships covered by Paragraph 16.1 shall continue to exist after death severs the relationship but shall end upon remarriage.

ARTICLE XVII
Emergency Service

17.1 When an employee (summer worker excluded) who is on the active payroll is unable to report for work as scheduled because of active emergency service at the time as a volunteer fireman or ambulance attendant, the Company will provide makeup pay. An appropriate authorization from the Fire Chief or other official shall be submitted for the hours on emergency service duty.

Pay shall be for the hours lost multiplied by the employee's average straight-time hourly earnings (including night shift differential, and incentives, if any, but excluding overtime) for the pay period immediately preceding the day of such emergency service. Hours so paid shall not contribute toward hours worked for the calculation of overtime.

ARTICLE XVIII
Duration and Termination

18.1 Except as herein provided, all terms of this Agreement shall become effective the date of the Agreement and shall continue in effect thereafter to and including **September 30, 2005**. Unless terminated as herein provided, all terms of this Agreement shall continue in effect thereafter from year to year. Either party may terminate this Agreement at 11:00 p.m. on **September 30, 2005**, by giving not more than seventy-five (75) or less than sixty (60) days' prior notice to the other party of its desire to so terminate.

18.2 Any notice of termination under this Agreement shall be given by registered or certified mail, be completed by and at the time of mailing, and if by the Company be addressed to the President of Local 285, United Steelworkers of America, AFL-CIO, CLC, 202 West Liberty Street, Lancaster, Pennsylvania; and if by the Union be addressed to Armstrong, World Industries, Inc., attention Plant Manager, Lancaster Plant, PO Box 3001, Lancaster, Pennsylvania. Either party may, by like written notice, change the address to which registered or certified mail notice to it shall be given.

IN WITNESS WHEREOF the parties have caused this Memorandum of Agreement to be duly executed as of the day and year first above written:

FOR
ARMSTRONG WORLD INDUSTRIES, INC.,
LANCASTER PLANT

John E. Sonfelt
 David L. Bendit
 Dennis L. Williamson

Add
 Kenneth E. Harnish
 Karen A. Lewis

FOR
UNITED STEELWORKERS OF AMERICA,
AFL-CIO, CLC ON BEHALF OF ITS LOCAL 285

Leo W. Gerard, International President
 James English, Intl. Secy./Treas.
 Andrew Palm, Intl. V.P. Adm.
 Leon Lynch, Intl. V.P. Human Affairs
 John DeFazio, District Director
 Tom Jones, Staff Representative
 Jerry P. Eshleman, Local 285 President
 Joseph D. Rumberger
 George G. Schanz
 George M. Suydam
 Brent L. Thomas
 David Boyd
 Jeffrey Winnerling

SUPPLEMENT "A-1"

Job Classes and Rates of Pay
 (Effective September 30, 2002) 3.0% Base Increase

<u>Job Class</u>	<u>Non-Incentive Job Rate of Pay</u>	<u>Incentive Job Rate of Pay</u>
1	\$ 14.07	\$ 17.87
1 1/2	\$ 14.15	\$ 17.98
2	\$ 14.23	\$ 18.08
2 1/2	\$ 14.35	\$ 18.23
3	\$ 14.48	\$ 18.39
3 1/2	\$ 14.60	\$ 18.54
4	\$ 14.74	\$ 18.72
4 1/2	\$ 15.11	\$ 19.20
5	\$ 15.60	\$ 19.82
5 1/2	\$ 16.33	\$ 20.73
6	\$ 16.49	\$ 20.95
6 1/2	\$ 16.98	\$ 21.57
7	\$ 17.50	\$ 22.22
7 1/2	\$ 18.07	\$ 22.95
8	\$ 18.51	\$ 23.50
8 1/2	\$ 18.95	\$ 24.08
9	\$ 19.38	\$ 24.62
9 1/2	\$ 19.84	\$ 20.29
10	\$ 20.74	\$ 21.20
10 1/2	\$ 21.65	\$ 22.10
11	\$ 25.19	\$ 25.77
11 1/2	\$ 26.34	\$ 26.92
12	\$ 27.50	\$ 28.07

SUPPLEMENT "A-1"

Job Classes and Rates of Pay
(Effective September 29, 2003 3% base increase)

<u>Job Class</u>	<u>Non-Incentive Job Rate of Pay</u>	<u>Incentive Job Rate of Pay</u>
1	\$ 14.49	\$ 18.41
1 1/2	\$ 14.57	\$ 18.52
2	\$ 14.66	\$ 18.62
2 1/2	\$ 14.78	\$ 18.78
3	\$ 14.91	\$ 18.94
3 1/2	\$ 15.04	\$ 19.10
4	\$ 15.18	\$ 19.28
4 1/2	\$ 15.56	\$ 19.78
5	\$ 16.07	\$ 20.41
5 1/2	\$ 16.82	\$ 20.98
6	\$ 16.98	\$ 21.58
6 1/2	\$ 17.49	\$ 22.22
7	\$ 18.03	\$ 22.89
7 1/2	\$ 18.61	\$ 23.64
8	\$ 19.07	\$ 24.21
8 1/2	\$ 19.52	\$ 24.80
9	\$ 19.96	\$ 25.36
9 1/2	\$ 20.44	\$ 20.90
10	\$ 21.36	\$ 21.84
10-1/2	\$ 22.30	\$ 22.76
11	\$ 25.95	\$ 26.54
11-1/2	\$ 27.13	\$ 27.73
12	\$ 28.33	\$ 28.91

SUPPLEMENT "A-1"

Job Classes and Rates of Pay
(Effective September 27, 2004 2% base increase)

<u>Job Class</u>	<u>Non-Incentive Job Rate of Pay</u>	<u>Incentive Job Rate of Pay</u>
1	\$ 14.78	\$ 18.78
1 1/2	\$ 14.86	\$ 18.89
2	\$ 14.95	\$ 18.99
2 1/2	\$ 15.08	\$ 19.16
3	\$ 15.21	\$ 19.32
3 1/2	\$ 15.34	\$ 19.48
4	\$ 15.48	\$ 19.67
4 1/2	\$ 15.87	\$ 20.18
5	\$ 16.39	\$ 20.82
5 1/2	\$ 17.16	\$ 21.40
6	\$ 17.32	\$ 22.01
6 1/2	\$ 17.84	\$ 22.66
7	\$ 18.39	\$ 23.35
7 1/2	\$ 18.98	\$ 24.11
8	\$ 19.45	\$ 24.69
8 1/2	\$ 19.91	\$ 25.30
9	\$ 20.36	\$ 25.87
9 1/2	\$ 20.85	\$ 21.32
10	\$ 21.79	\$ 22.28
10-1/2	\$ 22.75	\$ 23.22
11	\$ 26.47	\$ 27.07
11-1/2	\$ 27.67	\$ 28.28
12	\$ 28.90	\$ 29.49

**SUPPLEMENT "B"
LETTERS OF UNDERSTANDING**

April 16, 1999

Mr. Jerry P. Eshleman
President, Local 285, USWA
202 West Liberty Street, Lancaster, PA 17603

Dear Mr. Eshleman:

B-1. This letter will confirm the understanding reached in our 1999 contract negotiations.

All Letters of Understanding *B-2 through B-22*, agreed to during the 1999 Negotiations will be in force for the term of the Agreement, unless the parties mutually agree to changes.

B-2. Effective April 1, 1996, the Company will continue to make Workers' Compensation payments in accordance with its established procedure except that payment will also be made voluntarily for temporary-total disabilities of less than seven (7) days' duration that are accepted by the Company as being work related. Such benefits will be paid on the basis of the number of days during which the employee was totally disabled starting with the employee's first scheduled work-day following the date of injury.

B-3. Safety Shoes: *The Company will credit each employee up to one hundred (\$100.00) dollars towards the purchase of safety shoes each year. The credit limit does not apply to situations where shoes are already replaced by the Company due to damage sustained in the production process.*

B-4. During a period of unusually bad winter weather, when the Company declares a "snow emergency" and announces the same on local radio stations for the purpose of communicating to employees whether work is available, employees who find it too difficult to report for work may elect to have any such day which has been scheduled but not worked paid as a day of vacation. The employee who so elects to have the day count as vacation shall be paid one fifth (1/5) of a normal week's vacation pay, or one third (1/3) for an employee scheduled for three 12-hour shifts, for each such week-day's absence providing the employee notifies his or her supervisor of the employee's desire to be so paid on the first day of the employee's return to work.

B-5. The Company will make available a means by which employees may elect to have their regular weekly paychecks and bonus checks

deposited in an established checking/savings accounts. After normal deductions, the employee's funds may be distributed to three banks/accounts provided they have electronic routing capabilities, with the understanding that:

1. The credit from that deposit will not be available to the employee until the first bank working day (excluding Saturdays) following the date of the check. The Company's responsibility shall be limited to transmitting funds in a timely fashion. Since the Company cannot control when an employee cashes a check or when a bank credits an account, differences which arise as a result of those conditions shall be matters to be handled solely between those parties.
2. When a paid holiday occurs, the deposit will move by one day for each holiday in the week. For example, if the deposit is normally Friday, and Thanksgiving week the plant celebrates the holiday on Thursday and Friday, the deposit would shift for all employees from Friday to Tuesday of the following week. This would allow for sufficient time to deposit the money into the employees' account.
3. The Company may add or eliminate banks, and may terminate the program if it determines just cause exists.
4. Any employee who withdraws the deposit authorization will be ineligible to submit another deposit authorization before one year from the date of withdrawal.

B-6. The Union and the Company agree that it is necessary for an employee to acquire skill and job knowledge while working on the job before the employee can perform adequately the jobs and responsibilities in these departments:

- Garage
- Scales, Chain Block and Lubrication
- Sheet Metal
- Building Maintenance**
- Power House

The parties also agree to meetings between Company representatives and the Union's Skilled Trade Program Committee to explore the concept of a skilled trades program. The meetings may be called by either the Company or Union representatives. Both parties must be in agreement to conduct said meetings. Such meetings will not include discussions of matters which are the domain of the collective bargaining Agreement between the parties.

B-7. The Company and the Union recognize the importance of health care cost and quality. To address these issues, the Company and the Union agree to establish a Joint Health Care Committee that will address;

- Evaluation of new and existing carriers
- Health care cost containment strategies
- Medical usage and access to quality health care.

The Company agrees to include an International staff benefits representative from both the USWA and the IAM and one representative each from Local 285 USWA and IAM Lodge 928, to participate in the Joint Health Care Committee. The Union representatives will consult with Company representatives concerning rates, access, and quality of medical plans. Such meetings will take place not less than annually prior to the open enrollment period.

Effective: January 1, 2000.

B-8. The parties agreed that an International Union Representative would be admitted to the plant upon request by the Union for the purpose of studying an allegation which has been unresolved through step 1 of the grievance procedure that pertain to job classifications, incentive plan disputes, and/or unsafe conditions. Access to the plant for this purpose will be provided under the following conditions:

1. The study will be made by a person qualified by training and experience.
2. The study will be relevant and necessary to the particular dispute involved.
3. The study will not involve access to operations or data which could help competitors.
4. The study will be of reasonable duration and will be conducted at a time when it is convenient for Company representatives to be present.
5. The study will be conducted without undue interference with production.
6. The Company will be provided with a copy of the written report as soon as possible.

B-9. The Company and the Union entered into an agreement on February 26, 1999 regarding a trial process to expedite arbitration cases. The terms of the agreement are as follows:

1. The Company and the Union agree to participate in a Pilot Expedited Arbitration System ("the system") for a period of six (6) months from the date of this agreement. Thereafter, either party shall have the right to terminate the System upon sixty(60) days' written notice to the other.

2. The parties shall agree on a list of arbitrators who shall be scheduled to hear cases on an agreed-upon arbitration date once each calendar quarter (or more frequently if the parties mutually agree). Each arbitrator shall serve one day and be recalled for an additional day only after the other listed arbitrators have served one day. The initial list of arbitrators shall have four(4) names.

3. The parties shall mutually agree 14 days in advance of Arbitration day on the specific case or cases to be presented. No more than four(4) cases shall be scheduled on any Arbitration day.

4. At the arbitration hearing, the following conditions shall apply:

a. Presentation shall be made without attorneys unless the party seeking to use an attorney provides thirty(30) days notice to the other.

b. The relief sought shall be agreed upon and/or submitted in writing prior to the commencement of each case.

c. The arbitrator shall render a brief written decision on each case within fourteen(14) days of the hearing. The written decisions shall set forth, in summary form, an explanation of the rationale for the decision.

d. There shall be no written briefs, although there may be opening and/or closing statements.

e. The parties shall share equally all costs of the Expedited Arbitration System.

f. No decision rendered under this System may be used as a practice or precedent in any other dispute, case, negotiation or proceeding between the parties in any way whatsoever. Decisions shall be final and binding only as to particular facts presented in that dispute and for no other purpose.

5. Each party shall have the right to strike the name of an arbitrator from the list upon thirty (30) days' written notice provided the arbitrator has served on at least two(2) Arbitration days. If an arbitrator is struck, the parties shall mutually agree on a replacement.

6. The parties shall review all current cases listed for arbitration and first mutually agree on those cases to be placed on the Expedited Arbitration List. In no event will the Expedited Arbitration System be used for discharge cases, significant contract interpretation cases or subcontracting cases, or any other case either party wishes to delete from the Expedited List. All cases not on this list shall be processed in accordance with the collective bargaining agreement.

7. The parties may, upon mutual agreement, submit any case to mediation prior to arbitration, by selecting a mediator acceptable to both parties.

B-10. 1. The Company will provide the Union with written notification, and E-MAIL or telephone notification, of the death of retirees, and will continue to provide written notification of other deaths as in the past.

2. The Union will supply the Company with the names of Union officers and Union representatives in each department and the Company will supply the Union with the names of salaried supervisors in each department. Both parties will make reasonable provisions for keeping the lists up-to-date.

B-11. Union earnings, payable by Local 285 to its bargaining committee members for time spent in meetings with Company officials for Union-paid grievance meetings, arbitration hearings, and time on leave of absence from the Company to replace the President of Local 285 for leaves associated with Lancaster Plant business and Company and Local 285 paid monies for negotiations credited to Lancaster Plant employee members of Local 285's bargaining committee, will be credited to the employee's Company earnings for the purpose of vacation pay calculation and for determining the employee's benefit class in the Group Life Insurance Program, the Temporary Disability Benefits Program (A & S), Long Term Disability Program and the guaranteed pension benefit.

Local 285 agrees to provide monthly documentation acceptable to the Company of any such payments to support all earnings credits granted by the Company.

B-12. This letter will confirm the understanding reached in the 1995/1996 contract negotiations concerning benefits made available by the Company to the President of Local 285.

They include Medical, Dental, Life Insurance, Long Term Disability and continuous service credit for guaranteed pension and LTD. The above programs with required employee contributions are offered at the same premium rates as an active employee.

In addition, the Temporary Disability Benefits Plan will be provided at Company expense. Benefit class will be based on the same earnings level for which he is currently covered for Group Life Insurance.

This letter will remain in effect for the term of the current basic Agreement and may be extended with the mutual agreement of the parties.

B-13. As part of the Early Retirement Agreement of November 17, 1998 to offer an ERO, the Company and the Union agree as follows:

1. Reassignment of employees to other departments within the FBU. Employees, who are extra or are scheduled to a job on a line and the line is down, will be, when needed, loaned to other departments within the FBU in lieu of assigning people on overtime, as defined by the Site-wide procedure.

2. Cooperation in the creation of an extra list within a department for the purpose of assigning extra employees to jobs within the FBU, as defined by the Site-wide procedure.

3. Cooperation in creating a shutdown procedure will be developed by each FBU to be used individually by the FBU when the Business need arises to shut down the entire FBU Business for a period of time.

4. Increased flexibility of Skilled Trades within the USWA will occur as follows;

a. Lubrication of mobile equipment of a general nature can be performed by any skilled trades employees in the USWA bargaining unit.

1. Garage mechanics working on mobile equipment may also perform lubrication on pieces of mobile equipment.

2. Lubricator mechanics working in FBU's may also perform lubrication and minor repairs and parts replacements on pieces of mobile equipment in the FBU.

3. Garage lubrication mechanic can perform minor repairs and parts replacement on mobile equipment.

4. Maintenance and repairs to bicycles can be performed by any member of the USWA bargaining unit.

b. Assist in implementing the job description changes of work duties with Power House and Air Conditioning.

B-14. Upon management approval, the Division Chairperson will be released from regularly assigned work and wage protected for a period of time agreed to by the Company for the sole purpose of discussing settlement options with Managers, Personnel Managers, and departmental grievants whose cases are on the arbitration list for longer than three (3) years. Such discussion will take place on Company premises.

B-15. The Company and the Union agreed, during 1999 negotiations, to develop within twelve months of the signing of the Agreement mutually agreed uniform procedures for the assignment of both Daily and Premium day overtime, filling of daily openings, and shift trading. These procedures will apply to all departments throughout the Lancaster Site. Employees will be wage protected for hours spent in meetings with the Company to develop these procedures.

B-16. 1. For the purpose of this Letter of Understanding, the following provisions will apply to the calculation of vacation pay and vacation time when periods of vacation of less than a full week are involved.

a. A week of vacation is defined as one calendar week or seven consecutive days away from work and will be paid as per the Company/Union Agreement.

- b. Single days of vacation or vacation periods of less than five consecutive calendar days will be paid and counted as follows when on a 12-hour schedule:
- (1) When scheduled for three days, each day of vacation equals 1/3 or .333% of a normal week's vacation pay and time.
 - (2) When scheduled for four days, each day of vacation equals 1/4 or .250% of a normal week's vacation pay and time.
 - (3) In the event an employee has received the full amount of pay for all vacation pay due but there remains a fraction of the time due and that fraction equals six hours or more, the employee will be offered a scheduled day off without pay.
 - (4) In the event an employee has received all the time due but there is a fraction of pay remaining, the employee will receive the pay in lieu of time.
- c. Half days of vacation will be paid and counted as follows when on a 12-hour schedule:
- (1) When scheduled for three days, each half day of vacation equals 1/6 or .167% of a normal week's vacation pay and time.
 - (2) When scheduled for four days, each half day of vacation equals 1/8 or .125% of a normal week's vacation pay and time.
 - (3) In the event an employee has received all the time due but there is a fraction of pay remaining, the employee will receive the pay in lieu of time.
2. The Union and Company agree that the intent of this Letter of Understanding is to confirm procedures that are currently in effect.

B-17. VALUES:

- * We value the safety and well-being of all employees.
- * We value total employee involvement in safety.

BELIEFS:

- * Continuous training and development will lead to improved safety performance.
- * All injuries and occupational illnesses can be prevented.
- * Improved safety performance will lead to lower Worker's Compensation and associated costs.
- * Personal responsibility for safety is important for prevention of injuries.
- * Increased individual responsibility for safety will increase interest in safety.
- * Not all people have the same value for safety, so different approaches need to be taken with different people.

PRINCIPLES:

- * Safety is our first priority.
- * Working safely is part of everyone's job.
- * Management will provide and maintain safe working conditions.
- * Each employee is accountable for notifying supervision of unsafe conditions.
- * Lack of time or tools is not an excuse for violating safe work behavior.

- B-18. a.** All work (soldering or electrical), on window type air conditioning unit's formerly performed by IAM employees, shall be performed by the air conditioning employees within the Power House seniority group, with no limitations.
- b.** The work of positioning weights for electronic scale calibration, formerly performed by USWA employees, shall be performed by IAM electricians trained to perform such work. USWA employees will calibrate mechanical scales.
- c.** The work of painting of any kind, including machinery, can be performed by any employee in either bargaining unit, provided they follow the guidelines listed:
1. For safety reasons, no painting will be done by production employees when extension ladders or scaffolding are needed.
 2. IAM employees will be limited to painting those items they are responsible to install or work on.
 3. Departmental production employees will be permitted to paint on premium days if the paint shop also has the opportunity to work.
 4. During periods of downtime, employees will be wage protected to their job class. Employees will be paid to a Job Class 2 1/2 when they are scheduled to paint on a premium day or when they are assigned painting tasks from the extra list.
- d.** Lubrication Mechanic work of an emergency repair nature will be performed by a Lubrication Mechanic if available in the department on the shift. If no Lubrication Mechanic is available the work can be performed by skilled craft members of either Bargaining Unit (USWA or IAM).
- e.** The Union agrees that effective April 1, 1996, routine parts replacement, equipment changeovers, and adjustments associated with production line cleans, pattern changes, commodity changes, and all Die changes may be performed by members of either Bargaining Unit. Employees will not be expected to perform this work without first receiving proper training and safety instruction in how to do the work. During the transition period from October 1, 1995 to March 31, 1996, employees will be expected to assist

in the above mentioned work. Also, the FBU Business Team Manager, USWA Division Chair, and IAM Area Representative will have discussions prior to the re-assignment of particular work to help make the transition as effective as possible. Any job descriptions affected by the above will be re-evaluated to reflect changes in job duties.

B-19. The Company and the Union agree to explore and implement substance abuse awareness and educational programs. The Company and Union also agree to jointly explore and implement programs to help employees with substance abuse problems and provide assistance to create a safe, drug and alcohol free workplace. The Central Safety and Health Committee will be responsible for implementation of this Letter of Understanding.

B-20. SAFETY PROCESS FACILITATOR

In accordance with our discussions during 1995 negotiations, the Company will continue the position of Safety Process Facilitator which was created in 1995 as a USWA or IAM hourly position for the term of this Agreement. Should there be no hourly USWA or IAM employees acceptable to the joint selection committee when an opening occurs, the Company retains the right to place a salaried person into the position upon approval of the joint selection committee.

B-21. The parties recognize the importance of technological change, and work practice or process changes involving all employees, if the Lancaster Plant is to become and remain competitive and viable in world markets.

It is further recognized that a competitive and viable manufacturing environment provides the only meaningful guarantee for stable and improved employment levels for present and future employees.

For this reason, the Company continues to endorse the practice that the Union will be notified of technological, work practice, or process changes that will result in the displacement of employees, in order to enable such employees to make arrangements to bid on, or move to, other jobs that may be available.

To further minimize the impact on employees that may be displaced, the Company agrees to provide special hiring consideration at other Armstrong facilities, provided recall rights are waived by any displaced employee securing employment at another Company facility.

B-22. The Lancaster Plant recognizes that employment security is essential to an employee's well being and acknowledges that it has a responsibility, with the cooperation of the Union, to provide stable employment to its workers. The parties also recognize that a healthy viable business is an essential ingredient to employment security and that employees' efforts

toward continuous improvement are essential to achieving business viability. Each FBU and the Lancaster site have specific cost, quality, and delivery measures to achieve business improvements to assure the business will first achieve and then maintain best cost supplier status. The Company will consult with the Union over the definition of these measures and the goals established for each year.

Hence, the Lancaster Plant agrees that as long as the Lancaster Plant is achieving or exceeding its business improvement objectives (as measured by appropriate FBU/site cost, quality and delivery measures), it will not indefinitely lay off employees unless compelled to do so by business conditions associated with any FBU or the entire site. Employees not fully utilized in one FBU will be assigned to work in any FBU on the site. The terms of this Employment Security and Business Improvement agreement will be in effect for the length of the current contract.

There are many situations that can impact a business which are not associated with employee improvement. These situations include, but are not limited to, the following:

- * significant capital improvements;
- * changes to technology impacting either product or process;
- * changes in market conditions.

Layoffs that result from these or similar circumstances will not be covered by the provisions of this agreement.

The parties agree that a continuing objective is stable employment. In an effort to reduce or remove the adverse impact of a layoff that may result, the Company, with support from the Union, commits its best efforts to provide additional employment at the site to displaced employees.

An about to be laid off employee, with more than two years of company service at the Lancaster Plant and who has not had a time-off disciplinary infraction within the prior two years from the date of layoff, will be given the opportunity to apply to up to three parent company manufacturing plants for potential employment. The company agrees to provide special hiring first consideration at other Armstrong facilities in descending order of Lancaster Plant continuous service among such applicants. An interest form will be completed by the employee that along with a copy of the employee's employment record and resume will be forwarded by the company to the Shared Services Center for forwarding to the plant(s) selected, at the time they are hiring. The employee's request must be renewed annually while on layoff and will expire upon recall or expiration of recall rights. Any employment decision rests solely with the gaining plant.

When a laid off employee secures employment at another company plant he/she will waive any recall rights to the Lancaster Plant upon completion of the probationary requirements at the new plant.

In the event of a shut-down of an FBU, the Company will meet with Union officials to conduct effects bargaining to reduce the negative impact on the employees affected. Options such as enhancements to retirement benefits, severance pay, outplacement services and the like, will be explored by the parties. The parties commit to give their best efforts to this task. The parties recognize that ERO's require the approval of others above the Plant level.

B-23. Broaden management's ability to video surveillance. Management shall have the discretion to use video surveillance in the plant for the purpose of protecting company property. The company must notify the Union President or designate in regard to the areas of surveillance and the intended duration. This notification will be by written notice as well as telephone notification prior to activating any video surveillance. In addition, the company shall install signs of the intended video surveillance at least twenty-four hours prior to activation.

B-24. Skilled Trades: The Company and the Union agreed during the 2002 negotiations that prior to the printing of the Agreement that the Skilled Trades Division Chairperson, and/or a designate determined by the Union President of Local 285, will meet with a Company representative to arrange Skilled Trades contractual language in one area of the Contract where it is practical to do so without duplication.

B-25. Grievance Settlement: The Company and Union agree to settle all outstanding arbitration backlog of grievances within 90 days of the contract being ratified. These settlements will not constitute or bind the parties in any past, present and future language disputes.

These settlements will conform with the rulings and decisions of the Bankruptcy Court concerning pre-petition claims.

B-26. CDL/Certification Payment: Commercial Driver's License (CDL) for all active DOT drivers, who are drivers on file, and/or certification costs related to the job for Skilled Trades employees will be paid in the future by the Company. The licensed employees will be reimbursed after presenting a copy of their new license to management.

(signed)
Jerry P. Eshleman
President, Local 285

Sincerely,
(signed)
John E. Sonofelt
Manager, Industrial Relations
Lancaster Plant

SUPPLEMENT "C" Craft Flexibility

A base rate adjustment of 3% will be provided to all Sheet Metal, Lubrication, and Building Maintenance crafts people through the Company's Flexcraft Program. Garage Mechanics will receive a 3% flexibility adjustment, effective April 26, 1999. The above-mentioned crafts people will be required to participate, demonstrate, be assessed, and progress in a timely fashion. Employees will be expected to use these skills in their daily work.

Particulars of the Flexcraft Program are as follows:

1. Employees in Sheet Metal, Lubrication, and Building Maintenance must become proficient to the third-class level in each of these crafts.
 - a. Garage Mechanics must become proficient to the third-class level in Sheet Metal and Lubrication, effective 6 months from April 26, 1999.
2. Employees will be given an adequate opportunity to demonstrate they are capable to perform all craft work to the above-mentioned levels. Demonstration through an assessment process can be done as soon as practical after the signing of the Agreement, in seniority order. If it is determined that an employee needs additional training, it will be provided as soon as possible after assessment, in seniority order, according to individual developmental plans. Within six (6) months, the employee will be given an adequate opportunity to complete training and reassessment.
3. Off-site training will be on the employee's own time.
4. The Company will pay all approved training costs upon successful completion of training (fees, tuition, books, and materials).
5. Situations where an employee is unable to meet the requirements of the Flexcraft Agreement, the Company and Union will develop a plan tailored to the individual needs of the employee to attain the skills to meet the Flexcraft requirements. At this point non-compliance may be viewed as a work performance issue.
6. A tool allowance will be provided whereby regular employees will be reimbursed for 50% of the cost of hand tools purchased from a commercial supplier for use in performing the work of the employee's specific craft in the Plant. The Company will provide a list of hand tools eligible for reimbursement under this program. Reimbursement will be made upon presentation of a valid proof of purchase up to a maximum of \$400 reimbursement during the term of the Contract.

(a) *New employees in their probationary period and "Summer Workers" are not eligible for reimbursement of tools under this program. Effective Date = January 1, 2003.*

7. The Company agrees for the skilled craft groups of the Power House, garage, Air Conditioning, Building Maintenance, Sheet Metal and Lubrication not to lay off below the aggregate total of 46 people for the group during the term of this agreement, unless compelled to do so as per the provisions of Letter of Understanding B-22.

SUPPLEMENT "D"

It is the company's intention to use its employees for bargaining unit work that is covered by this Agreement where in its reasonably exercised business judgment assignment of such work is appropriate.

Bargaining unit work will not be contracted out unless the company determines that assigning such work to a contractor is the more reasonable course.

In any grievance proceeding involving this provision, the union shall have the burden of proving that the company's actions were unreasonable.

The business determination by the company as to the means and manpower to be used to perform particular work shall be conclusive and shall not be deemed in violation of the Agreement unless the union proves either unreasonable negative impact on the bargaining unit or bad faith on the part of the company in making a particular contracting out decision.

Except in cases where the company in its sole judgment determines that immediate action is required, the company shall inform the union in advance when it plans to subcontract work. The union representative will be given the opportunity to discuss the matter and offer alternative considerations for accomplishing the work. The implementation of a subcontracting decision shall not be delayed by the unavailability of a union representative to discuss the matter.

This provision is not intended to include work that may be transferred to another Company facility.

The Company will refrain from contracting out work to the extent that such work can be performed by available qualified employees in a timely and an economic manner for which adequate tools and equipment are available.

The Union will be notified prior to contracting out work using the appropriate form.

Upon the Unions request, the Company will meet to discuss the subcontracting plans. Such notification and discussion will take place as early in the process as practicable. The scope of the discussion would include the rationale for contacting and would provide the Union with an opportunity to suggest means to keep work in house. It is understood there may be occasions where the urgency of the work does not allow for such notification and/or meeting to take place prior to the start of the work.

SUPPLEMENTARY BENEFITS AGREEMENT

Between

LANCASTER PLANT



Armstrong World Industries, Inc.

AND

**UNITED STEELWORKERS OF AMERICA
AFL-CIO, CLC**

on behalf of

LOCAL 285



**Effective September 26, 2002
Except as otherwise noted**



EXHIBITS 50, 51, 52, 57
Medical Care Program

Armstrong PPO Plan contribution rates:

Employee monthly contributions under the Armstrong PPO Plan for medical, dental, and prescription drug coverage will be a fixed dollar amount as shown on the chart below beginning January 1, 2003.

	EFFECTIVE DATE		
	01/01/2003	01/01/2004	01/01/2005
Employee Only:	\$39.65	\$47.83	\$57.40
Employee + Spouse:	\$77.43	\$93.39	\$112.07
Employee + Children:	\$77.99	\$94.07	\$112.88
Family:	\$114.96	\$138.66	\$166.40

Prescription Drug Plan: Effective January 1, 2003, the following changes will occur.

Prescription Drug Plan:

- * A Four (4) Tier Coinsurance structure for the Armstrong Prescription Drug benefit as described below.
- * Replace the current Expanded Formulary with a National Formulary.
- * Increase the retail maximum employee cost to \$75 per script and mail maximum to \$150 for Tier 1 and Tier 2.
- * Any employee affected by a change in the Formulary list will be notified in writing thirty days prior to the change taking effect.

Explanation of Tiers:

- Tier 1:** 20% retail, 15% mail coinsurance percentages for generic and formulary brand. Retail maximum employee cost of \$75 per script/Mail maximum of \$150. Retail minimum \$5 and mail minimum \$15.
- Tier 2:** 35% retail/30% mail coinsurance percentages for non-formulary brand. Same minimums and maximums as tier 1.
- Tier 3:** 50% coinsurance for lifestyle medications (mainly sexual dysfunction and infertility). Same minimum as Tier 1 but no maximums.
- Tier 4:** 100% coinsurance for non-covered medications (includes anti-obesity drugs, cosmetic drugs, flu-related drugs like Relenza and Tamiflu). No minimums or maximums.

(100% coinsurance indicates employees will pay 100% of Armstrong's discounted price when using their prescription drug card, instead of the full retail price which they pay today.)

Retiree Medical Coverage for New Hires:

Employees who are hired after January 1, 2003 who subsequently retire under the Armstrong Retirement Income Plan will be provided a company subsidy for retiree health coverage. The amount of the monthly company subsidy for medical, dental and prescription drug benefits each year will be a set percentage of the Company's previous year's actual full plan costs, for an employee and spouse in the same age bracket (Pre-Medicare eligible-age 55 to 64 or Medicare eligible-age 65 and over) and coverage class and will be based on an employee's years of company service, his or her eligibility for Medicare and a full plan cap as shown in the following tables.

Years of Service	Retiree Contribution Percent	Company Subsidy Percent	Maximum Monthly Company Subsidy Per Person*
30 or more	18%	82%	\$683.33
20 to 29 yrs. 11 mo.	28%	72%	\$600.00
Under 20	38%	62%	\$516.66

Years of Service	Retiree Contribution Percent	Company Subsidy Percent	Maximum Monthly Company Subsidy Per Person*
30 or more	18%	82%	\$239.17
20 to 29 yrs. 11 mo.	28%	72%	\$210.00
Under 20	38%	62%	\$180.51

**retiree and spouse only*

As noted above, the company subsidy is subject to a cap. The full plan cost cap used to determine the maximum monthly company subsidy is as follows:

- Pre-Medicare eligible retirees is \$10,000 per year (\$833.33 per month) per retiree or \$20,000 per year (\$1,666.66 per month) for retiree and spouse.
- Medicare eligible retirees is \$3,500 per year (\$291.67 per month) per retiree or \$7,000 per year (\$583.34 per month) for retiree and spouse.

The Company will pay a percentage (62% / 72% / 82%) of the full plan cost, subject to the maximum monthly company subsidy, and the retiree will pay the remaining amount.

Note: The parties agree that this proposal (Company #123) applies only to future employees hired after January 1, 2003. This proposal does not affect any existing employees.

Medical Plan Options — Comparison of Benefits

TYPE OF SERVICE	HEALTHGUARD OF LANCASTER HMO
General Information	
Annual deductibles	In-Network Only (Not Subject to Reasonable & Customary Allowance) None
Out-of-pocket maximum	None
Lifetime maximum benefit	Unlimited
Eligible dependents	Spouse, children under age 19 (age 25 if full-time student or fully dependent) or disabled
Hospital stay precertification	Handled by physician
Pre-existing condition limitation	None
Inpatient Care	
Room and board (semi-private room only)	100%
Services and supplies	100%
Surgical services	100%
Inpatient mental health	100%, limited to 30 days/yr.
Inpatient alcohol and/or drug rehabilitation	100%, limited to 30 days/yr.; 90 day lifetime maximum
Outpatient Services	
office visits	\$5 copay
Laboratory services	100%
X-ray and radiology services	100%
Prescription drugs	Armstrong Prescription Drug Plan
Emergency room services	\$25 copay (waived if admitted or pre-authorized)
Chiropractic	100% for acute diagnosis (no maintenance); limited to 20 visits/calendar year
Outpatient mental health	\$15 copay, limited to 20 visits per year
Outpatient alcohol and/or drug rehabilitation	100% for 30 sessions/yr.; 120 visits lifetime maximum
Preventative Care	
Routine physical exam & screening tests	\$5 copay (PCP's office)
Annual gynecologist exam	\$5 copay
Well baby/child care	\$5 copay (PCP's office)
Vision and hearing exams	100% for screening in PCP's office
Other Services	
Skilled nursing facility services	100% up to 18 days/calendar year, 60 day period of non-confinement between calendar years
Home health care and hospice	100%, home health care limited to 120 visits/year
Pregnancy — prenatal & postnatal care & delivery	100%
Durable medical equipment (rented or purchased)	100% except repair/replacement of prosthetic device not for growth
Anesthesia services	100%

This is intended to be a summary only. In case of a discrepancy between this summary and the Summary Plan Description Booklet or Certificate of Coverage, the Summary Plan Description Booklet or Certificate of Coverage will govern.

ARMSTRONG PPO (HealthGuard Network)	
(NOT subject to Reasonable & Customary Allowance)	(SUBJECT to Reasonable & Customary Allowance)
\$200/yr. individual; \$400/yr. family (combined in-and out-of-network)	\$200/yr. individual; \$400/yr. family (combined in-and out-of-network)
\$1,000/yr. individual; \$2,000/yr. family	\$2,000/yr. individual; \$4,000/yr. family
Does not include office visit copays. Includes deductible. Applies to out-of-network out-of-pocket	Includes deductible. Applies to in-network out-of-pocket
\$2 million (combined in-network and out-of-network)	\$2 million (combined in-network and out-of-network)
Spouse, children under age 19 (age 25 if full-time student or fully dependent) or disabled	Spouse, children under age 19 (age 25 if full-time student or fully dependent) or disabled
Required (member responsible); \$100 penalty for failure to precertify — WITH 1 TIME per FAMILY FORGIVENESS	Required (member responsible); \$100 penalty for failure to precertify — WITH 1 TIME per FAMILY FORGIVENESS
None	None
General Information	
90%/100% (semi-private unless med. nec.)	70%/100% (semi-private unless med. nec.)
90%/100%	70%/100%
90%/100%	70%/100%
90%	70%
90%, lifetime inpatient/outpatient limit of \$30,000*	70%, lifetime inpatient/outpatient limit of \$30,000*
Outpatient Services	
\$5 copayment/visit (PCP or specialist)	70%/100%
100% (after deductible)	70%/100%
90%/100%	70%/100%
Armstrong Prescription Drug Plan	Armstrong Prescription Drug Plan
90%/100%	70%/100%
90%, up to 15 visits/yr.*	70%, up to 15 visits/yr.*
90%	70%, except Psychologists at 90%
90%, lifetime inpatient/outpatient limit of \$30,000*	70%, lifetime inpatient/outpatient limit of \$30,000*
Preventative Care	
Wellness Account; 90% to \$500/yr. individual**	Wellness Account; 90% to \$500/yr. individual**
Wellness Account; 90% to \$500/yr. individual**	Wellness Account; 90% to \$500/yr. individual**
\$15 office visit copay to 24 months. After age 2, Wellness Account; 90% to \$500/yr. individual**	\$15 office visit copay to 24 months. After age 2, Wellness Account; 90% to \$500/yr. individual**
Wellness Account; 90% to \$500/yr. individual**	Wellness Account; 90% to \$500/yr. individual**
Other Services	
90%/100% to \$3,000/yr.*	70%/100% to \$3,000/yr.
90%/100% to maximum 40 visits/yr.*	70%/100% to maximum 40 visits/yr.*
\$15 office visit copay, 90%/100% of OB & hospital fee	70%/100%
90%; 50% repair/replacement	70%; 40% repair/replacement
90%/100%	70%/100% of R&C

* In- and out-of-network combined. ** Not subject to deductible.

If you have questions about the HEALTHGUARD OF LANCASTER HMO, call their Member Services Department at (800) 822-0350. If you have questions about the ARMSTRONG PPO PLAN, call HealthGuard Member Services at (800) 273-7335 or (717) 560-3353.

**LETTER OF AGREEMENT BETWEEN
ARMSTRONG WORLD INDUSTRIES, INC.,
AND
UNITED STEELWORKERS OF AMERICA**

The Company shall maintain its program of medical benefits for future retirees and surviving spouses. The current plan has a retiree contribution rate of 10%, 20% or 30% based upon years of service. The annual cost of benefits paid for by the Company under this program shall be limited to an amount of:

- \$8,200 annually, per person for retirees, dependent children and spouses not eligible for Medicare.
- \$2,870 annually, per person for retirees, dependent children and spouses eligible for Medicare.

In the event that the Company contribution exceeds the amount established above in any calendar year, the excess shall be allotted to and paid by each covered person on a pro rata basis.

Notwithstanding the foregoing, no covered person shall be required, solely by reason of this limitation, to make any additional contribution toward the costs of the program coverage until September 26, 2008

The parties also agree that the subject of the amount of the limitation set forth in this letter of Agreement shall be mandatory subject of bargaining in any contract renewal negotiations between the parties occurring subsequent to September 26, 2002 and prior to September 26, 2008. This is strictly limited to the subject of the amount of the limitation explained in this section and does not limit any other legal right the Company currently has.

For the Union:
Jerry P. Eshleman

For the Company:
John E. Sonefelt

**EXHIBITS 59, 60, 61
Dental Assistance Plan**

- * Increase the annual maximum benefit payable *per covered individual* from \$2,000 to \$2,100 for all Diagnostic, Preventative, Basic, and Major procedures *effective January 1, 2002*; and to \$2,200 *effective January 1, 2003*; and to \$2,300 *effective January 1, 2004*.
- * Increase the lifetime maximum benefit for Orthodontic procedures from \$2,000 to \$2,100 per covered child for all existing or new treatment beginning on or after the *effective date of January 1, 2002*; and to \$2,200 *per covered child* for all existing or new treatment beginning on or after *January 1, 2003*; and to \$2,300 *per covered child* for all existing or new treatment beginning on or after the *effective date of January 1, 2004*.
- * *The estimate of dental benefits provided by the Plan's claims administrator under the Pretreatment Review provision is good for six months (rather than one year).*
- * Increase Dental Assistance Plan benefits for fluoride treatments from one (1) per year to two (2) per year for dependent children under age 19. *Effective date - January 1, 2003*
- * Preventive and Diagnostic care under the Dental Assistance Plan will be covered at 100% instead of 80%. The deductible does not apply to Preventive and Diagnostic care.

EXHIBIT 58
Medical Spending Account

Effective January 1, 2000, the Company will make available an optional Medical Spending Account program for all active regular and temporary employees. The maximum amount which can be contributed to this plan in any calendar year is \$3,000 per family. This plan would allow employees to set aside before-tax dollars from their paychecks to pay for out-of-pocket medical expenses with tax-free money (i.e., it is not subject to federal income taxes, either currently or in the future).

To participate in the plan, employees must designate the total amount they would like to contribute for the plan year, up to the \$3,000 maximum. A portion of their total contribution will be deducted from each paycheck received during the plan year, before federal income taxes are applied. When employees incur eligible medical expenses, they would submit a claim and be reimbursed tax-free from their account. Any money remaining in the account at the end of the year will be forfeited.

Eligible expenses include:

- Deductibles, coinsurance and co-payments under all medical plans
- Many charges not covered under Armstrong medical plans (such as above R&C) (cosmetic surgery excepted)
- Dental and orthodontic expenses beyond Armstrong Dental Assistance Plan provisions
- Vision exams, eyeglasses, and contact lenses
- Hearing exams, hearing aids

EXHIBIT 62
Group Life Insurance Program

Changes to Retiree Life Insurance coverage are as follows:

Future Retiree Life Insurance Benefit:

For employees retiring on or after January 1, 2003, an eligible employee's current company-paid life insurance benefit will reduce to a company-paid retiree life insurance benefit of \$25,000. At retirement, the employee may convert their employee paid coverage to an individual policy, without evidence of insurability if the employee makes application to the insurance company within 31 days after retirement.

This individual policy coverage into retirement may be in any amount not less than \$1,000.00 and not greater than the amount of employee paid life insurance in effect prior to retirement.

EXHIBIT 68
LONG TERM CARE INSURANCE

Employees and their spouses and/or parents and/or parents-in-law will be permitted to enroll for Long-Term Care Insurance, to provide coverage for nursing home or in-home custodial/maintenance-type care, which is not typically covered by other health insurance or Medicare.

Effective Date: January 1, 2000.

Type of Insurance:	Long-Term Care Insurance
Insurance Company	Metropolitan Life Insurance Company (MetLife)
Eligible Covered Persons:	<ul style="list-style-type: none"> • Armstrong Active Employees and their Spouses; • Armstrong Retirees (who retired from active service) and their spouses • Parents and parents-in-law of active employees. <p>Guaranteed issue for active employees and new hires only; all others will require proof of insurability before being accepted by MetLife for coverage. Family members can elect different daily benefit amounts than the employee, and employee's participation is not required for participation of other family members.</p>
Plan Design to be Offered:	<ul style="list-style-type: none"> • Reimbursement Model with 2 of 6 ADLs as trigger for benefits. • Daily Benefit Amount (DBA) of \$100, \$200, or \$300 can be selected by participant (Licensed professional home care and adult day care paid at 50% of DBA). Benefits will be paid for up to 5 years (1,825 x DBA) • Benefit Bank: After paying premiums for at least 3 yrs., even if premium payments stop, insured is still entitled to full daily benefit for a total lifetime benefit based on the amount of premiums paid. • Inflation Protection: (1) Periodic: Individuals can buy additional coverage every 3 yrs. to increase DBA without evidence of insurability. (2) Automatic: Alternately, automatic 5% annual benefit increase feature available

<p>Explanation of Reimbursement Model Plan Design:</p>	<p>as employee option (at higher constant premium). If a covered individual is disabled from performing 2 of 6 Activities of Daily Living (ADL's, i.e., bathing, dressing, toileting, transferring, continence, eating) or has a cognitive disability (e.g., Alzheimer's Disease), AND is receiving paid care, the cost of those services will be covered up to the daily benefit amount. No benefits paid for informal caregivers (family members). 90 day waiting period from date of disability of 2 ADL's.</p>
<p>Rates:</p>	<p>Based on age of individual at inception of policy and on DBA and inflation protection selected. Paid in full by the participant (no company subsidy) on a post-tax basis. Payroll deductions will be facilitated for active employees. Rates are significantly better than available through an individual policy, and are guaranteed by MetLife for 10 years.</p>

NOTE: The above information is intended to serve as a summary of the highlights of the proposed plan only.

EXHIBIT 67

Ernst & Young: Beneficiary Financial Counseling Service

Effective April 19, 1999, a company-paid financial counseling service for the surviving family members of deceased or terminally ill employees will be provided to current employees.

Pension & Insurance Supplement

Homeowners & Auto Insurance

Optional employee-paid homeowner's and auto insurance plans through weekly payroll deductions, implement optional employee paid Metropolitan Property and Casualty Insurance homeowner and auto insurance plan.

College Savings Plan

Optional employee-paid after-tax savings plan through Fidelity Investments. Implement a 529-college savings plan.

**EXHIBIT 63
Temporary Disability Plan**

Changes to the Temporary Disability Plan are as follows:-

* The maximum period of benefits for any one Disability is 26 weeks. A continuous period of Disability is considered a single Disability even if two or more successive conditions contribute to the Disability. A series of successive periods of Disability from the same or related causes will be considered a single period of Disability unless you have returned to work for at least thirty (30) consecutive days between such periods.

* The maximum "Weekly Temporary Disability" benefits will be increased as follows:

From \$500 to \$525 Effective Date: January 1, 2004

*The minimum "Weekly Temporary Disability" benefit will be \$105.

*Three additional classes will be added to the schedule on January 1, 2004.

*Eligibility for the additional benefits are those employees who become disabled on or after the effective date of the increased benefits.

Rate of Annual Earnings	Schedule of Benefits Effective 2000-2003	Schedule of Benefits Effective 2004
\$10,800	\$105	\$105
11,400	110	110
12,000	115	115
12,600	121	121
13,200	127	127
13,800	133	133
14,400	138	138
15,000	144	144
15,600	150	150
16,200	156	156
16,800	162	162
17,400	167	167
18,000	173	173
18,600	179	179
19,200	185	185
19,800	190	190
20,400	196	196
21,000	202	202
21,600	208	208
22,200	213	213
22,800	219	219
23,400	225	225
24,000	231	231
24,600	237	237
25,200	242	242
Rate of	Schedule	Schedule

next page

Annual Earnings	of Benefits Effective 2000-2003	of Benefits Effective Jan. 1, 2004
\$25,800	\$248	248
26,400	254	254
27,000	260	260
27,600	265	265
28,200	271	271
28,800	277	277
29,400	283	283
30,000	288	288
30,600	294	294
31,200	300	300
31,800	306	306
32,400	312	312
33,000	317	317
33,600	323	323
34,200	329	329
34,800	335	335
35,400	340	340
36,000	346	346
36,600	352	352
37,200	358	358
37,800	363	363
38,400	369	369
39,000	375	375
39,600	381	381
40,200	387	387
40,800	392	392
41,400	398	398
42,000	400	400
42,600	410	410
43,200	415	415
43,800	421	421
44,400	425	425
45,000	433	433
45,600	438	438
46,200	444	444
46,800	450	450
47,400	456	456
48,000	462	462
48,600	467	467
49,400	475	475
50,440	485	485
52,000	500	500
53,040	—	510
54,080	—	520
54,600	—	525

LONG TERM DISABILITY

“Increase the Company paid LTD maximum amount from \$750 to \$800 per month.”

“Increase the employee paid LTD maximum amount from \$1750 to \$1800 per month.”

**EXHIBIT 64
Retirement Income Plan
Guaranteed Pension Schedule**

The Guaranteed Pension Schedule is revised to increase the maximum Guaranteed Pension per month per years of service, beginning at the average final compensation level of \$39,999, and by adding new classes, as follows:

Average Final Compensation	Present Benefit (\$/Month/ Year of Service)	2002 Proposed Benefit (\$/Month/ Year of Service)
Less than \$39,999	\$36.00	\$41.00
\$40,000-\$40,499	\$36.50	\$41.50
\$40,500-\$40,999	\$37.00	\$42.00
\$41,000-\$41,499	\$36.50	\$42.50
\$41,500-\$41,999	\$38.00	\$43.00
\$42,000-\$42,499	\$38.50	\$43.50
\$42,500-\$42,999	\$39.00	\$44.00
\$43,000-\$43,499	\$39.50	\$44.50
\$43,500-\$43,999	\$40.00	\$45.00
\$44,000-\$44,499	\$40.50	\$45.50
\$44,500 and over	\$41.00	\$46.00

Effective for retirements on or after May 1, 2002.

**EXHIBIT 65
Retirement Income Plan**

Joint & Survivor Annuity:

Effective May 1, 2002, when a retiree elects the Joint & Survivor form of payment and the spouse or other named survivor predeceases the retiree within a 10-year period, beginning the date of retirement, the retiree's form of payment will revert to a Life Annuity.

**EXHIBIT 66
PENSION SUPPLEMENT**

Effective July 2, 1999, a supplemental pension benefit will be provided under the Retirement Income Plan For Employees of Armstrong World Industries, Inc. The supplemental amount will be calculated as:

Average Final Compensation divided by 260 (working days in year) times Years of Service (up to a maximum of 30 years) times .7, such amount will be payable in the form of a lump sum at retirement or termination. The amount will be determined as an age 65 benefit and actuarially reduced for early retirement. Individuals retiring at age 62 or retiring under the "Rule of 90" will receive an unreduced supplemental payment.

All active employees on the contract settlement date who are represented by the USWA are eligible for the pension supplement. Employees hired after this date are ineligible.

Features of Pension Supplement

- Eligible employees shall also include those who terminate with vested pension benefits. This benefit amount will be determined in accordance with the plan reduction factors used to determine lump sum pension benefit amounts. A surviving spouse is also eligible if an active employee dies.
- The pension supplement is a secure benefit paid from the Armstrong qualified pension plan and is not subject to the general creditors of the company in the case of bankruptcy.
- Employees may elect to receive the pension supplement as part of their normal pension annuity rather than a lump sum payment.
- For the year 1999, employees, who prior to the effective date stated above, have taken more vacation than what was earned as per Company proposal #106, will not be eligible for this pension supplement.

New Disability Pension Benefit

"Disability Pension Benefit:

An employee who is disabled and approved for Long Term Disability and/or Social Security Disability can continue to accrue seniority and company service for a maximum of seven (7) years while on LTD. At the end of this seven year period the employee will be eligible to receive a reduced disability pension benefit (based on total years of service accumulated by the end of the seven year period on LTD and on the age of the employee at that time) in addition to other disability benefits he/she is receiving. The reduction factor used will be the same reduction factors currently existing in the Pension Plan as follows:

I. Employees Age 55 and Older at End of LTD:

Employees who become age 55 or older at the end of the seven year Long Term Disability period will continue to receive approved disability benefits (LTD and/or SSD) and the reduced disability pension benefit until age 62 at which time it will be recalculated as an unreduced retirement pension benefit. Employees in this category will also be eligible for retiree medical coverage for employee, spouse and dependents.

The employee's retirement pension benefit will be recalculated at age 62 using the same number of total years of company service for the disability pension benefit but without a reduction factor. The employee will receive this unreduced pension benefit at age 62.

<u>Age</u>	<u>% Pension Received</u>
62 or older	100%
61	94.8
60	89.6
59	84.4
58	79.2
57	74.0
56	68.8
55	63.6

II. Employees Younger Than Age 55 At End of LTD:

Employees who are younger than age 55 at the end of the seven year Long Term Disability period will continue to receive approved disability benefits (LTD and/or SSD) and the reduced disability pension benefit until age 62 at which time it will be recalculated as an unreduced retirement pension benefit. Employees in this category are not eligible to retire. Employees in this category will be eligible after the seven-year LTD period for an additional three (3) years of COBRA medical coverage for employee, spouse and dependents by paying 50% of the full COBRA rate.

The employee's retirement pension benefit will be recalculated at age 62 using the same number of total years of company service used for the disability pension benefit but without a reduction factor. The employee will receive this unreduced pension benefit at age 62.

<u>Age</u>	<u>% Pension Received</u>
62 or older	100%
61	94.8
60	89.6
59	84.4
58	79.2
57	74.0
56	68.8
55	63.6

III. Disabled employees (described in I or II above) receiving LTD or Social Security Disability benefits who fully recovered and are medically approved to return to work will be reinstated within ten (10) years from the effective date of Long Term Disability (within contractual provisions), receiving a maximum credit seven (7) years toward seniority and company service while on LTD.

Effective date - April 1, 2003.

SECTION VII - GENERAL

A. Should any dispute arise as to the facts calling for the application of any of the sections of this Supplement to an individual employee, such dispute may be taken up by the employee or the employee's representative with the supervisor of the employee's department. If the matter shall not have been resolved satisfactorily within five (5) working days, it may be taken as a grievance by the employee and the employee's Union President to the Plant Manager, or designated representative, after first having been reduced to writing.

Upon failure to resolve the grievance satisfactorily, either party may then cause the matter to be submitted to arbitration; provided that intent to arbitrate must be given in writing to the other party within twenty (20) calendar days following management's decision or the matter will be considered closed. In the event the parties cannot agree upon an arbitrator within one (1) week, either party may request the Federal Mediation and Conciliation Service to submit the names of five persons qualified to so act.

Representatives of the Union and the Company each have the choice of rejecting the names of two of these five persons, and the remaining person shall be elected as the arbitrator. The scope of the arbitration shall not exceed a finding as to whether the Company has carried out its commitments set forth in this Supplement and shall, in any event, be limited to the specific subject matter jointly submitted to the arbitrator. The arbitrator shall not be empowered to rule contrary to, to amend, to enlarge upon, or to eliminate any of the provisions of this Supplement. The decision of the arbitrator shall be rendered within (30) days from the date of the hearing, and such decision shall be final and binding upon the parties. In such arbitration proceedings, any party may require that the testimony of witnesses be given under oath. The expense incident to the services of the arbitrator shall be borne equally by the Union and the Company.

B. It is agreed that, prior to the exercise by the Company of its right : 1) to effect a change (except in the case of change in the monthly contribution of the employee for the Long-Term Disability Plan) other than as herein above provided, in the Employees' Group Insurance Program, Medical Care Program, Dental Assistance Plan, Retirement Income Plan, Long-Term Disability Plan, or Disability Income Plan, so as to affect the employees

adversely; or 2) to discontinue any or all such programs, the Company shall notify the Union thereof in writing and, if the parties have reached no agreement with respect thereto at the expiration of sixty (60) days from date of notice, this Supplement shall become void, and thereafter either party may give to the other party sixty (60) days' notice in writing of its intention to terminate the then-existing primary Collective Bargaining Agreement between them, notwithstanding any provisions to the contrary contained in such primary Collective Bargaining Agreement.

**EXHIBIT 44
SECTION VIII
TERM OF AGREEMENT**

1. The improvements and amendments described herein will become effective for retirements, disabilities, medical services, dental services, benefit periods, deaths, accidents, or any other covered occurrences or procedures occurring on or after September 26, 2002, except as otherwise stated herein.

2. All provisions of this Agreement shall continue in effect until the termination date September 30, 2005, of the Basic Collective Bargaining Agreement between the parties. Unless terminated as herein provided, this Agreement shall continue in effect from year to year. Either party may terminate the Supplement on the above date in the year 2005 or on a termination date in a subsequent year thereafter by giving prior written notice at least sixty (60) days in advance of the termination date of its desire to so terminate.

BLANK

**LANCASTER PLANT
ATTENDANCE PROGRAM**

for

**UNITED STEELWORKERS OF AMERICA
AFL-CIO, CLC**

on behalf of
LOCAL 285



**Effective July 1, 2003
except as otherwise noted**



LANCASTER PLANT ATTENDANCE PROGRAM

Revisions effective July 1, 1999 through the term of two(2) contract agreements

PREFACE

Absence from work is a disruptive and costly problem for both the employee and the Company. The employee suffers loss of earnings that can never be recovered. For the Company, it disrupts work schedules, creates inefficiencies, affects product quality, and often adds to payroll costs.

A significant majority of employees at the Lancaster Plant are conscientious about attending work. While the Company has a right and need to expect regular attendance, there sometimes are valid reasons why a person must be absent. Employees with reasonable amounts of absences will not be affected by this program. Therefore, this attendance program takes into account the needs of both the Company and the employee.

Another major objective of the Lancaster Plant's Attendance Program is to ensure fair and consistent treatment of all employees. This program should provide the means to achieve uniformity.

Regular, conscientious attendance on everyone's part will enable our Plant to increase both efficiency and its productivity and will certainly have a positive effect on everyone.

Site Manager

PURPOSE

The Lancaster Plant Attendance Program is designed to:

1. Encourage employees to attend work regularly and on time.
2. Encourage employees to inform their Supervisors ahead of time when they are unable to attend.
3. Inform and warn an employee when an improvement in attendance is necessary and offer help when requested to solve any problems causing poor attendance.
4. Remove from the work force an employee who, after a reasonable opportunity to do so, does not meet attendance standards.
5. Recognize employees who display exemplary attendance through the Attendance Incentive Program (Page 6).

Points will be charged and accumulated for any combination of different types of absences which occur in a consecutive twelve-month period.

Upon return to work from an absence of 28 days or longer the employee's consecutive 12 month period will be adjusted by the length of the absence.

TYPES OF ABSENCES

1. Unauthorized Absence

A. Code U - An employee fails to notify the Company at least one-half (1/2) hour prior to the start of the scheduled shift and does not report to work within two (2) hours of the start of the shift, or does not work any of the shift.

Each day of unauthorized absence will result in a charge of *two (2) points*.

Exception: One (1) no point unauthorized absence, as a result of calling after the start of the shift (code U), will be allowed during the consecutive twelve-month period for an employee with zero (0) points on the date of the occurrence.

2. Tardy

A. Code Tc - An employee calls *at least one-half (1/2) hour* before the *start of the* scheduled shift and reports to work within *two (2) hours* after the start of the shift.

B. Code T - An employee fails to call *at least one-half (1/2) hour* before the *start of the* scheduled shift and reports to work within *two (2) hours* after the start of the shift.

Each tardy will result in a charge of:

- *First two (2) Tc codes*zero (0) points
- *Each subsequent Tc code*one (1) point
- *First T code*zero (0) points
- *Each subsequent T code*one (1) point

3. Part-Day Absences

An employee begins to work as scheduled, works at least *one-half (1/2) hour* of the scheduled shift, but does not complete the shift because of the employee's sickness (Code Es) or personal reasons (Code EPR). No points will be charged for authorized EPR absences.

Each Es *part-day absence* will result in a charge of:

- *First two absences*zero (0) points
- *Each subsequent absence over two*one (1) point

NOTE: Documentation that an employee has seen a doctor will result in the code being absolved.

4. Authorized Absence

A full-day absence may be authorized when the request is made *at least one-half (1/2) hour* before the *start of* the shift. The following absences may be authorized by the employee's Supervisor:

A. Sickness or Accident (excluding occupational)/Personal Request

* Code S - an employee calls at least one-half (1/2) hour before the start of a scheduled shift to report the employee's sickness or accident.

1. Each day of "S" will be counted as a separate day.
2. The first three (3) days of a sickness absence will count as one(1) day. Each subsequent day of "S" after the first three (3) days will be counted as a separate day.

3. Those continuous absences for which non-occupational disability benefits are paid will only count as one day. In these cases all days related to the absence will count as one day.

4. Any sickness or accident period which includes an inpatient hospital confinement (i.e., overnight stay) or which involves outpatient surgery in a hospital or doctor's/dentist's office will not count.

5. When an employee has called on the first day of a sickness or accident and reports an estimated duration for the sickness or accident, the employee is not required to call again until the time discussed and agreed upon with the Supervisor.

* Code PR - an employee requests permission to be off work for personal reasons other than those in Section 5. Each single full day absence will count as a day.

Points will accumulate as follows:

- * First six dayszero (0) points
- * Each subsequent day of (S, PR)one (1) point

NOTE: The first three (3) days of a sickness will count as one day.

B. Special Personal Request (Code SPR) - See definition under Part 5, Special Absences

5. Special Absences

The Company recognizes that certain absences are of a special nature. The employee should notify the Supervisor of such an impending absence prior to the start of the scheduled shift and receive authorization from the Supervisor for such absence.

Absences of the following types may be authorized by the employee's Supervisor without points being charged.

- C Attending a Company - paid program.
- G Participating in approved activities such as grievance meeting preparation, contract negotiations, arbitrations and Union Leaves of Absence according to contractual provision.
- J Attending Jury Duty or serving as a witness according to contractual provision.
- F Taking of Funeral Leave according to contractual provisions.
- PF Serving as a pallbearer or driving a car at a funeral upon request of the Company.
- EP Engaging in emergency service according to contractual provisions
- A-25 Taking a Military Reserve Leave of Absence, according to contractual provisions.
- N Management decides because of lack of work, downtime or reduced activity that the employee's services are not required.
- GE General emergencies such as bad winter storms where special operating conditions are publicly announced by the Site Manager.
- I-28 Personal Leave of Absence of more than 7 days.
- P Regular day off.
- B Saturday/Sunday scheduled day of work where the employee requests off and can be replaced by another employee.
- K Occupational injury or disease.
- EPR An employee begins to work as scheduled, works at least one-half(1/2) hour of the shift, but does not complete the shift because of personal reasons.
- V Vacation.
- H Holiday.
- FL Family and Medical Leave.
- SPR When the Company has been given two (2) working days advance notice, the Company will grant three (3) personal request days per year.
- R Penalty.
- EPV Early Permission half day Vacation.

ATTENDANCE INCENTIVE PROGRAM

Perfect attendance will be defined as no days away from work for any of the following reasons:

1. *Sickness (S)*
2. *Personal Request (PR)*
3. *Special Personal Request (SPR)*
4. *Unauthorized Absence (U or Uc)*
5. *Occupational Injury (K)*
6. *Personal Leave of Absence (I-28)*
7. *Penalty (R)*
8. *Tardiness (T or Tc)*

An employee who achieves perfect attendance for the calendar year will receive a payment of \$140.00. Checks will be issued no later than the fifth pay period of the subsequent year of the perfect attendance.

REVIEW PROCEDURE

When an employee is absent or tardy *because of an emergency* and disagrees with the code applied to the absence, the employee may request a discussion with the Personnel Manager or Business Team Manager. This request must be made within seven (7) calendar days of notification to the employee of the absence code. Upon request of the employee, the absence will be reviewed with the Attendance Review Committee. The employee may appear before the Review Committee, with or without a Union representative as the employee chooses, providing the employee has previously submitted a written statement of his or her position. Any documentation provided by the employee will aid the Review Committee in their decision. The decision of the Review Committee will be communicated to the employee.

ATTENDANCE REVIEW COMMITTEE

The Company and the Union agree to have equal representation on the Attendance Review Committee. Both parties reserve the right to assign members yearly. If the committee cannot reach a majority decision, the charge will stand and individuals have the right to grieve the decision.

NOTIFICATION

A. PHASE I _____ (0 to 3 points)

An employee will be notified by the Supervisor each time an Attendance Sheet is generated.

B. PHASE II _____ (4 to 6 points)

An employee will be notified by the Supervisor each time points are charged. The employee will be warned that attendance is poor and discipline will result if improvement is not made. The employee will be required to attend three (3) EAP sessions at the time the employee enters Phase II. The first EAP consultation session must be scheduled within seven (7) calendar days from the date of notification and evidence from EAP of completion of all three (3) visits must be provided to the Company within two (2) months. Three (3) additional paid sessions are available upon the employee's request.

Any employee who enters Phase II for a second time within 12 months will be required to meet the requirements of Phase III, unless the employee had been required to attend EAP within the last two months. The Union Division Chair and Union President will be notified when an employee enters this phase.

C. PHASE III _____ (7 to 9 points)

An employee will be notified by the Business Team Manager or Personnel Manager each time points are charged. The employee will be warned that review for discharge will result if 10 points are reached in a consecutive twelve-month period. In addition, the employee will be given a three-calendar-day disciplinary suspension at the time the employee enters Phase III. This suspension will be applied each time the employee enters this phase unless the employee had received a similar suspension for absenteeism in the previous six months. Any employee who receives one three-day disciplinary suspension and again becomes eligible for a second within a two-year period will be reviewed for discharge. Any employee remaining in Phase III for twelve months will be reviewed for discharge. The Division Chair and Union President will be notified of each three-day penalty assessed. Any person who enters Phase III will be subject to random testing for drugs and alcohol for a twelve-month period as per Section 13.5 of the Agreement.

Those continuous absences for which non-occupational disability benefits are paid will be counted as one day.

D. PHASE IV _____ (10 or more points)

An employee will be reviewed for discharge.

SPECIAL ATTENDANCE PROBATION

1. When an employee accumulates frequent periods of absence and/or tardiness or there is a shift from the employee's normal acceptable attendance pattern due to a special personal, physical, or mental problem, the employee may be placed in a special probationary program which removes the employee from the normal requirements of the Attendance Program. The purpose of this special probation is to give an employee the opportunity to resolve a personal, physical, or mental problem without being in jeopardy under the Attendance Program.
2. Chronically absent employees are also subject to a special probationary program which could lead to discharge. Such a discharge would be subject to the Grievance Procedure and Arbitration provisions of the Basic Agreement. The placement of a chronically absent employee in a special probationary program will be a decision of the Attendance Review Committee.

**SUMMARY
LANCASTER PLANT
ATTENDANCE PROGRAM**

<u>Types of Absence</u>	<u>Code</u>	<u>Points</u>
1. Unauthorized Absence	U	2
2. Tardy		
a. First two Tardies with a call	Tc	0
b. each subsequent Tardy with a call	Tc	1
c. First tardy, no call	T	0
d. Each subsequent Tardy, no call	T	1
3. Authorized Absence		
a. First six days	S, PR	0
b. Each subsequent day (1st three (3) days of sickness count as one absence)	S, PR	1
c. Special Personal Request	SPR	0
d. Part-day absence		
(1) EPR	EPR	0
(2) ES	ES	0
(a) First two absences		0
(b) Each absence over two With no documentation		1
4. Special Absence	Various Codes	0

NOTIFICATION, WARNING, DISCIPLINE

Points will be accumulated in a consecutive twelve-month period and will result in:

- PHASE I (0 - 3 points) - Notify employee
- PHASE II (4 - 6 points) - Warning and three (3) EAP sessions
- PHASE III (7 - 9 points) - Three-calendar-day disciplinary suspension, random D&A testing
- PHASE IV (10 or more points) - Review for discharge

2003

JANUARY							FEBRUARY						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
			H	2	3	4							1
5	6	7	8	9	10	11	2	3	4	5	6	7	8
12	13	14	15	16	17	18	9	10	11	12	13	14	15
19	20	21	22	23	24	25	16	17	18	19	20	21	22
26	27	28	29	30	31		23	24	25	26	27	28	

MARCH							APRIL						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1			1	2	3	4	5
2	3	4	5	6	7	8	6	7	8	9	10	11	12
9	10	11	12	13	14	15	13	14	15	16	17	H	19
16	17	18	19	20	21	22	20	H	22	23	24	25	26
23	24	25	26	27	28	29	27	28	29	30			
30	31												

MAY							JUNE							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	
					1	2	3	1	2	3	4	5	6	7
4	5	6	7	8	9	10	8	9	10	11	12	13	14	
11	12	13	14	15	16	17	15	16	17	18	19	20	21	
18	19	20	21	22	23	24	22	23	24	25	26	27	28	
25	H	27	28	29	30	31	29	30						

JULY							AUGUST							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	
			1	2	3	H	5						1	2
6	7	8	9	10	11	12	3	4	5	6	7	8	9	
13	14	15	16	17	18	19	10	11	12	13	14	15	16	
20	21	22	23	24	25	26	17	18	19	20	21	22	23	
27	28	29	30	31			24	25	26	27	28	29	30	
							31							

SEPTEMBER							OCTOBER							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	
		H	2	3	4	5	6				1	2	3	4
7	8	9	10	11	12	13	5	6	7	8	9	10	11	
14	15	16	17	18	19	20	12	13	14	15	16	17	18	
21	22	23	24	25	26	27	19	20	21	22	23	24	25	
28	29	30					26	27	28	29	30	31		

NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1		1	2	3	4	5	6
2	3	4	5	6	7	8	7	8	9	10	11	12	13
9	10	11	12	13	14	15	14	15	16	17	18	19	20
16	17	18	19	20	21	22	21	22	23	H	H	26	27
23	24	25	26	H	H	29	28	29	30	H			
30													