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Title: **Merck and Company, Inc. and Paper, Allied-Industrial, Chemical and Energy Workers International Union (PACE) Locals 2-575 and 2-580 (2003)**

K#: **1644**

Employer Name: **Merck and Company, Inc.**

Location: **NJ Rahway**

Union: **Paper, Allied-Industrial, Chemical and Energy Workers International Union (PACE)**

Local: **2-575, 2-580**

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AGREEMENT

BETWEEN



MERCK

MERCK & CO., INC.

AND

LOCAL 2-575

**PAPER, ALLIED-INDUSTRIAL,
CHEMICAL AND ENERGY
WORKERS INTERNATIONAL UNION**

MAY 1, 2003 - 4/30/2006

**PLANT UNIT
AT RAHWAY, N.J.**

180 pages

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MASTER AGREEMENT

This Master Agreement is made and entered into as of the 1st day of May 2003, by and between MERCK & CO., INC., hereinafter referred to as the "Company," and the Paper, Allied-Industrial, Chemical and Energy Workers and its Locals 2-575 and 2-580 and, and the respective collective bargaining units for which each, individually and collectively, are certified, hereinafter referred to as the "Union." Each of the above specified Local Unions, and the employees in their respective certified and/or recognized bargaining units, individually and collectively, are parties to and bound by the provisions of this Master Agreement.

ARTICLE I RECOGNITION

The Company recognizes the Union as hereinabove described as the sole and exclusive bargaining agency for all employees of the Company in the bargaining units as described above, with regard to all matters pertaining to wages, hours of work, working conditions, and other conditions of employment as same are covered by the items included in this Master Agreement.

ARTICLE II HEALTH AND WELFARE BENEFITS

1. Employees shall be covered by the group life insurance, comprehensive health insurance, health maintenance organization, employee dental insurance, and long term disability provisions in effect on April 30, 2003, as described in the 1999 Merck Benefits Book applicable to IUC employees and as modified and supplemented by any pre-April 30, 2003 summary of material modifications (including the November 2002

letter sent by Merck to all bargaining unit employees), subject to the following changes:

(A) Medical:

1. Effective June 1, 2003, monthly employee contributions (employee only, employee plus one dependent, employee plus two or more dependents) shall be:

80/20: \$27/\$41/\$57

POS: \$20/\$35/\$50

Aetna HMO \$20/\$35/\$50

Cigna NJ \$20/\$35/\$50

Geisinger \$20/\$35/\$50

2. Effective June 1, 2003, a preferred provider organization layover shall apply to employees where available and to the extent available as of May 1, 2003. In the event broader PPO coverage becomes available, the Company may implement it upon notice to the union.

3. Effective June 1, 2003, the lifetime maximum shall be \$2,000,000.

4. Effective June 1, 2003, Lasik and similar cosmetic vision correction surgery shall not be covered.

5. Effective June 1, 2003, coverage for artificial insemination shall be limited to six attempt cycles per patient per lifetime, and coverage of Advanced Reproductive Technology (all treatments combined) shall be limited to three attempt cycles per patient per lifetime.

6. Effective June 1, 2003 contraceptive devices shall be covered medical expenses.

(B) Dental:

1. Effective June 1, 2003, monthly employee contributions shall be: Employee only- \$6, Employee plus one dependent - \$12, Employee plus two or more dependents - \$18.
2. Effective June 1, 2003, a dental preferred provider organization layover shall apply to employees at sites where available on May 1, 2003. In the event broader PPO coverage becomes available, the Company may implement it upon notice to the union.
3. Effective June 1, 2003, the annual maximum shall be \$2,000, exclusive of orthodontic charges.
4. Effective June 1, 2003, there shall be an unlimited lifetime maximum on dental work, exclusive of orthodontic charges. (Orthodontic lifetime maximum shall remain at \$1,500.)

(C) Prescription drugs

1. Effective June 1, 2003, employee copays shall be: Merck drugs \$0; generic drugs \$4; non-Merck branded drugs \$12.
2. Effective June 1, 2003, the prescription drug plan shall cover oral contraceptives through mail order only.
3. Effective June 1, 2003, coverage for fertility drugs shall require prior authorization.

(D) Vision Service Plan:

1. *Effective January 1, 2004, a Vision Service Plan ("VSP") shall be available to employees for participation on a voluntary basis.*
2. Premiums for the Vision Service Plan shall be fully employee paid by employee contributions. Effective

January 1, 2004, voluntary coverage monthly contributions of employees shall be: Employee only \$9.73; employee plus one dependent \$13.83; employee plus two or more dependents \$24.80.

3. VSP plan design shall be the same as the plan design covering salaried employees on January 1, 2003.

4. Effective January 1, 2006, the VSP plan design (contribution rates and plan design) shall be subject to change based on VSP premium renewal terms.

(E) Adoption Assistance:

Effective July 1, 2003, employees will be covered by an adoption assistance program, on the same terms and conditions, as those applied to salaried employees of Merck & Co., Inc. as such terms and conditions may be modified from time to time in the sole discretion of the Company.

(F) Domestic Partners:

Effective June 1, 2003, for the medical, dental and vision (when applicable) plans, and for purposes of survivor income coverage, the definition and eligibility rules of same sex domestic partner coverage applicable to Merck's salaried employees covered by Merck's salaried health and welfare plans on January 1, 2003 shall apply to employees covered by this Agreement.

(G) Merck Couples:

Effective January 1, 2004, a no coverage option will be included in the medical and dental plans so that, where an employee is married to another employee and both are in bargaining units covered by this Agreement or an employee is married to an IUC retiree in Retiree Choice, one spouse may opt out of coverage under the medical plan or dental plan or both so long as he/she is covered

as his/her spouse's dependent under such plan(s). The No-Duplicate coverage provisions, however, will continue to apply.

(H) Pre-Tax Contributions:

Effective January 1, 2004, where employees have sufficient wages, employees' medical, dental and vision contributions shall be withheld from employees' wages on a pre-tax basis in accordance with Section 125 of the Internal Revenue Code and the regulations promulgated thereunder as they apply to salaried employees as they may be modified from time to time. Where contributions cannot be withheld on a pre-tax basis (e.g., for employees on LTD or unpaid leaves of absence), employees shall pay such contributions with after-tax dollars.

(I) Long Term Disability

Employees who recover from long term disability but who are unable to return to their former position as a result of the disability as determined by the Company physician and are placed into a lower-rated job classification for medical reasons shall retain the hourly base rate of the job classification held by the employee when long term disability benefits commenced.

2. Employees are entitled to the following benefits notwithstanding anything to the contrary in paragraph 1 above:

(A) Life Insurance. (i) In the event of an absence due to a labor dispute, the Company will keep in force the employee's life insurance for a period of ninety (90) days. The insurance will thereafter be cancelled unless kept in force by timely contributions by the employee. The employee shall repay the Company for contributions advanced during the ninety-day (90) period through

payroll deduction over a like period of time upon the employee's return to active employment. (II) The Company shall continue in force the life insurance of an employee granted a leave of absence for Union business provided that the employee continues to make timely contributions for such insurance.

(B) Health and Dental Insurance. Employees on layoff may continue their health insurance coverage and/or their dental insurance coverage for the duration of the layoff provided they pay the monthly premiums.

ARTICLE III

RETIREMENT AND PENSION BENEFITS

1. The Retirement Plan for the Hourly Employees of Merck & Co., Inc. is hereinafter in this Article referred to as the "Plan"; Part I of the Plan (providing for retirement benefits pursuant to a Group Annuity Contract between Merck & Co., Inc. and Prudential Life Insurance Company of America) is hereinafter referred to in this Article as the "Insured Plan"; Part II of the Plan (providing for retirement benefits funded by a trust fund) is hereinafter referred to in this Article as the "Trust Plan".

Although the Plan by its terms is subject to amendment or discontinuance by the Company in whole or in part, the Company agrees that it will not at any time during the term of this Agreement discontinue the Plan as to bargaining unit employees and that it will not amend the Plan in any way which would adversely affect them except as may be required to maintain the Plan's status as a qualified Plan under the provisions of the Internal Revenue Code or as a Plan in compliance with the provisions of the Employee Retirement Income Security Act.

If any amendment required to maintain the Plan status as a qualified Plan under the Internal Revenue Code or a plan in compliance with the Employee Retirement Income Security Act as aforesaid should adversely affect the benefits, contributions from participants, or qualifications for retirement with respect to such employees, the Company will immediately notify the Union in writing to that effect and will, upon the Union's written request, promptly meet with the Union and negotiate in good faith with respect to the problems thereby created. If no agreement is reached within ninety (90) days after the Union has given said notice, the Union may by written notice to the Company terminate this Agreement in its entirety.

A resume of the Plan presently in effect is set forth below:

(A) Eligibility. Employees shall be eligible to participate on the January 1st or July 1st coincident with or next following the date of hire. No particular period of service with the Company is required.

(B) Contributions and Retirement Income. All contributions to the Trust Plan shall be made by the Company.

With respect to participation subsequent to July 1, 1970 the straight life annuity payable upon normal retirement is payable at the rate of one and one-quarter (1.25) percent of the first \$4,800 of the total remuneration paid in each calendar year subsequent to July 1, 1970; and one and one-half (1.50) percent of such remuneration in excess of \$4,800.

Effective July 1, 2000, the Plan shall be amended to provide that the definition of remuneration for every calendar year prior to 2000 shall mean the 18 year

average of remuneration as otherwise defined in the Plan for the highest separate 18 years (whether or not consecutive) between calendar years 1980 and 1999, inclusive. The definition of remuneration after 1999 shall not be amended.

(C) Minimum Retirement Allowance. For employees retiring on or after July 1, 2000, in the event of normal retirement at age 65, or early, disability or postponed retirement, the monthly retirement benefit received from all pension plans of the Company prior to any reduction for early retirement and prior to any actuarial reduction shall not be less than \$50 per month multiplied by the participant's credited service provided that the monthly retirement benefit of a participant in the plan on July 1, 1970 who did not elect a return of contributions shall not be less than \$51 per month multiplied by the participant's credited service. The minimum monthly retirement benefit for employees retiring on or after July 1, 2003 shall not be less than \$55 per month multiplied by the participant's credited service provided that the monthly retirement benefit of a participant in the Plan on July 1, 1970 who did not elect a return on contributions shall not be less than \$56 per month multiplied by the participant's credited service. Notwithstanding the foregoing, as soon as administratively feasible after July 1, 2003 employees who incur a Normal or Early Retirement after April 30, 2003 but before July 1, 2003, will receive the same increase retroactively to their annuity starting dates. Such retroactive benefit shall be payable in the same form as originally elected by the employee but without interest. In no event shall a participant who did not receive a return of accumulated contributions receive yearly less than ten percent (10%) of his accumulated contributions.

For this purpose, credited service includes each year of service from the January 1 following the date of hire, but excluding any year during any part of which the employee, although eligible, elected not to participate in a pension plan to which the Company contributed. Commencing January 1, 1976, credited service shall include each full month of service from the earlier of (1) the January 1 following the date of original hire, or (2) the date the employee first became a Plan participant, to retirement or termination date, but excluding any month during any part of which the employee, although eligible, elected not to participate in a pension plan to which the Company contributed. Notwithstanding the foregoing provisions, credited service or participation in the Plan will not include time on layoff past thirty (30) months at Cherokee, or thirty-six (36) months at Rahway or Branchburg Farm, unless the employee is recalled from layoff or is transferred to another site covered by Article IX hereof, prior to losing seniority at the site where he was laid off.

(D) Retirement Date.

(i) Normal Retirement date is the first of the month following the attainment of age 65.

(ii) Provision is made for early retirement at any time after age 55 with the consent of the Hourly Pension Committee, but if the participant has had at least 15 years of continuous participation in the Plan or other Company Pension Plans, the Committee's consent is not required. If the participant has had at least ten years of credited service with the Company, the Committee's consent is not required for early retirement after age 55, and employees with fewer than ten years of credited service will not be eligible for early retirement. Retirement income in the event of early retirement is

based on participation to the date of such retirement and if payable, prior to the normal retirement date is reduced at a rate of 3% per annum for each year benefits begin before age 62. However, an employee eligible for early retirement may retire with full, unreduced benefits on or after age 55 if his/her age and years of credited service total at least 85.

(iii) A participant who becomes mentally or physically incapacitated, as established by satisfactory proof, may retire at any time prior to normal retirement date. In the event of such disability the employee shall be entitled to his full accrued benefit without reduction.

(E) Rights on Termination of Employment.

(i) In the event of the termination of a participant's employment, or death prior to retirement, he, or his designated beneficiary, or, if none, his estate, as the case may be, is entitled to a return of his own contributions, if any, held in the trust fund created by the Trust Plan with interest compounded annually. Commencing January 1, 1976, the interest rate shall be 5% per annum.

(ii) A participant who completes or has completed immediately prior to his termination of employment, other than by death, at least five (5) years of service with the Company, with any fraction of a year calculated as a full year, shall be eligible to receive retirement income commencing on his normal retirement date or an actuarially reduced benefit commencing on the first of any month following attainment of age 55 (subject to the provisions of Sections D (i), (ii) and (iii) above).

(F) Retirement Income Options. Unless a participant elects otherwise: (a) the normal retirement income for a participant who is married at the time such participant

retires shall be a joint and fifty percent (50%) survivor annuity; and (b) the normal retirement income for a participant who is unmarried at the time such participant retires shall be a straight life annuity. However, a participant may elect, subject to such uniform rules as the Hourly Pension Committee may prescribe, any optional form of retirement income payment provided for by the Plan. Such election should be made at least five (5) days before the participant becomes a retired participant. At least twelve (12) months prior to retirement, the Company shall provide the participant with a summary of the benefits available under the Plan. The Trust Plan provides the following retirement income options:

(i) Standard Social Security equalization option for employees who retire prior to their being entitled to the immediate payment of benefits under Social Security which so far as possible will provide the same amount each year before and after such Social Security benefit commences;

(ii) A retirement option which provides that a participant who retires on a normal or early retirement benefit may elect to receive a reduced pension payable for life with the provision that if he dies before he has received in payments of the reduced benefit an aggregate amount equal to five (5) times the accrued benefit which would otherwise have been payable at normal retirement age (after adjustment for the minimum benefit of the Plan), the excess of such amount over the payments he has received will be paid in a lump sum to his designated beneficiary or to his estate. The amount of the reduced benefit under such election is determined on the basis of actuarial equivalents;

(iii) A retirement option which provides a retirement

income payable to him during his life and after his death an annuity for the life of his spouse which is equal to 100% of the amount payable during their joint lives;

(iv) A contingent annuitant option which provides for a reduced retirement income payable to the participant during his life, and after his death a retirement income payable during the life of a surviving contingent annuitant designated by him;

(v) A single cash payment equal to the entire cash value of a participant's benefit; and

(vi) A retirement option in any other form of retirement income as the Plan may permit.

(G) Funding Medium. The Funding Medium of the Trust Plan is a Trust Fund consisting of all the contributions of the participants and the Company administered by an independent trustee. The administration expenses of the Trust Fund are paid by the Company and are not deducted from such contributions.

(H) Contributions. If a participant has elected to leave his or her contributions in the Plan and, if at retirement, it is determined that the participant's career average benefit exceeds the highest minimum in effect at that time, then at the participant's option, the contributions, plus interest, may be refunded in a lump sum.

(I) Leave of Absence. All participants upon return from approved leave of absence receive credit towards retirement benefits to the same extent as if they had been working for the Company during the period of the approved leave of absence. Participants on an approved leave of absence for union business shall be entitled to receive credit towards retirement benefits in accordance with this provision. Participants on an

approved leave of absence for union business shall not be required to return to work in order to receive retirement benefits where the expiration of their leave of absence coincides with the effective date of their retirement.

(J) Pre-Retirement Spouse's Benefit. In the event of the death of a vested participant prior to actual retirement and while in the employ of the Company, the participant's surviving spouse shall receive an annuity equal to fifty (50) percent of the annuity which would have been received during the joint lives of the participant and spouse had the participant elected a fifty (50) percent joint and survivor annuity and retired the day before the participant died. Effective January 1, 1989, the surviving spouse will be permitted to elect a lump sum in lieu of the foregoing amount. The lump sum will be the actuarial equivalent to the fifty (50) percent surviving spouse benefit.

(K) Unmarried Participant's Death Benefit. In the event an unmarried vested participant dies prior to actual retirement and while in the employ of the Company, a lump sum shall be payable to the participant's estate. This lump sum shall be the actuarial equivalent of the surviving spouse 50% joint and survivor annuity set forth in the Plan, calculated as if the participant had been married at the time of his or her death to a spouse of the same age as the participant, had retired the day before his or her death, and had elected a 50% joint and survivor annuity.

(L) Wearaway Pension Enhancement.

For any Retirement Plan participant who is or is expected to be at least age 55 with at least 10 years of credited service on or before March 31, 2006 and who retires on or after July 1, 2003, the Retirement Plan will provide that

the participant's accrued benefit as of July 1, 2003, determined under the greater of the career average formula set forth in the Plan or the flat dollar minimum in the Plan as amended pursuant to this Agreement (\$55/\$56), will be increased by ten percent. Any participant, including but not limited to a disability retiree, who otherwise does not satisfy the requirement for expected age and credited service on or before March 31, 2006 is not eligible for the benefit of this paragraph.

Notwithstanding the foregoing, as soon as administratively feasible after July 1, 2003, employees who incur a Normal or Early Retirement after April 30, 2003 but before July 1, 2003, will receive the wearaway enhancement (calculated on the same basis but based on the regular plan formula benefit as of such Normal or Early Retirement date rather than June 30, 2003) retroactively to their annuity starting dates. Such retroactive benefit shall be payable in the same form as originally elected by the employee but without interest.

(M) Adjustment for Retirees. In no event will a retiree receive less than \$7.50 per month per year of credited service.

(N) Miscellaneous.

(i) A former employee other than a retired participant who re-enters the service of the Company as an employee shall upon again becoming a participant in the Plan, be entitled to the credited service acquired during his former period of employment as well as that acquired during the period after his re-employment.

(ii) All refunds of contributions will be returned with interest in the manner provided in Paragraph E hereof.

During such period of time as a participant may be absent by reason of a labor dispute to which his

collective bargaining representative is a party, contributions to the Trust Plan are not payable by or with respect to such participant.

The Company agrees to amend the Trust Plan, effective no later than January 1, 2004 to include the modifications described in paragraphs 1 (C) and (L). It is understood and agreed that the effecting of the amendments referred to above is subject to obtaining:

(iii) Approval of the necessary amendments of the Plan by the District Director of Internal Revenue under paragraph 401 of the Internal Revenue Code, and

(iv) Approval by the Board of Directors of the Company or its designee.

If both of the above approvals shall not have been obtained by January 1, 2004, either party by written notice to the other may indicate its desire to meet and negotiate with respect to the problems thereby created. Promptly after delivery of such notice, the parties shall meet and negotiate in good faith with respect to such problems. If no agreement is reached within ninety (90) days following delivery of such notice, either party may, by written notice to the other, terminate this Agreement in its entirety. This Agreement shall continue in effect during the negotiation of such problems and until any notice of termination is given pursuant to the preceding sentence.

(O) Medical Benefits for Retirees. Active employees who retire with 10 or more years of credited service under the Pension Plan at or over age 55, and their eligible dependents, will immediately be eligible to be covered by Retiree Choice or its successor program(s) applicable to salaried retirees, as the terms and conditions of such medical and dental benefits programs

may be modified by the Company from time to time at its sole discretion. For purposes of the preceding sentence only, "credited service" for any employee under the age of 50 on January 1, 2003 or who is hired or rehired on or after January 1, 2003 will not include any service earned before the employee attains age 40. Notwithstanding the foregoing, employees who qualify for disability retirements during the term of this contract may be younger than 55 so long as they have at least 10 years of credited service (including credited service while the employee was under 40 years of age) under the Pension Plan at the time of their disability retirements; provided, however, that such coverage may be provided under plans different from Retiree Choice but on the same terms and conditions applicable to salaried retirees who qualify for disability retirements, as the terms and conditions of such medical and dental benefits programs may be modified by the Company from time to time at its sole discretion.

ARTICLE IV

SEPARATION BENEFIT ALLOWANCE PLAN

1. The Company will grant Separation Benefit Allowance to employees (excluding temporary employees) who are laid off from the Company for a period in excess of thirty (30) consecutive calendar days due to lack of work. Such employees shall have their Net Separation Benefit Allowance advanced to them at the time of layoff. The employee's Separation Benefit Allowance shall be computed in accordance with the following schedule:

**Length of Continuous Service Amount of Separation
as of Date of Layoff Benefit Allowance**

6 mos. & less than 1 yr.	1 week - 40 hrs.
1 yr. & less than 3 yrs.	2 weeks - 80 hrs.
3 yrs. & less than 5 yrs.	4 weeks - 160 hrs.
5 yrs. & less than 7 yrs.	6 weeks - 240 hrs.
7 yrs. & less than 10 yrs.	8 weeks - 320 hrs.
10 yrs. & less than 15 yrs.	10 weeks - 400 hrs.
15 yrs. & less than 20 yrs.	12 weeks - 480 hrs.
20 yrs. & less than 25 yrs.	15 weeks - 600 hrs.
25 yrs. & over	20 weeks - 800 hrs.

2. Net Separation Benefit Allowance shall be the accrued Separation Benefit Allowance set forth in the schedule above, computed on the basis of the employee's hourly rate of pay (excluding shift premium, incentive), less any previous Separation Benefit Allowance paid by and not repaid to the Company. Where an employee has worked for 26 weeks or more in the twelve-month period immediately preceding the date of his layoff in a job classification at a higher rate than the job classification he held at the time of layoff, his Separation Benefit Allowance will be computed on the basis of the higher hourly rate.

3. If an employee is recalled in less than thirty (30) consecutive calendar days from the date he was laid off, he must, as a condition of reinstatement, return any Separation Benefit Allowance he received. Such repayment shall be in amounts of 10% of his weekly earnings after recall, unless otherwise agreed between the Company and the employee.

ARTICLE V

EMPLOYEE STOCK PURCHASE & SAVINGS PLAN

1. During the term of this Agreement, the Employee Stock Purchase & Savings Plan adopted by the stockholders of the Company on April 28, 1959, as amended by the Board of Directors of the Company to the date of this Agreement, shall not be discontinued as to bargaining unit employees; nor shall any amendment of said Plan be made which would adversely affect such employees, except as may be required to maintain said Plan's status as a qualified plan under the provisions of the Internal Revenue Code. The Plan may be amended, subject to IRS approval, to provide that, where an employee receives information from which she/he reasonably should have known that an error has been made with respect to her/his account, and the employee does not report the error to the Savings Plan administrator within six months of receipt of that information, the employee will be deemed to have elected to participate on the basis as shown on such information. If such an error is reported to the Savings Plan administrator within six months of receipt of such information, the Company will take reasonable steps to correct the information, but in no event will it be liable for consequential damage, such as forgone gains or losses.

2. Any employee participating in the Plan who is laid off shall be entitled to receive all Company contributions made for his account up to the date of layoff.

3. The Company shall contribute to the ESP&SP each month, an amount equal to 60 percent of the amount of each employee's contributions for such month, provided that in no event shall the Company's monthly contribution for an employee exceed 3.6 percent of such employee's base compensation including the

employee's COLA, subject to the terms and conditions set forth in the plan. Effective July 1, 2003, the Company shall contribute to the ESP&SP each month, an amount equal to 65 percent of the amount of each employee's contributions for such month, provided that in no event shall the Company's monthly contribution for an employee exceed 3.9 percent of such employee's base compensation including the employee's COLA, subject to the terms and conditions set forth in the plan.

4. Employees participating in the Plan will be offered 401(K) coverage subject to the conditions set forth in paragraphs 1 and 3 of this Article.

ARTICLE VI HOLIDAYS

1. The Company will observe the following paid holidays:

- New Year's Day
- Presidents' Day
- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Friday after Thanksgiving
- Day before Christmas
- Christmas Day

The Company will also observe two floating holidays each year. A determination as to when the two floating holidays in each year will be observed will be made during the fourth quarter and before December 1 of the prior calendar year by mutual agreement between the Company and the Union. They will be observed on a Monday or a Friday either preceding or following one of

the other paid holidays.

2. In the event any of the above holidays falls on Sunday, the following Monday shall be observed as such holiday and if the holiday falls on Saturday, it will be celebrated either on the preceding Friday or following Monday in accordance with local area practice so long as production requirements permit. The Company will give the Union two (2) weeks' notice of the day to be observed.

3. All employees, except those on leave of absence or on non-temporary layoff, shall receive eight (8) hours' pay for each of the holidays not worked on the following basis:

(A) Non-incentive employees - 8 times their hourly base rate including shift differential, if applicable.

(B) Incentive employees - 8 times their average straight time hourly earnings including shift differential, if applicable.

4. In order to qualify for such holiday pay, the employee must work his scheduled day before and after the holiday, unless such absence occurred because of a bona fide illness or injury, or with the knowledge and consent of supervision, or unless such day or days shall have been his regular day or days off.

5. If a holiday occurs during a waiting period prior to qualifying for disability under the Disability Benefits Plan (sick pay plan), he shall receive his holiday pay, but the holiday shall be excluded in computing the waiting period. If a holiday occurs on a day for which an employee is eligible for sick pay under the Disability Benefits Plan, the employee will receive holiday pay and the number of days for which he is eligible for disability will be extended by one day for each such holiday. No

employee shall be eligible for holiday pay and sick pay for the same day. The Company will pay for holidays which occur during the eighteen (18) month period following the onset of disability providing the employee remains on the payroll during that time.

6. Any employee when required to work on a paid holiday, shall be paid two times (2x) his hourly rate for work performed during the first eight (8) hours and three times (3x) for the hours worked in excess of eight (8) hours (plus shift differential, if applicable), in addition to his pay for the holiday, as described in Paragraph 3 above.

7. If any of the paid holidays falls within an employee's vacation, such employee shall arrange with the Company in advance of his vacation whether he shall:

(A) add another day to such vacation;

(B) take a day off with pay at a time to be designated by the Company; or

(C) receive two times his hourly rate (plus shift differential, if applicable) for one day's work in lieu of a day off.

8. A holiday for which an employee is entitled to receive holiday pay shall be considered as eight (8) hours worked for the purpose of computing weekly overtime even though no work or less than eight (8) hours work was performed on the holiday. If such holiday shall fall on a scheduled day off, it shall not be counted in computing overtime except as may be provided for in the Local Supplemental Agreements.

9. In the event an employee is paid a temporarily higher rate of pay for all hours on the last working day preceding or the first working day following a holiday, his holiday

rate of pay for the purpose of this Article shall be the higher rate of pay.

ARTICLE VII VACATIONS

1. **Definition.** An employee's eligibility for vacation is measured by all periods of service with the Company as of December 31 of each year (hereinafter referred to as the qualifying year) and will be scheduled to be taken during the following calendar year (hereinafter referred to as the vacation year). An employee shall not be eligible for a paid vacation during the calendar year in which his employment begins, nor before he has completed six (6) months of continuous service with the Company.

2. **Eligibility.**

(A) An employee who on December 31 of a qualifying year has not passed his fifth December 31 shall be granted during the vacation year one (1) day of vacation for each month of service completed on December 31 of his qualifying year unless previously paid for such service under Paragraph 3 of this Article; however, the vacation period shall not exceed ten (10) working days in any vacation year.

(B) An employee who on December 31 of a qualifying year has passed his fifth December 31, but not his twelfth December 31, shall be granted, during each following vacation year, one and one-half (1-1/2) days of vacation for each month of service completed on December 31 of such qualifying year unless previously paid for such service under Paragraph 3 of this Article; however, the vacation period shall not exceed fifteen (15) working days in any vacation year.

(C) An employee who on December 31 of a qualifying year has passed his twelfth December 31 but not his twentieth December 31 shall be granted during each following vacation year two (2) days of vacation for each month of service completed on December 31 of such qualifying year unless previously paid for such service under Paragraph 3 of this Article; however, the vacation period shall not exceed twenty (20) working days in any vacation year.

(D) An employee who on December 31 of a qualifying year has passed his twentieth December 31 but not his twenty-seventh December 31 shall be granted during each following vacation year two and one-half (2-1/2) days of vacation for each month of service completed on December 31 of such qualifying year unless previously paid for such service under Paragraph 3 of this Article; however, the vacation period shall not exceed twenty-five (25) working days in any vacation year.

(E) An employee who on December 31 of a qualifying year has passed his twenty-seventh December 31 shall be granted during each following vacation year three (3) days of vacation for each month of service completed on December 31 of such qualifying year unless previously paid for such service under Paragraph 3 of this Article; however, the vacation period shall not exceed thirty (30) working days in any vacation year.

3. Vacation Pay on Layoff or Termination. An employee with six (6) or more months of service with the Company who thereafter by reason of a non-temporary layoff due to lack of work or termination for any reason does not work the full qualifying year, shall receive vacation pay for each full month worked in the qualifying year, in

accordance with Paragraph 2 of this Article. At the time of layoff, the employee may elect to receive his pro rata vacation pay in full or leave it with the Company to be applied in the event he is re-employed and is required to take a vacation in the following vacation year because of the Plant shutdown. In the event the employee takes this option and the pro rata pay is not applied to a vacation by December 31 of the following vacation year, a full cash payment will be made to him at that time.

4. Rate of Vacation Pay.

(A) A day of vacation pay shall be computed as eight (8) times (a) the employee's standard hourly rate for his regular job (including shift differential, if applicable) at the time his vacation is scheduled to begin where the employee is an hourly worker, or (b) the employee's average straight time hourly earnings (including shift differential, if applicable), where the employee is an incentive worker. However, where an employee has worked for twenty-six (26) weeks or more in the qualifying year in another job classification at a higher rate, his vacation pay will be computed on the basis of his rate or earnings in that job classification. When an employee is entitled to receive vacation pay, it shall be considered as eight (8) hours worked for the purpose of computing weekly overtime.

(B) An employee shall receive a vacation bonus of \$15.00 for each week of vacation for which he is eligible.

5. Time of Vacation.

(A) Vacation leave, in units of not less than five (5) days, will be scheduled by the Company during the vacation year, at times desired by the employee whenever feasible, but the final scheduling of vacation is reserved to the Company in order to insure the orderly

and efficient operation of all departments. Insofar as practicable, seniority shall govern in the choice of vacations where two or more employees are applying for the same vacation time. The Company shall, except in emergencies, give a minimum of four (4) weeks' notice to any employee whose scheduled vacation time is changed for the convenience of the Company. All employees who are scheduled for vacation are required to take time off as scheduled. In those departments where a plant shutdown is scheduled, the vacation schedule will be posted at least ninety (90) days prior to the shutdown; however, such schedule may be changed at any time up to sixty (60) days prior to the shutdown and thereafter changed only in the event of an emergency. In the event of such an emergency, the Union will be notified as far in advance as possible. In the event that a plant shutdown for vacation purposes is scheduled, it shall be scheduled between June 15 and Labor Day. Additional plant shutdowns for vacation may be scheduled at other times during the year at any site with the concurrence of the local union at the affected site.

(B) Employees who are entitled to twenty-five (25) or more days of vacation in a calendar year may request that ten (10) days of such vacation be scheduled in units of one (1) or more full days. Employees who are entitled to twenty (20) or more days of vacation in a calendar year may request that five (5) days of such vacation be scheduled in units of one (1) or more full days. Requests for vacation days under this Paragraph must be made at least forty-eight (48) hours prior to the proposed vacation day(s). The standards and practices established pursuant to vacation scheduling, under this Section 5, shall govern the scheduling of vacation days under this Paragraph. Notwithstanding any contrary provisions in this Master Agreement or a Local Supplemental

Agreement thereto, forty-eight (48) hours' notice shall be deemed sufficient notice to the Union and employees affected by any schedule changes resulting from a vacation requested under this Paragraph.

6. Recall from Vacation. Any employee who has actually completed his last regularly scheduled day of work prior to his vacation leave and is recalled to work before his scheduled vacation leave is completed shall receive vacation pay in lieu of the remaining part of his vacation leave and shall in addition be paid for work performed during the balance of his vacation leave at one and one-half (1-1/2) times his regular rate, or at such higher rate as may be applicable. Vacation leave lost under this Paragraph will be rescheduled as soon as mutually practicable.

7. Hospitalization or Illness, or Death in Family, During Vacation. An employee on paid vacation, who by reason of injury or illness requires at least 72 hours of nonelective hospitalization and who as a result of such hospitalization may be disabled for any period of his scheduled vacation, shall upon return to work with evidence of such hospitalization and period of disability, receive a sick pay adjustment and have this period of his vacation lost under this Section rescheduled. In the event that such hospitalization or resulting disability occurs during an employee's previously scheduled vacation in the fourth quarter of a calendar year, the employee shall have the option of either scheduling his lost vacation time in the first quarter of the following calendar year or receiving vacation pay in lieu thereof. In the event that an injury or illness not requiring at least 72 hours of nonelective hospitalization disables an employee for any part of a vacation previously scheduled during the fourth quarter of any calendar year, the Company shall have the option either to pay the

employee for the lost vacation time or to reschedule the lost vacation time in the first quarter of the following calendar year. If someone in an employee's immediate family dies either immediately prior to the employee commencing a vacation or while the employee is on vacation, then the employee may re-designate vacation days not yet taken as death in family leave subject to the limitations of Article VIII, B. 9. and reschedule the vacation days subject to supervisory approval.

8. Vacations Not Accumulative. All vacations must be taken in the vacation year. When any employee has all or any part of his scheduled vacation canceled for the convenience of the Company and it cannot be rescheduled in the current vacation year, the employee shall have the option of receiving pay in lieu of such vacation at one and one-half times the standard base rate or rescheduling such vacation, to be taken during the first three calendar months of the next year.

9. Computation of Vacation Credits. Each month of service as used in this Article shall mean fifteen (15) working days, which days shall include days actually worked, time spent on Union business, or Union activities, not to exceed two (2) weeks at any one time, holidays, vacation, days of absence to perform jury duty and while on annual military encampment or cruise, and days of absence due to death in family, as provided by this Agreement and due to occupational illness or injury. Such working days shall be cumulated on an annual basis for the purpose of computing the vacation pay provided herein; however, no vacation credit shall be granted for any fractions resulting from such computations.

10. Vacation Credit Upon Reemployment. A former employee who reenters the service of the Company as

an employee shall be entitled to vacation credit for all former periods of employment as well as that acquired during the period after his reemployment.

ARTICLE VIII LEAVES OF ABSENCE

A. WITHOUT PAY

1. **Personal Reasons.** Any non-probationary employee who desires a leave of absence not in excess of thirty (30) calendar days will be granted such leave upon written request, provided it is for good reason and does not interfere with plant operations. The Company's consent to such requests may not be unreasonably withheld. Such leaves in any event shall not be used for the purpose of working for another employer, trying out new work or venturing into business for himself. The Union will be notified of all personal leaves granted which are in excess of thirty (30) days. Leaves may be extended by the Company.

2. **Union Convention Attendance.** Leaves of absence without pay to specified Union representatives for the purpose of attending Union conventions shall be granted by the Company upon the written request of the Union in a number agreed upon by the Company and the Union.

3. **Other Union Business.** Any employee who is appointed or elected to office in the Union which necessitates a leave of absence from his job shall be granted such a leave without pay for a period not to exceed two (2) years. Unless the employee signifies his intention to return to work, such leaves may be extended from year to year with the consent of the Company. Seniority shall accrue during such leaves of absence. Initial requests for leaves of this nature must be in writing and approved by the Union. The number of employees

on such leaves shall be subject to agreement between the Company and the Union.

4. Maternity and/or Childcare Leave. When requested, a leave of absence for maternity/childcare for a period not to exceed eighteen (18) months shall be granted. An employee desiring to continue work during the term of her pregnancy beyond the seventh month shall submit a statement from her physician indicating the physician's concurrence in her continuing to work until a date specified by her doctor and concurred with by the plant physician.

Such leaves requested for less than eighteen (18) months will be extended upon request provided the maximum leave of eighteen (18) months has not already been taken. Failure to report at the expiration of the maternity/childcare leave of any or its extensions is equivalent to resignation and is subject to conditions governing resignations. Any employee returning at the expiration of eighteen (18) months shall do so without loss of seniority. Any employee absent for more than eighteen (18) months for maternity/childcare reasons shall be terminated from the Company with loss of seniority. Whenever an employee takes a maternity leave, the Company shall give her a printed copy of this clause.

5. Return from Leave of Absence. Those persons returning from a leave of absence will return to the same job held prior to the leave of absence. In the event the job formerly held by such employee no longer exists, such employee shall exercise seniority rights in accordance with the respective Local Supplemental Agreement. However, returning employees must then have the physical and mental qualifications for the job to which they are entitled under this Paragraph.

B. WITH PAY

6. Jury Duty. Employees who present official court certificates to the Company showing dates when called for jury duty and remuneration received, shall be paid the difference between the amount received for such jury duty and their standard base rate of pay; or, in the case of incentive workers, the employee's average incentive pay, plus shift differential, if applicable, only for each regularly scheduled day lost from work.

7. Court Appearance. Employees may receive a court appearance benefit for a maximum of one day for each court case in which they are subpoenaed. This benefit is applicable to court cases in which they are not a party and to which the Company or the Union is not a party. Employees shall be paid the difference between the amount received for such appearance and their standard base rate of pay; or, in the case of incentive workers, the employee's average incentive pay; plus shift differential, if applicable, only for one regularly scheduled day lost from work for each case. Employees requesting court appearance benefits must present to the Company official documentation of their court appearance, including the subpoena, indicating the remuneration received from any source for their appearance.

8. Annual Military Encampment or Cruise. The Company shall pay to an employee serving in the National Guard of the States, the Naval Militia, or the United States Armed Forces Reserve, for each day of absence from employment during the annual one or two weeks' encampment or cruise, or in the case of National Guardsmen, when performing duty in emergencies such as floods, fires, prison breaks, public disorders, etc., for not more than thirty (30) days of absence from

employment in any one calendar year, the difference between the employee's standard base rate of pay; or, in the case of incentive workers, the employee's average incentive pay, plus shift differential, if applicable (on the basis of an eight (8) hour day, forty (40) hour week), and the amount of compensation per day received for such military or naval duty.

9. Death in Family. An employee shall be paid his standard base rate (plus shift differential, if applicable) or, in the case of incentive workers, the employee's average incentive pay, plus shift differential, if applicable, for absence from scheduled work, not to exceed four (4) days where such absence is necessitated by death in the immediate family (i.e., husband, wife, child, mother, father, brother, sister, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandmother, grandfather, grandchildren, or any other person who in the opinion of the Company is in a similarly close personal relationship to the employee), or not to exceed one (1) day where such absence is necessitated by death of close relatives other than those mentioned above; provided that such absence is authorized by the immediate supervisor. An incentive worker entitled to one (1) day shall be paid the employee's average incentive pay, plus shift differential, if applicable, for absence from scheduled work.

Time off with pay under Paragraphs 6, 7, 8 and 9 shall be considered as time worked for the purpose of computing weekly overtime.

10. In the Event of Layoff. Leaves of Absence, regardless of reason, will not be granted to an employee who is laid off, and will not be extended if the employee would have been laid off had he been working during his leave. In the latter case, the employee shall be

considered as having been laid off on the date on which he would have been laid off if working.

ARTICLE IX

INTER-PLANT TRANSFER OF EMPLOYEES

Any involuntarily laid off employee, that is an employee for whom no job exists at his site, with seniority rights in any bargaining unit of the Company covered by this Master Agreement, who may be employed in any other such bargaining unit of the Company, will be entitled to have all of his benefits continued as if his service had not been interrupted, except at the new location he shall be treated as a new hire for plant seniority purposes.

An involuntarily laid off employee will be offered employment in vacant non-temporary jobs in other bargaining units at sites covered by this Master Agreement, which management decides to fill and for which he is qualified, on the basis of Company seniority, before an offer for such job has been made to applicant(s); provided that the covered employee indicates interest in such sites at the time of layoff, on a form provided by the Company and completed at the time of involuntary layoff by the employee, and further provided that the right of transfer under this provision will exist only as long as the covered employee retains seniority rights in the local bargaining unit from which he is laid off.

An employee so transferred will retain his COLA and will continue on his COLA progression using his original anniversary date; however, if the COLA of the employee so transferred is less than the COLA of similarly situated employees at the hiring bargaining unit, the COLA of

1.

such employee will be increased to ensure parity with similarly situated employees at the hiring bargaining unit; provided that the COLA paid to an employee so transferred will in no event be used as the basis or evidence for a grievance seeking a COLA upgrade or increase for any other employee.

An employee who rejects an offer of employment to a specific site under the terms of this provision shall thereafter be ineligible for an inter-plant transfer to that site for the period of that layoff.

The employee will be notified by registered letter, addressed to the employee's last address appearing on the Company's records. Within two working days of the date written notice is received, as indicated on the registered mail receipt, but in no case longer than seven calendar days from the postmark date of the registered letter, the employee shall report to the Employment Office at the location where the vacancy exists. Failure on the part of the employee to report to the Employment Office, or to report to work on the day designated by the Company, will result in the forfeiture of all rights under this provision. No employee shall be required to report to work less than seven calendar days from the date the employee is required to report to the Company's Employment Office.

Transferred employees who accept recall to any other location of the Company covered by this Master Agreement, under the terms of such location's recall procedure, shall lose seniority at the plant to which he was transferred, and shall work a minimum notice period of five working days before returning to the previous location.

A transferred employee who rejects recall to his home bargaining unit shall lose his seniority in such bargaining

nit. If a transferred employee is laid off from any bargaining unit covered by this Master Agreement, he shall accrue seniority benefits as provided in the Local Agreement from the bargaining unit(s) in which he is in a laid off status.

ARTICLE X UNION SECURITY

As used in this Master Agreement the term "employees" shall mean employees in the bargaining unit (as defined in Article I of the Local Supplemental Agreements).

All employees who on the date of execution of this Agreement were members of the Union, and all employees who thereafter become members of the Union shall, as a condition of continued employment, remain members of the Union in good standing for the duration of this Agreement.

All individuals who by hire or transfer became or become employees, as herein defined, shall, at the expiration of their probationary period or the date of execution of this Agreement, whichever is later, become and remain members of the Union in good standing for the duration of this Agreement.

As used in this Article, membership in good standing in the Union shall require only that the employee tender to the Union the periodic dues and the initiation fee uniformly required as a condition of acquiring or retaining membership.

ARTICLE XI SUBCONTRACTING

It is the intention of the parties and of this provision to protect and preserve bargaining unit work for bargaining unit employees.

The Company will not contract out work to individuals or to other companies which is normally performed by bargaining unit(s) employees where the necessary equipment is at hand, qualified employees are available, project completion dates can be met and the results would otherwise be consistent with efficient and economic operations.

ARTICLE XII NO STRIKE NO LOCKOUT

The Union agrees that while this Agreement is in effect, it will not call or in any manner sanction, and that the employees covered by this Agreement will not engage in, any strike, slowdown, or other concerted activity resulting in interference with or impediment to production, nor will the Union ignore or disregard any such strike or activity by employees. Union liability, however, shall exist in case, but only in case, the Union calls, sanctions, ignores or disregards such strike or activity. The Company agrees that there shall be no lockouts.

ARTICLE XIII NONDISCRIMINATION

The Company and the Union agree that no discrimination shall be practiced against any employee because of race, creed, religion, color, national origin, ancestry, sex, marital status, veteran status, age or the presence of a handicap except in those instances where age, sex or the absence of a handicap may constitute a

bona fide occupational qualification or except as age is a factor in the Merck Pension Plan and/or in an Apprentice Training Program if applicable.

ARTICLE XIV WAGE ADJUSTMENT

A request by any party to this Agreement for a wage rate adjustment to be applicable to a bargaining unit covered herein shall be a subject for negotiation solely under this Master Agreement and, therefore, shall be negotiated only by and between all parties thereto.

ARTICLE XV COST OF LIVING

1. (A) (i) Employees on the payroll before May 1, 1985 will continue to receive accumulated COLA in the amount of \$3.15. Any employee hired on or after May 1, 1985 will be hired into an appropriate job classification but will receive the total floating COLA (\$3.15) as follows: Such an employee will receive no less than fifteen cents (\$0.15) COLA at the time of hire. Such an employee will then enter into the following COLA progression schedule: On the employee's first anniversary date, he will receive a thirty (\$0.30) cents per hour COLA increase and he will receive a thirty (\$0.30) cents per hour COLA increase on each subsequent anniversary date until his total COLA reaches \$3.15 per hour.

(ii) On January 1 and/or July 1 of each year, the Company may provide that employees, in any job classification at any site covered by this Master Agreement, will receive COLA increments in multiples of fifteen cents (\$0.15) at the time of hire, provided however, that no employee in that job classification's group at the affected site will receive less COLA than any

employee whose hiring rate has been so adjusted. The local union(s) at the affected site will be notified of the hiring rate adjustment in the month preceding the adjustment.

(iii) Such adjustments will not affect the COLA progression described in paragraph (i) above, provided that no employee may receive more than \$3.15 in outstanding COLA.

(B) All additions to COLA shall be independent of general wage increases. The COLA shall not be added to the base or any incentive rate or become a fixed part of such rate for any classification and shall be an hourly additive only excepting such COL adjustments shall be applied to vacation pay, holiday pay, overtime pay, etc. and except as specifically provided in this Agreement.

(C) Section 2 of this Article shall be inactive until such time as the parties mutually agree to activate it.

2. (A) In the event the All Cities Urban Wage Earners and Clerical Workers Official Consumer Price Index (Revised Series) (CPI-W) published by the U.S. Department of Labor BLS (1967 = 100) registers an increase or decrease, there shall be an upward or downward adjustment as follows:

(i) The cost of living adjustment shall be one cent (\$0.01) per hour for every .3 change in the Index.

(ii) The cost of living adjustment shall be determined quarterly and shall be based upon any increase or decrease between the last published figure of the Index prior to the beginning of a quarter (ex. prior to May 16, 1981) and the last published figure of the Index prior to the end of a quarter (ex. prior to August 16, 1981). Any quarterly adjustment required will be made at the beginning of the first pay period after receipt of the

appropriate Index.

(B) In no event will a decline in the All Cities Urban Wage Earners and Clerical Workers (Revised Series)(CPI-W) below the level of 178.2 result in a reduction of base rates in effect at the time.

(C) *No adjustments retroactive or otherwise shall be made due to any reason including any revision which may later be made in the (1967=100) All Cities Urban Wage Earners and Clerical Workers (Revised Series)(CPI-W) Index.*

(D) Continuation of the COL adjustment shall be contingent upon the availability of the Index in its present form and calculated on the same basis as the Index on the effective date of this Agreement. If BLS changes the Index as to form or the basis of calculation, the parties agree to request the Bureau to make available for the life of this Agreement a monthly CPI for the balance of this Agreement.

(E) Cost-Of-Living Adjustment provisions shall provide for a cap of fifteen cents (\$0.15) per year when revived.

ARTICLE XVI TERM OF AGREEMENT

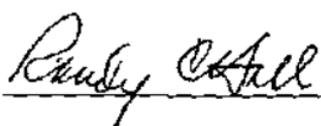
1. This Master Agreement shall become effective May 1, 2003 and shall continue in effect until 11:59 p.m., April 30, 2006. The Agreement shall be continued in full force and effect for successive terms of one (1) year following April 30, 2006 unless either party shall notify the other party in writing sixty (60) days before April 30, 2006 or sixty (60) days before the expiration of any one (1) year term subsequent to April 30, 2006 that it wishes to terminate or modify this Agreement.

2. In the event either party to a Local Supplemental Agreement serves timely notice of its intention to terminate or modify that Agreement and the parties thereto are unable to reach a new agreement by the expiration date provided for in that Local Supplemental Agreement, then the provisions of Article XII of this Master Agreement shall cease to be binding on both parties so long as a new agreement is not concluded with respect to the subject matter of those Articles which are a part of the Local Supplemental Agreement. Article XII shall continue to remain in full force and effect with respect to the subject matter of all Articles contained in this Master Agreement except as otherwise provided herein.

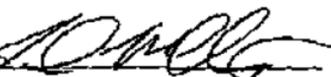
IN WITNESS WHEREOF the parties hereto have executed this Agreement this 11th day of July 2003.

MERCK & CO., INC.

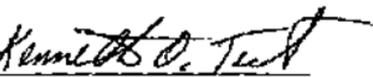
By 

By 

By 

By 

PAPER, ALLIED-INDUSTRIAL, CHEMICAL AND ENERGY WORKERS

By 

By Robert Weitzberg

**PAPER, ALLIED-INDUSTRIAL, CHEMICAL AND
ENERGY WORKERS, LOCAL 2-575:**

By Robert Weitzberg

By David Beckwith

**PAPER, ALLIED-INDUSTRIAL, CHEMICAL AND
ENERGY WORKERS, LOCAL 2-580:**

By [Signature]

By [Signature]

By [Signature]

President, Merck Inter Union Council

ARTICLE I BARGAINING UNIT

Union Recognition

1. The Company recognizes the Paper, Allied-Industrial, Chemical and Energy Workers International Union and its Local 2-575 (hereinafter termed the "Union") as the exclusive representative for the purpose of collective bargaining in respect to wages, hours and other conditions of employment of all employees in the bargaining unit.

Employees Included

2. A. The Company and the Union agree to merge the bargaining units formerly known separately and certified as the "Plant Unit at Rahway NJ and the "Merck Institute for Therapeutic Research at Rahway, NJ" into one combined unit that shall be governed by one collective bargaining agreement.
- B. Included in the bargaining unit are all hourly research, production and maintenance employees, cafeteria employees and truck drivers at the Company's Rahway, New Jersey, Plant (throughout this Agreement designated, except as to the following exclusions, as "employees" or "employee"). (Wherever the word "he" appears, it is understood to apply to both male and female.)

Persons Excluded

3. Excluded from the Bargaining Unit are all Power Plant employees with the occupational classifications of Watch Engineer, Operating Engineer I, Operating Engineer II, Relief Engineer, or Starting Position; all office, clerical, professional, timekeeping, technical

(including all laboratory assistants), professional efficiency, and personnel employees, watchmen and guards, managerial employees and all supervisory employees with authority to hire, promote, discharge, discipline, or otherwise effect changes in the status of employees, or effectively recommend such action.

Work by Excluded Persons

4. Persons excluded from the bargaining unit shall not perform work of the bargaining unit with the exception of (A) emergencies, (B) the instruction or training of employees, (C) developmental, experimental or test purposes (when routine experimental, developmental and test work is to be done on regular production equipment under the direction of a non-technical first line supervisor, qualified hourly persons will be assigned), (D) relieving employees for lunch or rest periods, and (E) production or maintenance difficulties.

5. In the Pilot Plants, persons excluded from the bargaining unit shall not perform work of the bargaining unit with the exception of (A) emergencies; (B) the instruction or training of hourly or salaried personnel; (C) development, process evaluation, experimental or test purposes. (When routine work is to be done on regular production equipment, qualified hourly persons will be assigned) (D) relieving employees for lunch, rest periods or during shift relief or breaks and (E) production or maintenance difficulties.

At no time will an excluded person replace a Bargaining Unit employee doing Bargaining Unit work.

6. All work in the Health Physics Waste Collection and Compaction Room is not Bargaining Unit work.

ARTICLE II UNION SECURITY

(See Article XIII of the Master Agreement)

ARTICLE III EMPLOYEE INVOLVEMENT

Cooperation is defined as "the association of a number of persons for their common benefit; collective action in the pursuit of common well-being." With this understanding of the meaning of cooperation, the Company and the Union undertake collective action for the benefit and well-being of the employees and the Company. In establishing the confidence that must underlie this Agreement, two fundamental principles are recognized:

1. The Company believes that collective action in the common well-being will be most effective when the Union remains stable and responsible.
2. The Union recognizes the right of the Company to manage and direct the business. Further, the Union believes that collective action in the common well-being will be most effective when the employees and their representatives give full support to the management of the Company in discharging its responsibilities.

In acknowledging these two fundamental principles, the Company and the Union establish a bond of common interest and a basis for the development of sound union-management cooperation. It is the objective of this cooperation that both the Company and the Union will actively and continuously demonstrate their commitment to establishing and maintaining operational excellence at the Rahway and Branchburg Farm sites. Accordingly, the parties agree to utilize the Union/Management Steering Committee to promote

employee involvement concepts with all bargaining unit employees and to identify opportunities to improve performance and attain operational excellence. No employee will be disqualified as a result of employee involvement activities.

ARTICLE IV DEDUCTIONS FROM PAY

Deduction of Dues and Initiation Fees

1. During the term of this Agreement the Company shall deduct the regular monthly Union dues and initiation fee from the pay of each employee as defined in Article I of this Local Supplemental Agreement from whom the Company has received or hereafter receives a written assignment authorizing such deductions, which authorization shall be in the following form:

To MERCK & CO., INC.

I hereby assign to Local Union No. 2-575, Paper, Allied-Industrial, Chemical and Energy Workers International Union, from any wages earned or to be earned by me as your employee, the sum of \$__ per month, or such amount as may hereafter be established by the Union and become due to it, as my membership dues in said Union, and the regular Union initiation fee of \$__, or such amount as may hereafter be established by the Union, and in accordance with the International Constitution. I authorize and direct you to deduct such amounts from my first pay for each month and to remit the same to the Union. This authorization, and assignment shall be irrevocable for the period of one (1) year, or until the termination of the Agreement between the Employer and the Union, whichever occurs sooner; and I agree and direct that this

authorization, and assignment shall be automatically renewed, and shall be irrevocable for successive periods of one (1) year each or for the period of such succeeding applicable collective agreement between the Employer and the Union, whichever shall be shorter, unless written notice is given by me to the Employer and the Union not more than twenty (20) days and not less than ten (10) days prior to the expiration of each period of one (1) year, or of such applicable collective agreement between the Employer and the Union, whichever occurs sooner.

This authorization is made pursuant to the provisions of Section 302(c) of the Labor-Management Relations Act of 1947 and otherwise.

Witness _____

Signature _____

The Company agrees it will present a copy of the above dues deduction authorization form to newly hired employees at the time of their employment. In the event the employee does not elect to execute the authorization form at that time, the Union will be so notified.

Remittance of Dues to Union

2. The Company shall remit once each month such deductions to the Financial Secretary of the Union within fifteen (15) days from the date on which such deductions are made. The Union shall furnish the Company with its official receipt for all moneys so remitted.

Protection by Union Against Claims

3. The Union agrees to indemnify the Company against any award, judgment, loss or expense arising out of any legal claim made against the Company by any employee because of such deductions from his wages.

Other Payroll Deductions

4. The Company agrees that no deduction shall be made from any paycheck of a P.A.C.E. member without prior notification of said member.

ARTICLE V WORKING HOURS

Purpose of Article

1. This Article is intended only to relate to hours of work and is not a guarantee of hours worked per day or per week.

Normal Work Week

2. The normal work week shall consist of forty (40) hours per week. The normal work day may exceed eight (8) hours per day without premium pay provided that a majority of the affected employees, the Union and department management, agree.

Definition of Work Week and Payroll Week

3. (A) The Company's present work week and payroll begins on Monday at 12:01 A.M. and ends at Midnight on Sunday. Except as otherwise provided in this paragraph, the Company will continue, so far as practicable, to provide a regular schedule of work from Monday to Friday, inclusive, for those employees not on rotating or special shift work. The Company may establish a work week other than Monday through Friday inclusive

provided a majority of the affected employees, the Union and department management agree. Employees who have chosen to work such work week will be paid time and one-quarter (1-1/4) for all work performed on Saturday as such and time and one-half (1-1/2) for all work performed on Sunday as such except when work performed on Saturday and Sunday is greater than forty (40) hours in the payroll week. When work performed on Saturday and Sunday is greater than forty (40) hours in the payroll week, employees shall be paid in accordance with Article V, paragraph (4). It is recognized that existing schedules of days of work in effect on March 1, 1958 may be extended to other operations of the Company and that there will be new jobs or changes in present jobs which would require establishment of additional special shifts. The Company reserves the right to make such changes in shift schedules and will notify the Union. The Company may change existing schedules of hours (start and end times) after notification to the Union.

Premium Pay for Insufficient Notice

(B) Except for changes in hours of work or days of work due to sickness, layoff from classification, overtime work assignment, convenience or request of any employee, emergency or other cause not within the control of the Company, the Company shall issue sufficient notice for change in hours or days of work to the Union and the employees affected. Notice of such change shall be considered as sufficient for all employees if issued by the Company at least forty-eight (48) hours (to be computed from the end of the shift in which such notice is issued) in advance of such change. Hours worked after such effective changes and before the expiration of the forty-eight (48) hour notice period for which premium pay is not due under any other provision of this Agreement shall be paid for at time and one-half (1

1/2). Sufficient notice shall be required for changes in hours or days of work resulting from a job bid.

Premium Pay for Overtime or Work on Sunday

4. Except as provided in Article V, 2 and 3(A) above, premium pay for overtime or work on Sunday is calculated as follows:

- (A) Any work performed in excess of eight (8) hours but not more than twelve (12) hours in one day (a day being the twenty-four (24) hour period beginning with the starting time of the shift) or forty (40) hours in one week shall be considered overtime and shall be paid for on the basis of time and one-half (1-1/2) the standard base rate of pay (or the employee's personalized rate, if applicable) plus shift premium, if applicable. Any work performed in excess of twelve (12) hours in one day (as defined above) shall be paid for on the basis of double time. Whenever an employee works in excess of twelve (12) hours or more in any twenty four (24) hour period (the period to start when the employee reports and begins to work) he will be compensated in the following manner:

8 hours at straight time (is regular shift) (or the appropriate rate if eligible for a premium under another provision of the Contract)

4 hours at time and one-half (1-1/2) (hours over eight)

Remaining hours at double time (hours over twelve)

However, where overtime results within a day from a change in hours of work made for the convenience of the employee or employees, the above overtime premium will not be applicable. All work performed on Sunday in excess of forty (40) hours in the payroll week shall be

paid on the basis of double time. (Premium pay for work performed on Sunday by seven day stagger shift workers is covered under Paragraph 4(E).

- (B) For the purpose of paying time and one-half (1-1/2) for work performed on Saturday or double time (2) for work performed on Sunday, absences during the first five (5) eight (8) hour work days in a payroll week as defined in Article V Paragraph 3 (A) will be counted as time worked.
- (C) A premium payment of time and one-quarter (1-1/4) will be paid to all 7-day rotating stagger shift employees for all work performed on Saturday as such. The premium shall not be effective when any premium of time and one-half (1-1/2) or higher is paid for such hours.
- (D) The Saturday premium shall be paid to the Midnight shift starting at 11:45 P.M. Friday, but not to the shift starting 11:45 P.M. Saturday.
- (E) Work performed on Sunday, by the 7-day rotating stagger shift employee, shall be paid for at the rate of time and one-half (1-1/2), except work performed on Sunday in excess of forty (40) hours in the payroll week shall be paid for on the basis of double time.
- (F) The Sunday premium shall be paid to the Midnight shift starting at 11:45 P.M. Saturday, but not the shift starting 11:45 P.M. Sunday.
- (G) Overtime hours worked from Monday to Saturday, inclusive, by the 7-day rotating stagger shift employee, shall be included in counting the total number of hours in the payroll week for the purpose of determining whether Sunday work shall be paid for at double time; and this shall not be considered as pyramiding within the meaning of Paragraph 19 of

this Article.

- (H) When a change in a regular straight time shift results in an employee working two eight (8) hour shifts in one twenty-four (24) hour period (short swing) all sixteen (16) hours shall be counted as straight time hours in computing weekly overtime. When an employee works two eight (8) hour shifts in one twenty-four (24) hour period and the second eight (8) hour shift occurs in a different work week, the second eight (8) hours of work will be premium hours and also will be counted as straight time hours in computing weekly overtime.
- (I) In the event a stagger shift worker is scheduled to work his normal day off, he will be paid 1-1/2x for the first 12 hours of work and 2x for the hours worked over 12 in that day.
- (J) Except in emergency, no employee will be permitted to work for more than sixteen (16) hours a day.
- (K) Scheduled work performed prior to and continuous with an employee's regular shift, for which premium pay is not due under any other provision of this Agreement, shall be paid for at time and one-half (1-1/2).
- (L) All payments to or deductions from an employee's wages would be made to the nearest 1/10th of an hour.

Notice of Overtime Work

5. Wherever possible, the Company will give twenty-four (24) hours' notice of overtime work and will attempt to assign employees to overtime work on a voluntary basis, unless there is an insufficient number of qualified volunteers in the department and job classification

involved. Employees designated to work overtime shall work in accordance with the Company's decision, notwithstanding a claim that this Paragraph has been violated, but all such claims may be filed as grievances. The Union agrees that employees working on jobs performed on a multiple shift basis shall not leave the job at the close of their shift until their replacement on the following shift reports for work unless given permission to leave by the supervisor.

Cancellation of Overtime

6. An employee who has accepted overtime must be notified at least two (2) hours in advance that the overtime has been canceled. If the two (2) hour notice is not given, the employee will be assigned at least two (2) hours work at the rate of the overtime job. However, where cancellation is due to a condition beyond the control of the Company the provision shall not apply.

Reporting for Scheduled Overtime

7. An employee who is required to report back to the Plant to perform scheduled overtime work shall be given a minimum of four (4) hours of such work or pay in lieu thereof. The four (4) hours minimum of work or pay in lieu thereof shall not apply when the scheduled overtime is contiguous with the employee's scheduled shift.

Distribution of Overtime

8. (A) Following will apply to all classifications except Laboratory Animal Specialist and Laboratory Animal Serviceperson. Insofar as it is practical, overtime will be distributed equally among employees in the same classification within a department or group performing the same or similar operations according to overtime procedures in effect. The Company shall permit

Stewards upon request to inspect, at reasonable intervals, the past records of departmental overtime hours assigned. Employees who are absent due to occupational and non-occupational illness or injury or authorized or non-authorized personal time will be charged for missed overtime, including 6th and 7th day.

- (B) The following shall apply to the Laboratory Animal Specialist and Laboratory Animal Serviceperson classifications. Effective January 1, 1985, there shall be two (2) overtime lists, one for weeknight overtime and the other for weekend/holiday overtime. Any job functions assigned and performed on a Saturday, Sunday or Holiday will be charged to the "Weekend/Holiday Overtime list". Insofar as it is practical, overtime will be distributed equally among employees performing the same or similar operations according to overtime procedures in effect except for Service Workers. All overtime will be assigned on a rotation basis. Unless specified otherwise by the departmental overtime agreement, employees who are absent for any reason or whose work duty restrictions cannot be reasonably accommodated will lose that overtime opportunity and will remain in the same position on the rotation list. If an employees is bypassed for an overtime assignment due to Company error, the Company will offer the employee the next available overtime opportunity of an equal amount of paid hours. If the employee refuses that overtime opportunity, he shall be offered, but within the next twelve hours, the next

available overtime opportunity of an equal amount of paid hours. If the employee refuses both opportunities, the Company shall have no further obligations to the employee as a result of the Company's error. The Company will not offer such opportunities to an employee on a day that the employee is absent due to vacation, death in the family, jury duty, military encampment, illness or injury or authorized personal leave. The Company shall permit Stewards upon request to inspect, at reasonable intervals, the past records of departmental overtime hours assigned.

Overtime Calculation for Chemical Operators and Service Workers

9. Overtime hours worked by employees in the Chemical Operator Series or Service Worker classifications in connection with membership on the Fire Department and/or First Aid Squad shall not be counted in calculating the highest overtime hours.

No Reduction in Work Week

10. When an employee works overtime in excess of his normally scheduled eight (8) hour day or forty (40) hour week, Monday through Friday (except in cases of shift schedules as described in Paragraph 3 above), he shall not suffer a diminution of work in his regularly scheduled forty (40) hour week when the sole purpose is to equalize the time to a forty (40) hour week.

Pay for Incomplete Day's Work

11. If an employee (other than a part-time employee) reports for his regularly scheduled work without

previously having been notified not to report, he shall be given at least four (4) hours' work, or if no work is available, he shall be given four (4) hours' pay at his standard base rate (plus shift premium, if applicable). If an employee reports for work on a regularly scheduled day of work and actually begins to work, he shall receive pay at his standard base rate (plus shift premium, if applicable) for the number of hours of work scheduled if he is sent home due to lack of work. Exclusive of lunch periods, the Company agrees not to divide an employee's regularly scheduled normal work day. The foregoing shall have no application in the event of fires, flood, explosions, war, governmental action or other acts or circumstances beyond the control of the Company.

Pay for Emergency Work

12. If an employee is called in to do unscheduled emergency work outside his regular working hours, he shall receive time and one-half (1-1/2) the standard base rate for such time worked or for three (3) hours, whichever is greater, and in addition thereto will receive one hour's pay at time and one-half (1-1/2) the standard base rate as compensation for travel time. If the work is performed on Sunday, all hours involved, including the travel time, will be paid at the appropriate premium rate.

Mechanical Call-In Procedure

13. When an emergency repair requires going out of craft to complete a job, the first person in the out of classification rotation, after the members of the appropriate craft have been exhausted, will be called. Cards in the out of classification box will rotate accordingly.

Lab Services Make-up Overtime

14. If a Bargaining Unit employee in Laboratory

Services is bypassed for overtime, meaningful work will be scheduled to cover the bypass. The bypass will consist of an additional overtime assignment.

Shift Premium

15. (A) Employees regularly assigned to the afternoon shift (majority of hours of which are worked after 6:00 P.M.) shall be paid a premium of thirty-two (32) cents per hour over their standard base rate for such work and employees regularly assigned to the Midnight shift (majority of hours of which are worked after Midnight) shall be paid a premium of fifty-two (52) cents per hour over their standard base rate for such work.
- (B) Rotating shift work is done under an arrangement of shifts over a twenty-four (24) hour period in which the employees alternate their hours of work according to a schedule. An employee doing rotating shift work shall be paid a premium of twenty-eight (28) cents per hour over the standard base rate of pay.
- (C) An employee who shall work between the hours of 6:00 P.M. of one day and 7:00 A.M. of the following day, in a shift other than a rotating shift, scheduled to be wholly or in part worked during such hours, shall be paid a premium of thirty-two (32) cents per hour on such employee's standard base rate of pay for the hours so worked between said 6:00 P.M. and 7:00 A.M. If such employee shall work more than one-half (1/2) of such shift during the above hours (6:00 P.M. to 7:00 A.M.), he shall be paid the premium for the entire shift; and if more than one-half (1/2) of such shift is worked after 12 Midnight, he shall receive a premium of fifty-two (52) cents per hour.

Rest Periods

16. (A) The Company shall grant two (2) 10-minute rest periods during a regular eight hour shift at such times as authorized by the immediate supervisor.
- (B) Whenever an employee works a minimum of two (2) hours or a maximum of four (4) hours on an overtime work assignment he shall be granted one (1) ten (10) minute rest period. An additional ten (10) minute rest period will be granted if the employee works a second four-hour overtime assignment.

Lunch Periods

17. Except for stagger and rotating shift employees, an unpaid lunch period of a minimum of forty-five (45) minutes will be provided. Changes in the duration of the forty-five(45) minute unpaid lunch period may be agreed to by a majority of the department employees and department management. Stagger and rotating shift employees will be provided a one-half (1/2) hour paid lunch period and will be required to stay on site during such lunch period.

Overtime Lunch Periods

18. An employee required to work overtime shall be allowed paid lunch periods under the following conditions:

- (A) A one-half (1/2) hour lunch period shall be granted an employee performing two (2) or more hours of actual overtime work immediately prior to and continuous with his regularly scheduled hours of work. Such lunch period shall be considered as time worked for payroll

purposes. However, under no circumstances shall payment be made in lieu of time off the job under this subparagraph (A) except: (1) where in the supervisor's opinion the employee cannot take the lunch period, and (2) Site Engineering employees only may be permitted to leave early if they work through their overtime lunch period, provided that this practice will be uniformly applied to maintain job continuity.

- (B) A one-half (1/2) hour lunch period shall be granted if his supervisor estimates the actual overtime work will extend for a minimum of two (2) hours (including the lunch period the overall time will be two and one-half (2-1/2) hours) and is to be performed at the end of the employee's normal work period.
- (C) Two lunch periods of one-half (1/2) hour each shall be granted if his supervisor estimates the actual overtime work will extend for a minimum of six (6) hours and is to be performed at the end of the employee's normal work period. The first lunch period should be given near the beginning of the overtime work period.
- (D) additional one-half (1/2) hour paid lunch period will be granted for each four hours of overtime worked beyond the original six (6) hours.

Example

<u>If Overtime is to Last</u>	<u>Day Shift Workers</u> <u>8:00 A.M. to 4:45 P.M. Schedule</u>
2 hours	Normally the overtime rest period will be granted from 4:30 P.M. to 4:40 P.M. and the lunch period will be taken at the end of the overtime assignment 6:45 P.M. to 7:15 P.M.

- 6 hours - 1st overtime lunch period from 4:30 P.M. to 5:00 P.M.
Overtime rest period from 7:00 P.M. to 7:10 P.M.
2nd overtime lunch period from 9:00 P.M. to 9:30 P.M.
- 8 hours - 1st overtime lunch period from 4:30 P.M. to 5:00 P.M.
1st overtime rest period from 7:00 P.M. to 7:10 P.M.
2nd overtime lunch period from 9:00 P.M. to 9:30 P.M.
2nd overtime rest period from 11:30 P.M. to 11:40 P.M.
- 10 hours - 1st overtime lunch period from 4:30 P.M. to 5:00 P.M.
1st overtime rest period from 7:00 P.M. to 7:10 P.M.
2nd overtime lunch period from 9:00 P.M. to 9:30 P.M.
2nd overtime rest period from 11:30 P.M. to 11:40 P.M.
3rd overtime lunch period from 1:30 A.M. to 2:00 A.M.

(E) A one-half (1/2) hour lunch period shall be granted an employee called back to the Plant to perform unscheduled emergency work, provided the actual overtime worked amounts to at least four (4) hours. This subparagraph shall not be applicable in those instances where the emergency work to be performed coincides with the employee's normal hours of work.

(F) If in the opinion of his supervisor, the work to be performed is of such a nature that it is to be done without the employee's leaving the job or being able to eat on the job, the lunch period provided for in the foregoing subparagraphs (B), (C) and (D) shall be added to the overtime actually worked.

(G) The lunch period or periods shall not be granted if the overtime work is due to a change in working hours mutually agreed to and arranged by employees with the Company for personal reasons, or due to scheduled shift changes.

No Pyramiding of Premium or Overtime Pay

19. When time worked is to be paid at a premium or overtime rate under two or more provisions of this Agreement, such time shall be paid for at the highest applicable overtime or premium rate, but in no event shall overtime or premium rates be pyramided nor shall an employee be paid both daily and weekly overtime for the same hours worked.

Single/Partial Day Vacations

20. The Master Agreement notwithstanding, employees who are not required to take vacation during a shutdown may request, at least 48 hours in advance, that all of their vacation be scheduled in units of one (1) or more full days or in four (4) hour increments for a maximum of sixteen (16) hours, subject to the approval of the supervisor. Employees who are required to take vacation during a shutdown may request, at least 48 hours in advance, that the balance of their vacation be scheduled in units of one (1) or more full days or in units of four (4) hour increments for a maximum of sixteen (16) hours, subject to the approval of the supervisor. All but five vacation days must be scheduled by the end of the third quarter of each year. See also Art. VIII 3 (A)(2).

The right to take vacation in four (4) hour increments for a maximum of sixteen (16) hours shall be effective May 1, 2003, and shall continue in effect until 11:59 p.m., April 30, 2006.

ARTICLE VI SENIORITY

Definition of Seniority

1. Seniority is determined by an employee's total length of service within the bargaining unit and or a

predecessor bargaining unit commencing with and measuring from either his date of employment or his most recent entry into the bargaining unit except as provided in Article IX Paragraph 1 (B), excluding all service as an excluded person, whichever is later, provided such seniority has not ceased due to any of the conditions listed in Paragraph 4 of this Article. In the event two or more employees have the same date of employment, seniority shall be determined by the employee's age, the eldest being the most senior.

Probationary Period

2. The first ninety (90) working days of employment for newly hired Chemical Operators and the first sixty (60) working days of employment for other employees shall be the probationary period, except that, Service Workers who successfully bid into other classifications prior to completing the sixty (60) working day probationary period shall have their probationary period extended to ninety (90) working days. Employment during probation shall be considered as temporary. Employees during this period may be terminated by the Company without such termination being subject to grievance procedure. In the event the probationary period is interrupted by layoff and the affected employee is re-employed within six (6) months, the time previously spent on probation shall be counted toward completion of the probationary period and his employment date adjusted accordingly.

Seniority of Part-Time Employees

3. Employees hired for regular part-time work shall have seniority rights under this Article based on the ratio of their scheduled work week to the normal work week.

Loss of Seniority

4. Seniority shall cease upon:

(A) Discharge which has not been set aside in the grievance procedure.

(B) Voluntary quitting.

(C) Layoffs continuing for more than forty-eight (48) months. However, if an employee desires to remain on the layoff list for an additional six (6) month period, he may do so by notifying the Company in writing at any time prior to the expiration of the forty-eight month period.

(D) Being absent for five (5) consecutive days without notice, unless there is no reasonable opportunity to give such notice.

(E) After a layoff, failure to follow procedure set out in Paragraph 13 when called back to work.

(F) Failure to return to work promptly following recovery from illness or injury except as herein provided.

(G) Refusal to accept re-employment in his previous or comparable job unless the employee cannot perform the job.

(H) Failure to report at the end of a leave of absence, or vacation, unless there is no reasonable opportunity to report.

(I) If for any reason other than bona fide injury or illness or layoff more than one (1) year shall have elapsed since the employee last worked for the Company, except as provided in Article XI of the Master Agreement.

(J) Transfer of an employee to a job outside of the bargaining unit. In the event an employee leaves the bargaining unit for the job of a non-technical first line supervisor and subsequently returns to a job in the bargaining unit, his total length of continuous service

with the Company shall be considered only in determining his rights under any of the Company's *benefit plans*.

Accumulation of Seniority

5. Seniority shall accumulate for not more than: (A) twelve (12) months during absence from work by reason of absence, except as provided in Article XI, Paragraphs 3 and 4 of the Master Agreement, or (B) thirty (30) months during absence from work by reason of bona fide injury or illness or C) forty-eight (48) months during absence from work by reason of layoff. When an *employee requests a six (6) month extension on layoff*, seniority will accumulate for a total of fifty-four (54) months.

Military Service

6. Any employee who during the term of this Agreement leaves the Company's employ to enter the Armed Forces of the United States shall on his separation from service be entitled to re-employment in accordance with and subject to the provisions of any *applicable Federal Law providing re-employment rights* following military service. In the absence of such law, an employee veteran meeting the requirements of the law as it last existed, shall return to his regular job classification and exercise seniority.

Seniority Lists

7. Company seniority lists and a listing of bargaining unit employees by classification will be provided to the Chief Steward and the Committeemen every three (3) months.

Seniority of Union Representatives

8. (A) Official representatives of the Union shall have

those superseniority rights defined below in the event of layoffs or recall. Employees having such superseniority rights shall include the President, one Vice President, the Chief Steward, one Assistant Chief Steward, one Treasurer, one Recording Secretary, one Financial Secretary, one Sergeant-at-Arms, three Trustees, Twelve Committeepersons, and not more than one Steward for every twenty-five (25) employees in the bargaining unit. Superseniority shall mean a seniority that is greater than any seniority achieved by length of employment.

In the event of layoffs from classification, the above described Union representatives will follow the layoff procedure as provided for under Article VI, Section 10, Step (B), in their work unit or department which they represent until their lack of seniority would require their removal from such work unit or department. In this event, any such Union representative shall be considered to have seniority over the least senior employee in the lowest paying job classification within such work unit or department. If subsequently there is no need for employees in such lowest paying job classification, such Union representative may then exercise superseniority in the next successive higher paid job classification until he reaches that job rate which is the highest he has previously held in the department. Any Union representative eligible by this paragraph to move also must then have the qualifications to do the job satisfactorily.

(B) At the termination of their office for any reason,

all such Union officials will relinquish their superseniority rights. Except as provided otherwise in this paragraph, Union representatives shall be entitled only to those seniority rights which their Company seniority gives them.

Temporary Layoff

9. In the event of temporary layoffs from the Plant (being such layoffs as will not extend for a period of more than fifteen (15) consecutive working days) employees in the department and job classifications affected shall be laid off in the order of least seniority.

Non-Temporary Layoff

10. In the event of non-temporary layoffs from classification and non-temporary layoffs from the Plant (being such layoffs that are expected to extend for a period of over fifteen (15) consecutive working days), affected employees shall be laid off in accordance with the following steps and subject to all other provisions of this Article. An affected employee may elect to be laid off from the Plant in lieu of layoff into or within the Pool Job classifications.

- (A) PROBATIONARY EMPLOYEES in the job classification affected shall be the first to be laid off.
- (B) EMPLOYEES IN JOB CLASSIFICATIONS ABOVE THE POOL will follow the layoff procedure as outlined below:
 - (1) (Layoff procedure for Mechanical Division crafts.) In the event of non-temporary layoffs from craft classifications, such employees will be laid off as follows:
 - (a) Layoffs from craft classification shall be

made from the lowest trainee level first. If advanced placement into the Apprentice Program results in a less senior employee being placed above a more senior employee already in that craft training program, any layoff will be on the basis of seniority and not trainee level. However, no apprentice in training shall be laid off before either a Class A Mechanic who has been hired since the apprentice commenced his/her training, or a less senior employee who becomes a Class A Mechanic as a result of advanced placement who bypassed that more senior employee already in the program. Within any particular craft, plant-wide seniority shall govern.

- (b) The Fire Protection Technician classification is not above the pool for Class A Mechanics.
- (2) Layoff from the Set-up Worker classification shall be made from the lowest trainee level first. Plant-wide seniority shall govern.
- (3) Layoff from the Chemical Operator Series:
 - (a) Surplused incumbents in the initial job where surplus exists shall have seniority preference of all Chemical Operator and Pool jobs affected by the bump to which their seniority will allow them to go. The low senior employees(s) must select a job from the list of those affected by the bump or be laid off to the next lower classification. In the event that an affected incumbent(s) elects layoff from the Plant, he shall not be eligible

for separation pay.

- (b) In jobs other than the initial job where a surplus exists those employees who, by seniority, are affected will have a choice of jobs on the original list.
 - (c) In the event someone does not select a job or cannot be contacted in a reasonable time he shall be laid off to the next lower classification or to the pool.
 - (d) There shall be no upward bumping into or within the chemical operator series. For bumping purposes, Environmental Operators and Chemical Operator A's shall be considered the same classification (by side letter dated April 20, 1994, as modified by 1994 negotiations). For bumping purposes, Research Chemical Operators, Factory 31 Control Room Operators, and Chemical Operators AA shall be considered the same classification.
- (4) An affected employee who has exhausted the foregoing procedure for job classifications above the Pool jobs will have two (2) options on layoff into or within the Pool job classifications. Except, no employee in the Laboratory Animal Serviceperson classification will be bumped out of their classification unless, by virtue of their exclusion from the bumping procedure, another employee with more seniority than the excluded Laboratory Animal Serviceperson would be involuntarily and non-temporarily laid off from the Plant. In that event, the bump will include all those

Laboratory Animal Service persons with less seniority than the person who would otherwise be involuntarily and non-temporarily laid off from the Plant.

- (a) The employee will go to the highest rated job classification, his seniority will allow him, provided he has the qualifications to perform the job. If there are two or more job classifications at the same rate of pay they will be considered as one for the purpose of this layoff procedure and the affected employee will displace the least senior employee in the combined job classifications.
- (b) The affected employee may elect layoff from the Plant in lieu of layoff as described in 10.(B)(4)(a). Such employee shall be required to exercise his choice of the above options within twenty-four (24) hours after notification. Employees above the pool who elect voluntary layoff will not be entitled to separation pay.

(C) THE POOL JOB CLASSIFICATIONS and their respective rates are listed below:

<u>Pool Jobs</u>	<u>Eff.</u> <u>5-1-03</u>	<u>Eff.</u> <u>5-1-04</u>	<u>Eff.</u> <u>5-1-05</u>
Truck Driver, Back Hoe	20.945	21.675	22.435
Instrument Safety Service Person	20.765	21.495	22.245
Utility Mechanic	20.430	21.145	21.885
Materials Handler - Pilot Plan	20.430	21.145	21.885
Materials Handler - Direct Services	20.430	21.145	21.885

	<u>Eff.</u> <u>5-1-03</u>	<u>Eff.</u> <u>5-1-04</u>	<u>Eff.</u> <u>5-1-05</u>
Utility Person, Grounds	20.340	21.050	21.785
Storekeeper, Standby	20.245	20.955	21.685
Warehouse Person	20.135	20.840	21.570
Service & Safety Person	20.075	20.775	21.505
Service & Safety Truck Driver	20.075	20.775	21.505
Chauffeur	19.930	20.625	21.350
Truck Driver, Rigging	19.870	20.570	21.285
Stockroom & Receiving Clerk	19.870	20.570	21.285
Truck Driver, Waste Disposal	19.665	20.355	21.065
Fork Truck Operator	19.665	20.355	21.065
Tank Car Pump Person-Subdivider	19.830	20.525	21.245
Packaging Department Worker	19.520	20.205	20.910
Sampler	19.285	19.960	20.660
Laboratory Service Assistant	19.020	19.685	20.375
Garage Utility Person	18.890	19.550	20.235
Lubrication Person	18.890	19.550	20.235
Lab Animal Serviceperson	18.865	19.525	20.205
Service Worker (hired before 5/1/94)	15.870	16.425	17.000
Service Worker (hired after 5/1/94)	13.685	14.160	14.655

(1) In the event of a decrease in any pool job classifications the affected employee will exercise the two options listed in 10.(B)(4) above.

(2) An employee being removed from a job as a

result of a disqualification, other than under Article IX, Paragraph 2(D), will exercise seniority according to the layoff provision of the contract, except that such employee will not be eligible to elect layoff from the plant in lieu of layoff into or within the pool.

- (3) In the event a non-pool employee is laid off and bumps into the pool, a more senior qualified employee on non-temporary layoff may exercise seniority and bump the non-pool employee who bumped into the pool. This will not apply to employees on voluntary layoff.

(D) In the foregoing procedure, employees shall not displace other employees unless they have greater seniority. Employees who cannot be placed in other job classifications in the foregoing procedure shall be laid off from the Plant on the basis of Company seniority, i.e., those with the least seniority shall be the first laid off. Affected employees failing to follow the procedure outlined shall be considered to have quit. This will not be applicable to affected employees electing layoff from the Plant in lieu of layoff into or within the Pool job classification.

Qualifications for Placement Upon Layoff

11. Upon layoff from classification, employees eligible by seniority to be placed also must then have the qualifications to do the job satisfactorily. Job classification shall mean the individual job title with specific rate listed in Appendix A.

Notice of Layoff

12. (A) The Company shall give prior written notice of any non-temporary layoff to the employee and to his Steward or other available Union

representative. A copy of such notice shall be mailed to the Chief Steward.

- (B) In the event of a non-temporary layoff from the Plant of employees having less than two years' seniority, the Company shall give affected employees three (3) working days' notice of such layoff. In the case of employees having two or more years' seniority, the Company shall give affected employees five (5) working days' notice of such layoff. In either case, the Company shall pay such employees their standard base rate of pay for the notice period in lieu of such notice. No prior notice, or pay in lieu thereof, shall be required for temporary (as defined in Paragraph 9 of this Article) layoffs from the Plant.

Recall Procedure

13. (A) Where there is an increase in the total employment in the Plant and such increase is to be accomplished by hiring, persons on the layoff list with the greatest seniority will be the first to be offered re-employment to any job unfilled by the posting procedure, provided they have then the qualifications to do satisfactorily the jobs to which they are recalled, and provided they have retained seniority under the terms of this Article. Within five (5) working days of date of written notice sent by certified or registered mail addressed to the employee's last address appearing on the Company records, with a copy to the Union, offering re-employment in work to which the employee is entitled, the employee shall report to the Company's Employment Office. Failure on the part of the employee so to report to the Employment Office or to report

back to work on the day designated by the Company, unless not contractually obligated to, or prevented by illness or injury, or other reasonable or justifiable circumstances beyond his control, will be considered as a "quit", and will result in a loss of all seniority; provided, however, that no employee shall be required to return to work less than one week from the date of such written notice to the employee.

- (B) An employee who elects the option of layoff from the Plant will be allowed one refusal on recall at which time he must specify in writing what jobs, if any, he will accept. Such designation may be changed in writing prior to a second recall. Failure on the part of the employee to specify in writing the jobs he will accept will release the Company from any further obligation of notifying such employee of any vacancies. If subsequently recalled to the jobs the employee has designated, a refusal shall be considered as a "quit", and will result in a loss of all seniority.
- (C) Employees being laid off from the Plant shall receive a copy of this Paragraph and Paragraph 4 of Article VI.

ARTICLE VII UNION REPRESENTATION

Bargaining and Grievance Committee

1. The Company will recognize a Bargaining and Grievance Committee, consisting of not more than fourteen (14) employees.

Stewards

2. The Company will recognize one Steward for every

twenty-five (25) employees or remaining fraction of twenty-five (25) contained in the bargaining unit.

List of Union Representatives and their Areas

3. The Union agrees to give the Company in writing the names of its officers, members of the Bargaining and Grievance Committee, Stewards, and other representatives, and the departments or areas they represent. The Union shall keep this list up to date. The Stewards shall be distributed as equally as possible among the various departments or work areas and in relation to the number of employees in such areas. The Company will recognize as representatives of the Union only employees who have been certified to the Company in writing by the proper officer of the Union.

Time Off for Grievance Handling

4. (A) Stewards or Committeepersons may be granted reasonable time off from their regular work to handle issue/grievances within their departments or assigned areas in accordance with the following practices:

- (1) A Steward may leave his work assignment to handle an issue/grievance involving an employee or an area specifically represented by him. A Steward also may leave his work assignment if it is necessary to confer with his designated Area Committeeperson on first step issue/grievances. This consultation must be in the work area of the designated Area Committeeperson who may leave his work assignment for this purpose.
- (2) An Area Committeeperson may leave his work assignment to confer with the Chief Steward or, in his absence, the Assistant Chief

Steward, or Company representatives, or the aggrieved employee as necessary for the proper investigation of second step grievances. Consultation between the Area Committeeperson and the Chief Steward or Assistant Chief Steward must be in the work area of the Chief Steward (or Assistant Chief Steward) who may leave his work assignment for this purpose.

- (3) The Chief Steward (or in his absence the Assistant Chief Steward) may leave his work assignment to confer with the Union President or Company representatives, or the aggrieved employee as necessary for the proper investigation of third step grievances.
- (B) A Union representative leaving his work assignment or work area or entering work areas other than his own for issue/grievance handling purposes must obtain prior permission from the supervisors concerned. Upon completion of necessary issue/grievance handling activities, a Union representative must report back to his superior before returning to his work assignment.
- (C) The Union representatives shall account to their supervisors for time spent away from the job for the handling of issue/grievances, and shall act in accordance with the intent and purpose of this Agreement.
- (D) Union representatives shall not solicit grievances.

Pay for Inside Union Business

- 5. Except for the grievant(s) attending first, second,

and third step issue/grievance meetings, and except for approved Inside Union Business for the President and Chief Steward, all of which will continue to be paid at one hundred percent (100%), pay for all other approved Commiteepeople Inside Union Business including attendance at first, second, and third step issue/grievance meetings will be paid at one hundred percent (100%) up to their weekly allotment and fifty percent (50%) thereafter. Pay for all other approved Steward Inside Union Business, including attendance at first, second, and third step issue/grievance meetings will be paid at eighty percent (80%). Union members and Officials invited by the Company to attend Company called meetings will be paid by the Company at one hundred percent (100%). Payments will be made at the standard base rate of pay (or the employee's personalized rate, if applicable) plus shift premium, if applicable.

Third Step Meetings

6. A meeting of the Bargaining and Grievance Committee with the Company representatives in the third step of the grievance procedure shall be held when necessary on the Company's time and such meeting with the Company representatives shall be held at such times which may be mutually agreeable. Such grievance meeting shall be extended when necessary in order that all grievances on the agenda for such meeting may be discussed. A grievance may not be waived to the third step of the grievance procedure without the written mutual consent of the Chief Steward and the Labor Relations Manager or their designees.

Union Grievances

7. In the event a Union issue/grievance is filed, it will be initiated by the Steward and the Committeeperson at the

first step of the grievance procedure.

ARTICLE VIII TRANSFERS

Transfers

1. A transfer is defined as an action in which an employee is moved from one job to another job. For the purpose of this Agreement, there are two types of transfers: (A) lateral transfer, and (B) temporary transfer.

Lateral Transfers

2. (A) A lateral transfer is a movement from one job to another within a given job classification, with no change in the number of employees in that job classification, and with no change in standard base rate of pay for the employee.

(B) The Company will determine which employee is to be transferred laterally in accordance with the following:

When an employee in a given job classification is to be moved out of a given job by lateral transfer and when such transfer is anticipated to exceed thirty (30) working days, each employee in the specific job affected will be given seniority preference, whenever practical, for transfer out of the job, provided he has then the qualifications to perform satisfactorily the job to which he is being transferred. If no other employee exercises his preference, then the least senior employee affected will be transferred.

Temporary Transfers within or out of Job Classification

3. (A) A temporary transfer is defined as any

temporary movement of an employee to a job classification the same or different from his own with a higher, the same or lower standard base rate of pay. Such a transfer may be made by the Company without regard for seniority for a period not to exceed thirty (30) working days except as provided in the paragraph below. The employee shall be paid at the rate of time and one-half (1-1/2) for all hours worked beyond thirty (30) working days if the Company fails to return him to his regular job except if the transfer is under the conditions outlined in the paragraphs below. The Union and the Company may mutually agree to waive the above premium under certain circumstances. However, wherever practical, seniority preference will be given in making the transfer. An employee who has worked in a job as a result of a temporary transfer and who later bids for a job under Article IX of this Local Supplemental Agreement will not be considered to have greater experience than other applicants by virtue of such temporary transfers. It is agreed there will be no temporary transfers across craft classifications except by mutual consent.

- (1) Temporary transfers may be made for up to twelve (12) months to fill one or more vacancies resulting from illness, injury or extended leaves of absence except in Research Chemical Operator, Factory 31 Control Room Operator, Chemical Operator Class AA, Class A mechanic, set up serviceperson, and safety valve repairperson. This includes replacing someone who has bid on a temporary

position resulting from injury, illness or long-term leave of absence of incumbent.

- (2) Except for temporary increases in classification, temporary transfers to one or more jobs may also be made for up to 180 calendar days from the Service Worker classification into Lab Services, Comparative Medicine, Cafeteria, Grounds and Materials Management. Service Workers temporarily transferred as a result of a summer poll may request that five (5) days of their vacation be scheduled in units of one (1) or more days during such temporary transfer. Requests for vacation day(s) must be made at least 48 hours prior to the proposed vacation day(s). The granting of requests will be at the discretion of the departments to which the Service Workers are temporarily assigned.
- (3) Chemical Operators may be temporarily transferred for any reason, within classification, for up to 120 calendar days, by seniority where practical. Chemical Operators may be temporarily transferred for illness, injury or extended leaves of absence for up to twelve months. This includes replacing someone who has bid on a temporary position resulting from injury, illness, or long term leave of absence of the incumbent. Employees in the pool with Chemical Operator experience may be considered for temporary transfers under the rules set forth in this paragraph.
- (4) The sixth day of the 7-day stagger shift shall

be considered as any other regular day of work for purposes of temporary assignment. However, this shall not be construed to permit the temporary assignment of other employees while they are working overtime.

- (B) When such transfer is to a higher rated job for a period of not less than one-half (1/2) hour and during such temporary transfer he performs the duties of the job as required in a satisfactory manner, he shall be paid the rate of the job to which he is temporarily assigned. This provision will not be applicable (I) if the temporary transfer is for the purpose of training or for relieving employees during lunch or rest periods, or (II) he performs community duties such as raw materials handling, clean up work, etc.
- (C) When such transfer under Paragraph (B) is to a job having a rate progression as listed in Appendix A, the employee shall be paid the rate of the progression step that is first above his standard base rate. However, if the employee has had previous experience in the job classification to which he is transferred, his rate of pay shall be (I) equivalent to that paid if he were transferred to the job on a permanent basis or (II) the rate of the progression step first above his standard base rate, whichever is greater.
- (D) When such transfer is to a job classification at the same standard base rate of pay, his rate shall remain unchanged.
- (E) When such transfer is to a lower rated job, he shall continue to receive his standard base rate. Temporary transfers to a lower rated job may

exceed thirty (30) working days in the event of fires, floods, explosions, war, governmental action or other acts or circumstances beyond the control of the Company.

- (F) When an employee is temporarily transferred to a job with a higher or the same standard base rate as provided in Paragraphs (B), (C) and (D) above, he will be notified of the rate of pay for such job as soon as possible by the supervisor who has jurisdiction over such job.
- (G) When an employee is temporarily transferred out of his department, and such transfer is anticipated to be for a period of two or more consecutive days, the Company will give oral notification of such transfer to a Union Steward. Such oral notification may be given in advance of or subsequent to the employee's transfer and will include a statement as to the reason for the transfer.
- (H) When an employee is temporarily transferred out of his department, and such transfer is anticipated to be for a period of seven (7) or more consecutive days, the Company will give written notification of such transfer to the appropriate Union Steward with copies to the appropriate Committeeperson and the Chief Steward. The notice will include a statement as to the reason for the transfer.

ARTICLE IX POSTING AND SELECTION

Posting

1. (A) When there is to be an increase in the number of

employees in a job classification within the bargaining unit and such an increase is anticipated to be for more than thirty (30) working days, the Company will post on divisional bulletin boards and/or via an electronic posting system for a minimum of four (4) regular working days and a maximum of five (5) working days (the fifth day being a grace period), notice of the opening to be filled, except as hereinafter provided.

- (B) will be closed by the first mail pick-up following the day of grace. A bidder may withdraw his bid through the one (1) day grace period. Once an applicant is successful on a job bid, he must assume the job. The Company may fill such openings either by re-posting or by selection from any lower paid classification or by new hire, if no applicant has then the qualifications to do the job.
- (C) The following information will be included on the job posting for all existing jobs: A reasonable description of the job; the possible required orientation or training period, including temporary shift reassignment where necessary; the shift; restrictions; and the name of the appropriate first line supervisor.
- (D) All permanent vacancies that are to be filled and increases in classification will be posted. There shall be no bumping into vacancies, except by Chemical Operators as follows: Bumping into Chemical Operator A vacancies will be permitted. Bumping into Research Chemical Operator, Factory 31 Control Room Operator, and Chemical Operator AA vacancies will be

permitted if the vacant job could not be filled pursuant to the job posting procedure. There shall be one job number per classification within a factory. All jobs filled by temporary transfer and temporary posting, except as outlined in Article IX 4.(G), will be posted prior to becoming permanent. After secondary (second) vacancies have been filled in the mechanical crafts, the Company may fill subsequent vacancies via lateral transfer.

- (E) Any person hired under the provisions of this Section of the Agreement, for a job in the Mechanical Department craft classifications only, who does not have a journeyman's card or is not a graduate of an apprenticeship training program will be subject to an examination administered by the Company, the results of which will be reviewed with the Union.
- (F) Jobs may be posted at any time.
- (G) The following limitations on bidding shall apply:
 - (1) Permanent Postings
 - (a) An employee who has successfully bid on a lateral or lower paying job classification or has voluntarily removed himself from a job classification or has voluntarily exercised seniority on a bump, shall not be eligible to bid on another job opening for a period of one (1) year. This shall not apply to the first shift change within the same job description. Any qualified employee is eligible to bid to a new or developmental job as noted in Article IX, 1 (i). Employees who have been removed from their job through

no fault of their own or had their hours of work changed by the Company will have two (2) permissible bids for twelve (12) months from the effective date of the removal or change of hours. In those circumstances, a promotional bid will count as one of these bids. In all other situations, this limitation shall not apply if the employee is bidding to a job in a higher classification from which he/she bid laterally or down or from which he/she voluntarily removed himself/herself, whichever is higher.

- (b) The limitation on bidding set forth in Paragraph 1. (G)(1) shall not apply to any employee bidding into or within the mechanical departments craft classifications.

(2) Temporary Postings

- (a) The bidding limitations outlined in (G)(1)(a) shall apply to temporary postings except if the person is bidding on the position (permanent) he is currently filling on a temporary bid or transfer.
- (b) Chemical Operator Series, Set Up Serviceperson and Instrument Safety and Serviceperson jobs will be posted. Other jobs may be posted at the Company's discretion if no qualified candidates are available in the service worker pool. Research Chemical Operators, Factory 31 Control Room Operator, and Class AA Operators cannot bid on temporary postings.

- (H) The posting procedure will not be observed for jobs which are filled by any of the following actions:
- (1) Action taken under the non-temporary Layoff Procedure.
 - (2) Demotions for inability to do the former job.
 - (3) Increase in rate of progression job.
- (I) It is understood that lateral transfer actions may precede a posting action for jobs in the Chemical Operator Series, Research Chemical Operator, Factory 31 Control Room Operator, "AA" and "A" when such jobs are to be filled in (I) staffing new or developmental jobs or (II) utilization of employees having special qualifications or prior experience in the job; and in such case the subsequent job opening which is to be filled by promotion will be posted in accordance with the provisions of this Article as outlined above.
- (J) Temporary increases in classification in the Chemical Operator series, not to exceed 180 calendar days, shall be filled under the Temporary Posting provisions of the contract except that employees may not bid to a classification lower than their current classification. Qualified employees will be selected on the basis of seniority except when such selection will adversely affect Departmental production requirements.

Pre-emptive Rights (Mechanical Departments)

- (K) Jobs in the maintenance departments will be posted only by job classification and class.

When there is to be an increase in the number of employees in any mechanical department craft job classification, active employees who have previously worked as journeymen at the Rahway Plant in the particular craft in which there is to be an increase, will be given preemptive rights to such jobs in the order of seniority provided not more than three years have elapsed since they last worked in the particular craft and further provided they will possess the necessary qualifications to perform the work. If the increase cannot be satisfied by the above procedure, they will be filled in accordance with the provisions of the *Apprentice Training Program*.

Selection of Employees

2. (A) When filling a job pursuant to the job posting procedure, the senior applicant who is able to perform the duties and responsibilities of the job will be selected and must accept the job.
- (B) The Company may, with the consent of the Union, use tests to measure an applicant's ability to perform the duties and responsibilities of a job when filling such a job pursuant to the job posting procedure, provided such tests have been validated for the job in question. Any dispute between the parties arising there from shall be subject to the grievance procedure.
- (C) The selected employee will be transferred to the given job as soon as practical; however, in the event such employee is not transferred within a period of fifteen (15) working days from the date of his selection for such job, he will be entitled to receive the rate for the job. This provision will not

be applicable in those cases in which the Company indicates a future effective date for the start up of the new job; in such instances the selected employee will be entitled to receive the rate for the job as of the future effective date appearing on the posting. Except for employees in the Chemical Operator series, the selected employee must be transferred to the given job within twenty (20) working days from the date of his selection; employees in the Chemical Operator series may be held for a period of sixty (60) calendar days following the date of selection while a replacement is being trained or for undue dilution. For the purpose of this paragraph, the date of selection will be the first working day following the day of grace. However, in those cases where the Company indicates a future effective date for filling a job and such effective date appears on the posting, the twenty (20) day working period, (or, for employees in the Chemical Operator series who are held, the sixty (60) calendar day period) will commence from the date appearing on the posting. If the employee is not transferred within the twenty (20) working day period (or, for chemical operators who are held, the sixty (60) calendar day period), he will be paid time and one-half (1 1/2) for all hours worked until such time as he is transferred to the job. If there is a delay in transferring employees due to Health Services evaluation of temporary medical restrictions, the date of selection may be delayed by two (2) weeks.

- (D) The selected employee's progress will be reviewed and if after thirty (30) days on the job

his performance is not satisfactory, he shall be returned to his former job if it still exists, or if not, to his regular classification and exercise seniority. If the vacancy is to be filled, it will be reposted and filled according to the posting provisions of the contract.

- (E) Incumbents or employees bidding, bumping or otherwise transferring into the position of Fire Protection Technician will be required to obtain the training and certification set forth in the Fire Protection Technician Training Program as developed and administered by the Company.
- (F) Employees bidding, bumping or otherwise transferring into the Environmental Control Department must satisfy the requirements outlined in the Comprehensive Training Programs for Chemical Operators.
- (G) An employee may voluntarily remove himself from a job within thirty (30) calendar days of his transfer, pursuant to a successful bid, provided that his previous job has not been filled. Filling the job is defined as when notification has been made on the former position. If an employee voluntarily removes himself from a job he returns to his former job and assumes his prior overtime hours or one (1) hour higher than the highest incumbent, whichever is greater. The resultant vacancy will be filled by the next qualified applicant on the original job posting list provided he has not assumed another permanent position in the interim.
- (H) The selected bidder for a position in the Chemical Operator Series will not be eligible for overtime (except to be trained) during the initial

thirty (30) calendar days in the job unless the employee can perform the job satisfactorily with minimal supervision. Such employees may be eligible to work overtime within the first 30 calendar days if all eligible incumbents on that shift have been offered the available overtime.

- (I) If the Union disagrees with the action by the Company under Paragraph 2(A), (B), (C), (D), (E), (F), (G), or (H) above, a grievance may be filed in accordance with the grievance procedure provided by Article XIV of the Local Agreement.
3. (A) If the selected bidder is on vacation, a certified letter will be sent notifying the person of the date, time and location to report to the job if contact cannot otherwise be made. If this falls within the continuing vacation period, he will report on the first scheduled shift following completion of the scheduled vacation.
- (B) If the successful bidder is sick, notification will be made as per vacation 3(A) above. The Company may fill the position via temporary posting or temporary transfer until the incumbent returns.
- (C) When the successful bidder on a job posting list is already on that particular job description, the resultant vacancy (i.e., secondary opening) should be filled from the same list of bidders, providing there is someone who is qualified and who indicated on the bid form a willingness to accept the secondary opening. If no qualified employee from the list of bidders has indicated a willingness to accept a secondary opening, the least senior qualified employee from the list of

bidders will be selected, in which event it will not count as a bid.

- (D) If a bidder is selected for more than one (1) job at the same time he shall have the choice of which job he wants and the next qualified applicant selected for the other(s).
- (E) If the selected bidder has a temporary medical restriction, the job and restriction will be reviewed by Health Services and the department where the job is located. If conditions are such that both agree the selected bidder can do the job or if the restriction will be lifted within two (2) weeks of the scheduled start date, the selected bidder will get the job. If, however, neither condition is satisfied, then the next qualified bidder will be given the job.

4. Temporary Vacancies Due to Illness, Injury or Leave of Absence

- (A) If the ill or injured employee returns to work before twelve (12) months of absence and prior to his loss of seniority rights, he shall be returned to his regular job, if qualified, and all employees temporarily promoted as a result of his absence shall be returned to their regular jobs provided their jobs are still in existence or, if not, return to their regular job classification and exercise seniority.
- (B) If the ill or injured employee returns to work before twelve (12) months of absence and prior to his loss of seniority rights, but is physically or mentally unable to perform his job, then the job will be reposted as a permanent position if the need still exists.

- (C) If the ill or injured employee returns to work before twelve (12) months of absence and prior to his loss of seniority rights and during his absence his regular job is discontinued, he shall return to his job classification and exercise his seniority.
- (D) Any employee filling any job on a temporary basis due to the illness, injury or extended leave of absence of the regular job occupant, shall exercise his regular seniority rights in that job classification.
- (E) If, during the absence of the regular job occupant, there is to be a non-temporary layoff from this job classification, any employee previously promoted to such job on a temporary basis shall exercise his regular seniority rights in that job classification. If his lack of seniority prevents him from remaining on the temporary job that employee and all other employees temporarily promoted shall return to their regular jobs if still in existence or, if not, return to their regular job classifications and exercise seniority.
- (F) In the event an ill or injured employee elects a retirement or leaves the Company before twelve (12) months of absence the job will be posted if the need still exists.
- (G) If, during the absence of the regular job occupant, the employee filling the initial temporary posting bids to and accepts another job, the initial temporary posting may be reposted and all secondary postings will be posted as permanent.

- (H) In addition to the existing provisions of Article IX, the Company will notify the Union of the reason(s) for the cancellation of any posting.
- (I) If the ill or injured employee returns to work after 12 months of absence, he shall return to his job classification and exercise seniority.

Mechanical Crossover Bids

5. During the period of training in the Apprentice Training Program and for two (2) years after completion or voluntary transfer therefrom, an employee may not bid for any opening in the training program.

Polling of Mechanical Jobs

6. (A) Openings created by an apprentice making first class will be polled. Any resulting secondary opening will be polled. All other resulting openings will be filled surplus to need.

- (B) All permanent transfers or additional (new) positions will be polled. All secondary openings that result from a permanent transfer or new position will also be polled. All other openings resulting from a permanent transfer or additional (new) position polling will be filled by surplus to need.

Filling of Laboratory Service Assistant Vacancies

7. Permanent vacancies in the Laboratory Service Assistant Classification will be filled by the most senior qualified bidder. For polling purposes, the Lab Service Department, will be divided into the following areas: Bldgs. 80, 80Y, 800/818 and 121/50G. Incumbents will be given the opportunity to declare their interest in one of these areas every sixty (60) days.

Each employee can submit an area preference every sixty (60) days and, if a vacancy occurs, the most senior employee with a preference for the area will be transferred, assuming there is no bidder senior to such employee. Secondary vacancy will be filled by the senior employee who has indicated a preference for that area. If an employee who has indicated a preference refuses the transfer, the employee will be removed from the preference list until the next preference posting. This process will stop after polling the first two (2) incumbents on any preference list.

ARTICLE X WAGES

Standard Base Rate of Pay

1. Upon the effective date of this Agreement, the classifications of occupations and their standard base rates of pay shall be as listed in Appendix A, attached hereto and made a part of this Agreement.

Rate of Pay for New or Changed Job

2. If, during the term of this Agreement a new job is established or there is a material change in an existing job and such change or changes occurred either during the life of this Agreement or the immediately effective prior Agreement, the Union may process a grievance on such a job or the Company may fix the rate of pay for such job and notify the Union. In the event the Union disagrees with the rate set, within forty-five (45) calendar days of such notification, it may process the matter as a grievance in accordance with Article XIV of the Local Agreement.

Rate of Pay for Higher or Equal Rated Jobs

3. An employee transferred (except as provided in

Article VIII, Paragraph 3 of this Local Supplemental Agreement) to another job classification at the same or a higher standard base rate of pay shall be paid the standard base rate of pay of the new job. If the new job to which the employee is transferred is a rate progression job, as listed in Appendix A, the standard base rate of pay shall be the beginning rate for the job unless the employee is qualified by virtue of his experience to receive a higher step rate.

Rate of Pay for Lower Rated Job

4. When an employee is laid off according to Article VI, Paragraph 10 of this Local Supplemental Agreement, to a job with a lower standard base rate of pay, he shall continue to be paid the standard base rate of pay received on his former job for one calendar week, after which time he shall be paid the standard base rate applicable to the job to which he is laid off. When an employee moves to a lower rated job classification as a result of demotion for cause, or his request, or bidding for a posted job, or recall, the employee shall receive immediately the base rate of pay applicable to the job to which he is moved.

Rate Retention Due to Illness or Injury

5. (A) When any employee can no longer perform in his classification because of an occupational illness or injury, he may be placed in a job classification as provided under Article VI, Sec. 10 of the layoff procedure, providing the Company determines he is physically able to perform the job. The employee so displaced by such a move will exercise seniority under the layoff clause of the agreement. When the occupationally ill or injured employee is placed into a lower rated job classification, he shall

retain the rate of the job classification from which he was removed. If he should later bid out of the job into which he was placed and is still unable to return to his original job, he shall retain the difference between the current rate of the job from which he was removed and the current rate of the job into which he was placed. At no time will the employee be paid a differential, which, when added to his wage rate, causes the sum to exceed the current rate of the job from which he was originally removed. In the event such employee recovers from his disability, the employee shall be returned to the job classification from which he was originally removed.

- (B) The above paragraph also shall apply to non-occupational illness or injury for employees with 25 years or more of service with the Company.

Paycheck Distribution

6. Paychecks will be distributed on Thursday for all employees unless the Company is prevented from doing so by reasons beyond its control.

ARTICLE XI SAFETY, HEALTH AND WORK UNIFORMS

Cooperation

1. The Union agrees to cooperate with the Company in encouraging employees to observe all safety and housekeeping regulations prescribed by the Company and to work in a safe manner.

Protection for Employees

2. The Company will continue to make every reasonable provision for the protection of the safety and health of the employees.

Protective Clothing

3. Where employees are required by the Company to wear uniforms, or where the Company now furnishes such articles of clothing as rubber gloves, boots, etc., the Company will continue to furnish such articles of clothing, including laundry of uniforms without cost to the employees. The source of such uniform supply and the schedule of distribution shall be determined by the Company. The employee shall use the clothing with reasonable care and only for the purpose for which it was furnished and during the regular hours of work. All working uniforms issued shall remain the property of the Company and shall be returned to the Company when an employee leaves his employment. In default of such return, the sum of \$5.00 shall be deducted from the employee's last pay.

Uniform and Washing Allowance

4. Time allowances for uniform changes or washing up for all employees shall be as follows:

- (A) Washing up --- 5 minutes before lunch and 5 minutes at the end of the day
- (B) Uniform Changes --- 5 minutes at the end of the day
- (C) Showers --- where required --- 5 minutes at the end of the day

Safety Shoes

5. (A) Employees who are required by the Company to wear safety shoes in the performance of their

jobs shall be furnished two pairs of such shoes each year by the Company. Any additional shoes required by such employees may be purchased from the Company at 50% of the cost of such shoes to the Company. In all cases, the employees will be required to turn in worn safety shoes in order to be eligible for a replacement pair.

- (B) In those instances when damage to safety shoes occurs within 6 months of purchase through no fault of the employee, the employee's department will bear the cost of the replacement shoes. The department manager will be responsible for assessing the cause of unusual damage to the shoes. In all cases, damaged safety shoes must be turned in to safety stores before a replacement pair will be issued.

Outdoor Jackets

6. Employees who, in the performance of their jobs, are required to work outdoors, will be eligible to receive an outdoor jacket with hood where appropriate and insulated vest furnished by the Company for use on the job. In order to be eligible for a replacement jacket or vest, an employee will be required to turn in a non-serviceable jacket or vest.

Safety Glasses

7. Employees who work in operating and shop areas (includes warehouses, laboratories, animal areas, and those whose duties require them to pass through these areas) will be supplied with safety glasses which must be worn at all times in these areas. Employees who require corrective lenses will be provided safety glasses

corresponding to their existing correction, or in conformance with a prescription supplied by the employee. Employees not requiring corrective lenses will be provided with "plano" type glasses.

Safety Committee

8. The Union shall appoint one employee member to each of the several Plant Safety Committees. Such safety representative of the Union shall participate as a member of the Committee at each of its meetings and in the Plant safety inspections, which shall be carried out in accordance with the Company's established safety program.

Educational Courses - Health & Safety

9. The Company will grant reasonable leaves of absence without pay to members of the Union's Health and Safety Committee to attend PACE-sponsored health and safety courses.

ARTICLE XII UNION ACTIVITIES

Non-solicitation

1. The Union will not solicit or accept membership from supervisory employees as defined in Article I of this Local Supplemental Agreement. Any member of the Union upon transfer to a position outside of the bargaining unit shall not be covered by this Agreement.

No Threats or Intimidation

2. The Union will not, and will not permit its member to, and the Company will not, and will not permit its employees to, intimidate, coerce, or threaten any other employee of the Company for any reason; and the Union further agrees that neither it nor any of its members will

conduct any Union activity on Company time which interferes with production, or conduct Union solicitation during working hours, except as permitted by this Agreement.

No Discrimination for Union Activity

3. The Company agrees that there will be no discrimination, interference, restraint or coercion by it or any of its agents against any employee because he joins the Union or because of his membership or lawful activity in the Union.

Bulletin Boards

4. (A) The Company shall provide bulletin boards, not to exceed seventeen (17) in number, on which the Union may post notices concerning its recreational and social affairs, Union elections, appointments, meetings and other Union activities of a noncontroversial nature. All such notices are subject to the approval of the Company before posting and shall be signed by an officer of the Union. Location of the bulletin boards shall be mutually agreed upon by the Company and the Union.

(B) A copy of all bulletin board notices relating to bargaining unit employees shall be sent to the Chief Steward.

ARTICLE XIII FUNCTIONS OF MANAGEMENT

Subject only to such limitations as may be specifically imposed by this Agreement, the entire management of the operation of the Company is vested exclusively in the Company.

ARTICLE XIV GRIEVANCE PROCEDURE

1. Grievance Procedure

Should differences arise between the Company and the Union or between the Company and any employee, in order to promote and improve industrial harmony, an earnest effort shall be made to settle such differences in accordance with the following procedure:

(A) Step 1

Employee(s), with or without the Steward, shall meet with the employee's immediate supervisor and the parties will attempt to mutually resolve the issue(s) considering each other's interests. The supervisor will orally communicate his/her response within three working days. The supervisor has the authority to resolve the issue(s) at this Step. Resolutions at this Step are not precedent setting unless the parties agree otherwise in which event the resolution shall be in writing. When the resolution involves payment, a written pay memo, signed by both the supervisor and the Committeeperson, will be sufficient to authorize payment. Copies of all written documents including precedent setting resolutions and signed pay memos will be distributed to the employee, Steward, Committeeperson, the department/ area head, and Human Resources. Human Resources will distribute the documents to the Chief Steward and Union President by placing a copy for each in the Union mailbox located in MMD Human Resources.

(B) Step 2

Grievances Arising Under the Local Supplemental Agreement and Grievances Arising Under the Master Agreement.

If the supervisor's proposed resolution is not satisfactory, the area Committeeperson may submit a written grievance to the employee's immediate supervisor within forty-five (45) calendar days of the initial incident. The grievance shall state the Union's specific concern, contract reference where applicable and suggest an interest-based resolution. The supervisor will fill out an answer form that will include an explanation for the supervisor's Step 1 response. The supervisor will forward, within five (5) working days of receipt of the written grievance, both the grievance and the answer form to the area Committeeperson and the Department Head or designee. The Department Head or designee will schedule a departmental meeting within thirty (30) calendar days from the date of the grievance. Human Resources will provide the Union President and the Chief Steward copies of the grievance(s) and the supervisor's answer(s) by placing such copies in the Union mailbox located in MMD Human Resources at least 72 hours prior to the departmental meeting. Grievances filed within 72 hours prior to the departmental meeting will be heard at the following departmental meeting. The Union will be represented at the departmental meeting with no more than five (5) representatives of the Local Union (with or without the employee(s)). Company representation at the departmental meeting will include the supervisor and, when practical, those individuals who the Company and/or the Union identify as being involved with the events giving rise to the grievance, if different than the supervisor. At the meeting, the Union shall provide any necessary documentation to support the grievance, and the parties will attempt to mutually

resolve the grievance after considering each other's interests. Resolutions at this Step are not precedent setting unless the parties agree otherwise. The Company representative shall give a written response no later than twenty (20) calendar days following the meeting and a copy will be provided to the aggrieved, all area Stewards, Committeepersons and Human Resources. Human Resources will provide the Union President, Chief Steward and Recording Secretary copies of the written response by placing such copies in the Union mailbox located in MMD Human Resources.

(C) Step 3

Grievances Arising Under the Master Agreement.

If the answer at the Step 2 departmental meeting is not satisfactory, a grievance arising in whole or in part under the Master Agreement shall be submitted within thirty (30) calendar days to the Company's local designated representative(s). At the Company's discretion, representation at this step may include Company representatives from other plant locations, and will include a representative of the Corporate Human Resources Department. A meeting shall be held within thirty (30) calendar days with not more than seven (7) representatives of the Union (with or without the employee(s)) and shall give a written answer not later than thirty (30) calendar days following the meeting at this step. At its discretion, the Union's representation may include representatives from Cherokee, as well as representatives from the International Union.

2. Arbitration Procedure

(A) For the arbitration of grievances arising at the

Rahway/Branchburg Units under the applicable Local Supplemental Agreement or the Master Agreement the following provisions will apply unless or until either party provides written notice to the other party of its desire to return to the language of paragraphs B and E under Step 4 of the Grievance Procedures of May 1, 1994 Local Supplemental Agreements. In such case, the parties will comply with the arbitration provisions set forth in the Grievance Procedure of the May 1, 1994 Local Supplemental Agreements.

- (1) Any grievance as to the meaning or application of the provisions of this Agreement which is not satisfactorily settled under Step 2 or 3 above may be submitted by either party for arbitration upon written notice to the other party within thirty (30) calendar days after receipt of the written answer. For grievances arising under the local supplemental agreement, if no written answer is provided, then the Union may submit the grievance for arbitration within thirty (30) calendar days after the written answer was due. If the Union does not submit a grievance for arbitration, then the Company's Step 2/Step 3 answer(s) becomes final, but is not precedent setting.
- (2) A panel of 4 arbitrators will be selected and maintained by agreement of the Company and the Union as follows:
 - (a) Each party will identify 4 names and exchange the list of 4 names with the other party within 2 weeks of the effective date of the 2000 Agreement. Within 2 weeks

following the exchange of names, the parties will meet in an attempt to identify 4 arbitrators agreeable to both parties. During such meeting either party can strike the names of any arbitrators without restriction. If after the initial consideration process there are less than 4 arbitrators agreeable to both parties, the process should be repeated within 2 weeks by each side submitting 2 names for each vacancy to be filled to bring the panel to 4. The consideration process repeats itself until there are 4 arbitrators agreeable to both parties.

- (b) Either party can terminate any arbitrator after the arbitrator has issued his/her first award without challenge. However, the exercise of such termination rights should only occur if either party reasonably and in good faith believes there is a serious problem or a substantial basis in the arbitrator's conduct of proceedings or decision to question his/her ability to render a fair, competent, and unbiased decision and not for trivial reasons.
 - (c) If one or more arbitrators are removed, the parties will meet within 14 calendar days after the removal of any arbitrator to repeat the selection/striking process until the panel is restored to 4 arbitrators.
- (3) Available dates for all arbitrators on the panel will be obtained by the Company and communicated to the Union. From these available dates, the Company and the Union will

schedule an equal number of dates for each arbitrator on the panel if possible.

- (4) Except in a negotiations year, the parties will attempt to schedule twenty arbitration dates per year. Two dates will be scheduled per month except only one date will be scheduled in the months of July, August, November and December. (in a negotiations year, 16 dates will be scheduled but no dates will be scheduled during the months of February, March and April. 1 date will be scheduled during the months of August and December of a negotiations year.)
- (5) will be divided equally into Union picks and Company picks as follows: the Union will have first pick from all available dates on the schedule. The Company will have the second pick from the remaining dates on the schedule and the parties will continue to alternate picks until all the dates on the schedule have been divided equally between the parties.
- (6) Both parties must select the grievance for their respective " picks and communicate the grievance number in writing to the other party at least 30 calendar days in advance of the hearing date. The selecting party may change the selected grievance at any time prior to the thirty (30) calendar day period before the hearing date. However, failure to notify the other party of the final selection at least thirty (30) calendar days in advance of the hearing date is automatic forfeiture of the pick and no grievance will be heard on that date. Cancellation fees of the arbitrator, if any, will be borne in total by the party who failed to timely notify the other party of its

final grievance selection.

- (7) If a grievance is resolved (either settled or withdrawn) after it has been properly selected for arbitration on any of the scheduled dates, the date the resolved grievance was scheduled to be arbitrated will be cancelled, no grievance will be heard in its place and the cancellation fees, if any, will be borne in total by the Company.
- (8) If a party cancels an arbitration date of a grievance that it selected, no grievance will be heard on that date and the canceling party forfeits its pick. If a party cancels an arbitration date of a grievance that the other party selected (selection must be in writing and properly noticed to the other party as per paragraph 5 above), the non-canceling party has the right to have that grievance heard before the same arbitrator who was originally selected on that arbitrator's next scheduled date (regardless of which party originally picked that date) or an additional date may be scheduled with the selected arbitrator at the discretion of the noncanceling party. If either party cancels a date prior to the time the selecting party notifies the other party in writing of the grievance, the parties will meet to discuss to whether a replacement date is necessary or desired.
- (9) Once an arbitration hearing begins before an arbitrator, that arbitrator shall retain jurisdiction of the case until such time as he/she renders a decision. The parties agree that, when appropriate, they may attempt to resolve cases both prior to and during an arbitration hearing and that if a case is resolved after the arbitration

hearing has commenced, the Company shall pay the arbitrator's hearing fee(s). However, in order to preserve the impartiality of the arbitration process, arbitrators shall not be permitted to participate in mediation or settlement discussions.

(10) Except with respect to the arbitrator's hearing or cancellation fees as set forth above, the fees and expenses of the arbitrator will be shared equally by the union and the Company, including any clerical or stenographic expenses that both agree to. All other expenses shall be borne by the party incurring them.

(B) In the event it is mutually agreed by any local Union and Plant Management that the services of a permanent arbitrator are desirable, they will select a permanent arbitrator by mutual agreement to hear all arbitration cases, until terminated by either party upon written notice to the other.

(C) The arbitrator shall not be governed by legal rules of evidence but may receive any logical evidence which the arbitrator may deem to have probative value. The decision of the arbitrator shall be final and binding on the Company, the Union, and the employees, except that the arbitrator shall have no power to add to, subtract from, or modify any of the terms of this Agreement or any agreements made supplementary hereto. The arbitrator shall be asked to render his decision within fifteen (15) days after the case is presented for arbitration.

3. Any employee caused to suffer any loss of compensation through company action shall, if upheld in grievance or arbitration proceedings in a claim of unfair action, be reimbursed for such loss, except that a lesser

amount may be determined to be appropriate by the parties or the arbitrator, provided that no adjustment of compensation shall be retroactive beyond thirty (30) calendar days prior to the date of the incident as specified in the grievance form. The parties agree, however, that adjustment of compensation shall not be limited retroactively to thirty (30) calendar days as described above when the loss of compensation results solely from a clerical error as established by the company records.

4. Committeepersons or Stewards will be given necessary time off from their regular work to attend Step 1 discussions and Step 2 departmental meetings with Company representatives. For such time off a Union representative or other employee present at such meetings with the Company shall be paid in accordance with Article VII (5). However, he shall not be paid for time spent at such meetings with the Company which are before or after his normal or regularly scheduled hours of work; further under Step 3 of this procedure, the Company's obligation to pay for time lost from work on each of the day or days of the Step 3 meeting for Union representatives other than those who are located at the plant at which the grievance arose shall not exceed a maximum of eight (8) hours each for not more than four (4) such representatives and limited to not more than two (2) from any one of the other such locals.

5. Any individual employee or group of employees shall have the right to present issue(s)/grievance(s) to the Company and to have such issue(s)/grievance(s) resolved, without the presence of Union representatives, as long as the resolution(s) of the issue(s)/grievance(s) is not inconsistent with the terms of this Agreement, provided that the Union has been given the opportunity to be present.

6. No issue(s) will be accepted at Step 1 for adjustment unless raised within thirty (30) calendar days of occurrence or of the time that the employee could reasonably have been expected to know of the issue(s). The time limits provided at each step of the grievance procedure may be extended by mutual agreement.

7. Representatives of the Union shall upon request of the Union to the Plant Manager or other designated representative and upon explanation of the purpose, be admitted to the Plant at any reasonable time during working hours for the purpose of resolving issues/grievances.

8. Whenever employee(s) are mentioned in this procedure, their number shall not exceed two (2).

9. Whenever working day is mentioned in the above procedure, it shall not mean Saturdays, Sundays or holidays except with respect to the time limit for the supervisor in Step 2 of the Grievance Procedure wherein working days means days actually worked by the supervisor.

10. A Grievance Procedure Committee will be established to ensure that the procedural aspects of the grievance procedure are followed. The Committee will consist of the Plant Manager, Union President and up to two additional members, one representing the Union and one representing the Company. Only the Union President and the Plant Manager may select issues to be brought before the Committee. Meetings will be scheduled on an as needed basis.

ARTICLE XV DISCIPLINARY AND DISCHARGE PROCEDURE

1. The Union will be informed before any disciplinary action is used.

Written Notice

2. Any written disciplinary warning or notice of disciplinary action will be addressed to the employee with a copy to the Chief Steward of the Union. The Company will furnish the Chief Steward of the Union with a copy of any written notations made in an employee's file concerning oral disciplinary warnings. In cases of unintentional operational errors disciplinary memos will not be used as the basis for further disciplinary action if an employee's record is clear of such disciplinary memos for a period of two (2) years. For all other disciplinary infractions, excluding absences/latenesses covered under the Absence Control Procedure, if an employee's record is clear for a period of three (3) years, any prior disciplinary memos in his record will not be used in further disciplinary action.

Disciplinary Suspension

3. (A) Except in unusual cases where immediate action is indicated, the Company will give three days prior notification to the Union of any disciplinary action involving suspension without pay of any nonprobationary employee. Notification to the affected employee's Committeeman will constitute sufficient notice for the purpose of this paragraph. It is recognized that the purpose of this prior notification is to give the Union the opportunity to investigate the facts prior to the execution of the suspension action and that in no event will such procedure be a substitute for the grievance procedure.

- (B) Except in unusual cases where immediate action is required, the following procedure will apply to disciplinary suspensions of five (5) days or less: In order to be timely under this procedure, a grievance must be submitted directly to the step two Company representative within five (5) working days of the suspension memo being issued. The Company representative will hold a step two departmental meeting within thirty (30) calendar days as set forth in step two of the Grievance Procedure. Such grievances along with pending grievances protesting actions upon which the instant disciplinary suspension is based, will be included in the information about the grievance provided by the supervisor. If a timely grievance (within five [5] working days) has been filed, the Company will hold such disciplinary suspensions in abeyance until it gives a written response at Step 2. If, after the Step 2 Departmental meeting, the Company decides to proceed with the disciplinary action, the Union may appeal the grievance to arbitration as set forth in the Grievance Procedure. If a timely grievance (within 5 working days) has not been filed, the Company may institute the disciplinary suspension. In that event, the Union maintains its rights under the terms of the Master Contract to grieve such actions.

Suspension and Hearing

4. Final action will not be taken on the discharge for just cause of any nonprobationary employee until the Union has been informed of the reasons for the discharge at a meeting called by the Company with the participants at the step two departmental meeting. The employee

subject to such penalty may be suspended from work pending discharge, but such suspension shall not exceed five (5) days.

Grievance Procedure

5. Any grievance arising from a discharge shall be taken up under the grievance procedure within three (3) working days after the discharge becomes effective. Any written warning or disciplinary action by the Company involving loss of pay through suspension or demotion may be processed under the grievance procedure, Article XIII of the Local Agreement.

ARTICLE XVI DISABILITY BENEFITS

The Disability Benefits Plan shall be in accordance with the provisions as set forth in Appendix B.

ARTICLE XVII APPRENTICESHIP TRAINING PROGRAM FOR MECHANICS

The Standards of Apprenticeship and Training shall be in accordance with the provisions as set forth in Appendix C.

ARTICLE XVIII JOB FUNCTIONS

The Company may assign tasks to Laboratory Animal Servicepersons, Laboratory Animal Specialists and Service Workers based on business needs.

In addition to those animal care and husbandry job duties currently performed exclusively by the bargaining unit, such employees may be assigned the following additional functions at the sole discretion of the Company;

- (a) Euthanasia (where gas is utilized); and
- (b) Restraining of animals (where two or more people are required).

These additional functions may be performed by either bargaining unit employees or excluded persons at the Company's discretion which shall not be subject to the grievance and arbitration procedure. Assignment of these additional functions to bargaining unit personnel shall not create a practice or presumption that such work exclusively belongs to the bargaining unit.

ARTICLE XIX ANIMAL CARE TRAINING AND DEVELOPMENT PROGRAM

Qualifications

1. Maintain a Joint Union/Management orientation program which all interested employees (but no more than the five most senior bidders) must attend in order to be considered for selection into the Laboratory Animal Serviceperson position. Thus, attendance will be post-bid and prior to selection. Bidders will have the right to withdraw their bids, without penalty, within 24 hours after orientation attendance.
2. (A) Retain "Laboratory Animal Serviceperson" as an entry level position. The Company will identify and assign tasks as needed which may be performed by the Laboratory Animal Serviceperson to meet research needs. Upon entry into the department, initial training will be provided to prepare the employees for proficiency evaluations in tasks performed by Laboratory Animal Servicepersons. Temporary transfers from the training program will only be

made when there is an emergency and then only if the Company determines that the employee possesses the necessary skills to perform the tasks satisfactorily. Any lost training time due to temporary transfers will be provided by extending the training program. Qualified company employees who bid and are selected for Laboratory Animal Serviceperson vacancies may, at the company's discretion, be exempt from this initial training.

- (B) Additional training will be provided within 18 months of entering the classification, to prepare employees for proficiency evaluations in tasks performed by Laboratory Animal Specialists. Union input into developing the training programs for proficiency evaluations will be welcomed and considered.
- (C) The company may, at its discretion, assign a Laboratory Animal Serviceperson to tasks normally performed by Laboratory Animal Specialists to meet the work experience required for eligibility to take the AALAS examination. Such employees will be paid at the Laboratory Animal Serviceperson rate.
- (D) Failure to meet any one of the following requirements will result in disqualification from the department:
 - (1) Attaining AALAS certification (Level I/ALAT only) in 18 months.
 - (2) During an employee's initial training, successfully demonstrating practical proficiency in tasks performed by Laboratory Animal Servicepersons.

Proficiency will be evaluated after each training segment. After one failure, the employee will be provided remedial training and will be given a second opportunity to demonstrate proficiency. A second failure in demonstrating proficiency in the same segment or one additional failure in any subsequent segment will result in disqualification from the department.

(3) Participating in refresher training programs.

Incumbents in the Laboratory Animal Serviceperson as of September 12, 1984, who are not AALAS Level I certified shall enter the AALAS program by December 31, 1984, and shall take the AALAS administered test at the first opportunity.

- (E) Those incumbents who fail the AALAS test will be permitted to remain in their job classification until they bid or transfer out of their classification. However, once they leave their classification, they will be ineligible to return to any AALAS-certified classification or position for five (5) years, provided that non-AALAS certified incumbents who are bumped shall be for twenty-four (24) months after the bump.**
- (F) Incumbents shall be paid at their regular rate while attending the AALAS program during regular working hours. Appropriate premium rates (time and one-half) shall be paid to incumbents for program attendance after regularly scheduled hours of work. Travel time and travel expenses shall not be paid for by the Company.**

- (G) Employees bidding into positions requiring AALAS certification shall successfully complete AALAS residency requirements, course work and testing (two tests, if necessary) within eighteen (18) months of bidding into the classification. Failure to obtain AALAS certification within that time limit shall result in the employee's disqualification from the classification. The employee will be ineligible to return to any AALAS-certified classification for five (5) years after leaving the classification.
- (H) Employees bidding into positions requiring AALAS certification, but who bid or transfer out before completion of the AALAS program for any reason other than being bumped out, shall be ineligible to return to any AALAS-certified classification for five (5) years.
- (I) Employees receiving AALAS certification shall not be subject to the five (5) year limitation.

3. Retain the "Laboratory Animal Specialist" classification. The Company will identify and assign tasks as needed which can only be performed by the Laboratory Animal Specialist to meet research needs. Tasks will be assigned according to research priorities, operational efficiency, and employee qualifications, experience and training. Except for designated floaters, employees' preferences will be solicited and considered before significant changes are made in their work assignments. The Company may assign additional duties that may include but are not limited to inventory record keeping (animals, equipment, supplies), placement of feed orders, animal grooming, animal restraint and animal training. These additional duties will not be exclusively performed by bargaining

unit employees.

Eligibility requirements for any bargaining unit employees to enter the classification include:

- (A) AALAS certification (level 1/ALAT ONLY); and
- (B) Successfully demonstrate practical proficiency in all tasks performed by the Laboratory Animal Specialists within thirty-six (36) months prior to polling or bidding into the classification; or
- (C) have a B.S. or equivalent in animal science, biology, zoology or a related life science; or
- (D) have a 2-year degree in laboratory animal science, animal health technology, or related life science and, preferably, animal care experience.
- (E) Laboratory Animal Specialists who, during the term of this agreement, attain AALAS certification as a Laboratory Animal Technician (LAT) and/or Laboratory Animal Technologist (LATG) will be awarded a one-time payment equal to forty (40) hours at their base pay rate for each certification attained. To be eligible for payment, the employee attaining such certification must work in the department for twelve (12) consecutive months immediately prior to the award payment. The company will pay for a maximum of two tests at each certification level and one N.J. - AALAS sponsored training program in preparation for each certification level.

Employees entering the Laboratory Animal specialist classification under (C) and (D) above will be required to attain AALAS certification

within 18 months of their entering the classification.

4. The Company will make reasonable efforts to train and advance employees. Vacancies in the Laboratory Animal Serviceperson and Laboratory Animal Specialist classifications will be filled by polling incumbents in both classifications. The resultant vacancy will be posted. Should such vacancy remain unfilled after polling and posting, the least senior Laboratory Animal Serviceperson who has met all the requirements for eligibility for entry into the Laboratory Animal Specialist classification as set forth in paragraph III, may be promoted into the specialist vacancy.

5. The company may, at its discretion, require Laboratory Animal Servicepersons and Laboratory Animal Specialists to demonstrate practical proficiency in assigned tasks. If the employee fails to successfully demonstrate practical proficiency when required to do so by the company, the employee will be provided remedial training and will be given a second opportunity to demonstrate practical proficiency in assigned tasks. A second such failure may result in further remedial training, reassignment, or disqualification from the department.

6. Employees temporarily transferred from outside the department will be assigned only to Laboratory Animal Serviceperson tasks and will be trained only to do the tasks related to their specific assignments.

7. The Company will determine all overtime assignments and may utilize Laboratory Animal Servicepersons on overtime to work on Specialist tasks if the company determines that they possess the necessary skills to perform the tasks satisfactorily.

8. To demonstrate the 's good faith efforts, and in recognition of changes associated with implementing this program, the Company agrees to pay all incumbent laboratory animal service-persons in that classification on April 30, 1991, the Laboratory Animal Specialist rate. This grandfathered rate will be retained as long as these incumbents remain in either a Laboratory Animal Serviceperson or Laboratory Animal Specialist classification. However, all employees entering the department on or after May 1, 1991, will be paid the appropriate rate for their classification.

ARTICLE XX FINANCIAL BENEFITS

No change will be made during the term of this Agreement in the program of financial benefits for employees which will make such program less favorable than the one in existence as of the effective date of this Agreement.

ARTICLE XXI WAIVER OF CONTRACT PROVISION

No provision of this Agreement which affects the rights of an employee may be waived without the written consent of the appropriate Union and Company representatives.

ARTICLE XXII SIDE AGREEMENTS AND WORK RULES

1. Jurisdictional guidelines and work rules set forth in Appendix D shall supersede any pre-existing inconsistent or contrary practices or agreements of the parties.
2. Appendix E sets forth all side agreements of the

parties, as amended. Any side agreement not set forth in Appendix E in existence before May 1, 1984 is null and void; provided that this provision shall not apply to departmental overtime agreements.

ARTICLE XXIII TERMINATION OF AGREEMENT

This Local Supplemental Agreement shall become effective May 1, 2003 and shall continue in effect until 11:59 P.M., April 30, 2006. The Agreement shall be continued in full force and effect for successive terms of one (1) year following April 30, 2006 unless either party shall notify the other party in writing sixty (60) days before April 30, 2006 or sixty (60) days before the expiration of any one (1) year term subsequent to April 30, 2006 that it wishes to terminate or modify this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this 9th day of December, 2003.

MERCK & CO., INC.

By William Tortoriello
William Tortoriello
Executive Director, Site Operations

By S. Gulat
Susan Ajalat
Sr. Director, MMD Human Resources

PAPER, ALLIED-INDUSTRIAL, CHEMICAL AND ENERGY
WORKERS INTERNATIONAL UNION

By Guy Fleming
Guy Fleming
President, Local 2-575

By David Bothwell
David Bothwell
Chief Steward, Local 2-575

By Robert Watkoskey
Robert Watkoskey
International Representative, PACE

Committeepersons, Local 2-575

<u>Paul Bell</u>	<u>John Sullivan</u>
<u>Stanley Dambroski</u>	<u>Norma Carter</u>
<u>Richard K. Padd Sr</u>	<u>John P. ...</u>
<u>Rosario Rosmanoff</u>	<u>Elmer Mank</u>
<u>Richard Radda</u>	<u>Tom ...</u>
<u>Rae ...</u>	<u>James Conway</u>
<u>Bert ...</u>	

ATTEST

Judy Haisimko
Judy Haisimko

Recording Secretary

APPENDIX A

Classification of Occupations and Standard Hourly Base Rates

	Eff.	Eff.	Eff.
<u>Job Classifications Above the Pool:</u>	<u>5-1-03</u>	<u>5-1-04</u>	<u>5-1-05</u>
1. Fire Protection Technician	24.275	25.125	26.005
Trainee 6	23.205	24.015	24.860
Trainee 5	21.700	22.460	23.245
Trainee 4	21.285	22.030	22.800
Trainee 3	20.740	21.465	22.220
Trainee 2	20.350	21.060	21.795
Trainee 1	20.070	20.770	21.500
2. A. Mechanical Crafts - Class "A"	24.275	25.125	26.005
Automobile Mechanic	Millwright		
Carpenter	Painter		
Electrician	Pipecoverer		
Instrument Mechanic	Pipefitter/Plumber		
Refrigeration Mechanic	Tinsmith		
Mason	Welder		
B. Mechanical Crafts - Apprentice			
Trainee 8	22.770	23.565	24.390
Trainee 7	22.360	23.145	23.955
Trainee 6	21.820	22.580	23.370
Trainee 5	21.425	22.175	22.950
Trainee 4	20.960	21.690	22.450
Trainee 3	20.520	21.235	21.980
Trainee 2	20.095	20.800	21.525
Trainee 1	18.070	18.705	19.355
C. Painter and Pipecoverer - Trainees			
Trainee 3	22.360	23.145	23.955
Trainee 2	21.690	21.690	22.450
Trainee 1	18.070	18.705	19.355

	<u>Eff.</u> <u>5-1-03</u>	<u>Eff.</u> <u>5-1-04</u>	<u>Eff.</u> <u>5-1-05</u>
3. Set-Up Person			
Start	20.190	20.895	21.625
After 3 months	20.375	21.085	21.825
After 9 months, if qualified	20.685	21.410	22.160
4. Safety Valve Repair Person	24.275	25.125	26.005
5. Chemical Operator Job Series			
Research Chemical Operator	22.790	23.590	24.415
Factory 31 Control Room Operator	22.790	23.590	24.415
Environmental Chemical Operator	21.930	22.700	23.495
Chemical Operator "AA"	21.345	22.095	22.865
Chemical Operator "A"	21.345	22.095	22.865
6. Lab Animal Specialist	20.980	21.715	22.475
<u>Pool Jobs</u>			
Truck Driver, Back Hoe	20.945	21.675	22.435
Instrument Safety Service Person	20.765	21.495	22.245
Utility Mechanic	20.430	21.145	21.885
Materials Handler - Pilot Plant	20.430	21.145	21.885
Materials Handler - Direct Services	20.430	21.145	21.885
Utility Person, Grounds	20.340	21.050	21.785
Storekeeper, Standby	20.245	20.955	21.685
Warehouse Person	20.135	20.840	21.570
Service & Safety Person	20.075	20.775	21.505
Service & Safety Truck Driver	20.075	20.775	21.505
Chauffeur	19.930	20.625	21.350
Truck Driver, Rigging	19.870	20.570	21.285
Stockroom & Receiving Clerk	19.870	20.570	21.285
Tank Car Pump Person-Subdivider	19.830	20.525	21.245
Fork Truck Operator	19.665	20.355	21.085
Truck Driver, Waste Disposal	19.665	20.355	21.085
Packaging Department Worker	19.520	20.205	20.910
Sampler	19.285	19.960	20.660

	Eff. <u>5-1-03</u>	Eff. <u>5-1-04</u>	Eff. <u>5-1-05</u>
Laboratory Service Assistan	19.020	19.685	20.375
Garage Utility Person	18.690	19.550	20.235
Lubrication Person	18.890	19.550	20.235
Lab Animal Serviceperson	18.865	19.525	20.205
Service Worker (hired before 5/1/94)	15.870	16.425	17.000
Service Worker (hired after 5/1/94)	13.685	14.160	14.655

APPENDIX B
DISABILITY BENEFITS PLAN

Eligibility

1. All full-time hourly paid employees shall be eligible to receive the benefit payments provided for in the following schedule in case of absence from scheduled work due to illness or other disability, as such illness or other disability is defined and limited by the provisions of the New Jersey Temporary Disability Benefits Law relating to limitation of benefits under the State Plan, and by any regulations promulgated under such law except as otherwise provided in Paragraph 6 and 7 hereof.

Payment Rates

2. (A) All full-time hourly paid employees with less than 30 working days' service shall not be compensated for the first seven (7) calendar days of absence due to illness or other disability as such terms are limited in Paragraph 1 above unless benefits have been paid for three consecutive weeks.
- (B) All full time hourly paid employees with thirty (30) or more working days service shall be compensated for absences due to occupational or non-occupational illness or injury in accordance with the following chart which considers the Employee Individual Absence Rate ("EIA Rate") and the PACE Overall Illness Rate:

		PACE Overall Illness Rate 12 month Period - 12/1 through 11/30									
		Disability Pay				100% and Bonus Day					
Days Absent Over a 12 Month Period 12/1 through 11/30	<2%	≥2%, <3%	>3%, ≤4.5%	>4.5%	≥4%		>3%, <4%		≤3%		
					100% Days	Bonus Days	100% Days	Bonus Days	100% Days	Bonus Days	
0, ≤3 Days	100% Pay	100%	100%	100%	1	4	0	5	0	5	
>3, ≤8 Days	100%	100%	90%	90%	5	0	4	1	3	2	
>8, <15 Days	100%	80%	70%	*	3	0	3	0	3	0	
≥15 Days	100%	70%	*	*	3	0	3	0	3	0	

* 60% or state rate, whichever is greater.

(1) Definitions:

- (a) "100% days" are days for which employees receive 100% of their base rate plus COLA for an absence occasioned by occupational or non-occupational illness or injury or authorized personal time. Employees absences occasioned by occupational, non-occupational illness or injury or authorized personal time will be subtracted from their available 100% days, until such days are exhausted.
- (b) "Bonus days" are days for which employees receive 100% of their pay for an absence from work occasioned by authorized personal time. Employees may elect to use their bonus days, if any, whenever they designate, subject to prior supervisory approval.
- (c) Personal time is considered authorized only if the employee has obtained prior supervisory approval. Employees may request one 100% day or one bonus day in two-hour increments for

a maximum of eight (8) hours. The granting of such requests is contingent upon Supervisor approval, forty-eight (48) hours advanced notice and operational needs. The right to take one 100% day or one bonus day in increments of two hours shall be effective on May 1, 2003 and shall continue in effect until 11:59 p.m., April 30, 2006.

- (d) **PACE Overall Illness Rate** includes all absences due to non-occupational illness or injury (including, but not be limited to Family and Medical Leave Act (FMLA) designated absences, hospitalizations and/or same day surgeries) at Rahway and Branchburg Farm. If an employee is disabled from work for more than six (6) continuous months, the period beyond six (6) months will not be counted in the PACE Overall Illness Rate.
- (e) **EIA rates** will be determined based on the number of days absent due to occupational and non-occupational illness or injury and authorized or non-authorized personal days per 12 month period beginning on December 1 (13 months prior to the year in which the benefits are paid) and ending on November 30th of the year preceding the year in which the benefits are paid, except the following will be excluded from the calculation:
 - (i) Days designated as FMLA qualified.
 - (ii) Days absent due to same day surgery and overnight hospital stays properly certified by Health Services and days absent immediately preceding same day surgery and overnight hospital stays, provided that

such days absent are associated directly with such same day surgery and overnight hospital stays and such same day surgery and overnight hospital stays were anticipated at or before the time the absence began;

- (iii) Days absent for recuperation immediately following same day surgery and overnight hospital provided that they are certified as medically necessary by Health Services. A dispute between Health Services and the employee's physician regarding such recuperative time will be resolved by a third physician, selected by mutual agreement between the parties. The third physician's opinion will bind the parties unless the physician's recommended recuperative time is less than the recommendation of Health Services or more than the recommendation of the employee's physician. If the physician's recommended recuperative time is less than that recommended by Health Services, the recommendation of Health Services will be binding. If the third physician's recommended recuperative time is more than that recommended by the employee's physician, then the recommendation of the employee's physician shall be binding; and

(iv) Bonus days.

(2) Pay in lieu of absence:

Employees will be paid for unused 100% and/or bonus days at year's end. Such payments will be made at the employee's base rate plus COLA, and

shift premium, if applicable.

(3) **New Employees:**

The EIA Rate for employees hired in the current year will be placed at the greater than three and less than or equal to eight day EIA Rate. Employees hired on or before June 1 of the current year will be eligible for three 100% days in year one and five 100% days in year two. Employees hired after June 1 of the current year will be eligible for no 100% days in year one and five 100% days in year two.

Contributions

3. Each employee shall contribute to this Disability Benefits Plan at the same rate that the employee would be required to contribute if the employee had elected to accept disability benefits under the State Plan provided for in the New Jersey Temporary Disability Benefits Law, except employees with twenty-five (25) or more years of service with the Company shall not contribute to this Disability Benefits Plan.

Bona Fide Illness or Disability

4. The Company shall pay only for bona fide cases of illness or disability. A doctor's certificate or other means of satisfying the validity of any claim for payment will be required for all absences of seven or more calendar days.

Time Lost by Veterans

5. Scheduled working time lost by employee veterans due to interviews required by the U.S. Veterans' Administration as a result of a service-connected disability shall be considered as absence due to illness under the Disability Benefits Plan and shall be paid for all eligible days, as defined in the Schedule of Disability

Benefits, at no less than 100% of base pay plus COLA

Benefits in Addition to Workmen's Compensation

6. It is the practice of the Company to pay employees temporary benefits in addition to those required by law for lost working time resulting from occupational injuries or illnesses, provided such lost working time is authorized by a Plant physician. Such authorization will not unreasonably be withheld.

The additional benefits paid in such cases are in amount the difference between the amount required under the New Jersey Workmen's Compensation Act and the employee's entitlement to disability pay as set forth in paragraph 2(B) above. The maximum duration of such additional benefits will in no event exceed eighteen (18) months. Subject to the foregoing, the procedure used in determining such additional benefits is as follows:

- (A) Commencing with the first day of the first payroll week in which the lost working time begins and extending for a maximum of 26 weeks, the employee receives:**
 - (1) Pay for the work actually performed prior to the beginning of the lost working time;**
- (B) If the employee returns to work on other than the first day of the payroll week, the employee is paid for those days not worked (at the appropriate rate as set forth in paragraph 2(B) above) less compensation received under the Act, plus the amount due for the hours actually worked.**
- (C) If the employee is required to receive medical treatment for occupational illness or injury during his scheduled working hours from the Plant Health Department or, upon authorization of that**

Department, by an outside physician, he shall be paid his standard base rate for his lost working time. (No payments are made for time spent receiving such treatment outside his scheduled working hours, but wherever practical Plant Health will arrange for such treatment during the employee's scheduled working hours.)

Part-Time Employees

7. Part time hourly paid employees will be eligible for disability benefits; however, the benefits will be based on the ratio of their scheduled work day or work week to the normal work day or work week.

Former Employees

8. Former employees, who become sick or disabled within the first thirteen (13) days after termination of their employment with the Company and who are unemployed during such period, shall not be eligible for the benefits provided herein above, but shall be eligible to receive from the Company only those benefits to which they would be entitled if they were covered by the State Plan of the New Jersey Temporary Disability Benefits Law.

Disability Extending More Than One Year

9. In instances where an employee incurs a sickness or disability that continues for more than one year and during the first year of disability receives benefits in accordance with the Schedule contained herein, additional temporary disability benefits shall be paid such employee as follows:

- (I) Such additional benefits shall commence beginning the second year of disability; and,
- (II) Effective July 1, 2000, the second round

benefits will be paid and calculated differently. As soon as administratively feasible after an employee first becomes eligible for second round benefits, he or she will receive a lump sum payment representing the difference between (a) the sum of the second round benefits as if his/her illness continued for the entire period second round benefits would be payable, and (b) his/her LTD benefits (which continue in effect) for the same period. The lump sum will not offset LTD benefits, but will be offset by payments or benefits provided by federal or state law. To compute the amount of lump sum, LTD will be calculated as 60% of base pay plus COLA in effect on the employee's first day of absence, even if the employee has elected a larger or smaller LTD benefit. If the employee returns to work before second round benefits were calculated to end, he or she must repay the lump sum for the period after the return to work over 20 months.

No benefits shall be payable for such sickness or disability after payment of benefits for the second twenty-six week period.

Payments under Merck Disability Benefits Plan

10. Disability benefit payments to employees eligible pursuant to Paragraphs 1 and 2 shall be paid in accordance with the following schedule. Such payments are to be made weekly as soon as practicable after the Payroll Department has received a claim therefor.

SCHEDULE OF DISABILITY BENEFITS

Benefits and Duration for any one illness

Less than 30 Working Days Service

Waiting Period - 7 Days

All full-time hourly paid employees with less than 30 working days' service shall not be compensated for the first seven (7) calendar days of absence due to illness or disability as such terms are limited in Paragraph 1 above unless benefits have been paid for three consecutive weeks.

\$40.00 per week or benefits in accordance with the New Jersey Temporary Disability Benefits Law, whichever is greater for a sufficient period to make a total of 26 weeks of benefits.

Employees will be eligible to receive disability benefit payments in case of absence from scheduled work due to illness or other disability in accordance with the following schedule.

30 working days to		5 working	days
1 year	....	10	" "
1 year	.....	5	" "
2 years	....	20	" "
3 years	....	25	" "
4 years	....	30	" "
5 years	....	3	" "
6 years	....	40	" "
7 years	....	45	" "
8 years	....	50	" "
9 years	....	55	" "
10 years	....	60	" "
11 years	....	65	" "
12 years	....	70	" "
13 years	....	75	" "
14 years	....	80	" "
15 years	....	

16 years	85	"	"
17 years	90	"	"
18 years	95	"	"
19 years	100	"	"
20 years	105	"	"
21 years	110	"	"
22 years	115	"	"
23 years	120	"	"
24 years	125	"	"
25 years and over....	130	"	"

and thereafter benefits in accordance with the New Jersey Temporary Disability Benefits Law, whichever is greater, for a sufficient period to make a total of 26 weeks' coverage.

Minimum

11. The New Jersey Temporary Disability Benefits Law shall be a minimum and shall not be construed in any way to prohibit any payment or larger payment under this Appendix B.

APPENDIX C

STANDARDS OF APPRENTICESHIP AND TRAINING

ARTICLE I PURPOSE

These Standards of Apprenticeship and Training are established for the purpose of training qualified employees to become skilled mechanics within their respective craft classifications.

This apprentice program is performance based with progression dependent upon demonstrated mechanical, cognitive, literacy and technical skill and knowledge. The parties are committed to administering a high quality program that produces apprentices which meet Bureau of Apprenticeship and Training U.S. Department of Labor, standards as well as meets the needs of the individual apprentice and the Company.

ARTICLE II DEFINITIONS

1. "Company" shall mean the Rahway Plant of MERCK & CO., Inc.
2. "Union" shall mean PACE Local 2-575, Rahway, New Jersey.
3. "Registration Agency" shall mean the Bureau of Apprenticeship and Training, U.S. Department of Labor.
4. "Apprenticeship Agreement" shall mean an agreement signed by the Company, the Union and the Apprentice, and registered with the Registration Agency, covering the terms and conditions of acceptance of apprentices in the Apprentice Training Program.
5. "Apprentice" shall mean an employee of the Company working under an Apprenticeship Agreement.

6. "Standards of Apprenticeship and Training" shall mean this entire document.
7. "Committee" shall mean the Joint Apprenticeship and Training Committee as provided for in these Standards of Apprenticeship and Training.

ARTICLE III CRAFTS

This apprentice training program shall apply to the following crafts or any others that the parties agree to:

- | | |
|------------------------|----------------------------|
| 1. Automobile Mechanic | 7. Painter |
| 2. Carpenter | 8. Pipecoverer/Insulator |
| 3. Electrician | 9. Pipefitter/Plumber |
| 4. Instrument mechanic | 10. Refrigeration Mechanic |
| 5. Mason | 11. Tinsmith |
| 6. Millwright | 12. Welder |

ARTICLE IV SELECTION OF APPRENTICES

1. The Company, after consultation with the Apprentice Committee, shall have the responsibility for determining the need for new apprentices both as to number and as to craft.
2. Openings in the Apprentice Training Program shall be posted pursuant to Article IX, Paragraph 1(A) of this Local Supplemental Agreement.
3. Selection of apprentices shall be made by seniority from among those applicants meeting the following requirements:
 - (A) Satisfactory medical condition as determined by the Company's Health Services;
 - (B) Fitness.

- (C) Pass a validated skills test with a score of 70 or higher. Existing Bargaining Unit Class A Mechanics bidding into the program are not required to take the test.
- (1) The test will be developed by the Joint Apprentice Committee, with the Management retaining the right of final approval. The Apprentice Committee, consisting of an equal number of Company and Union representatives, will review test results on an annual basis and revise the test if a disproportionate number of employees fail the test the first time taken.
 - (2) The test will be offered every six months to any interested Bargaining Unit Employee on Company time or one month prior to the posting of Apprentice positions. Once an employee has passed the test, it will not be necessary to retake the test to maintain eligibility.
 - (3) The Company will provide preparatory course and remedial work in subjects such as math and reading for interested employees prior to taking the test and, if necessary, prior to retest. The preparatory course and remedial work will be offered to interested Bargaining Unit Employees on their own time.
- (D). When an apprentice position becomes available, the three senior bidders who have met the requirements of 3(A)-(D), will participate in a joint discussion with the union and management representative. The discussion is intended to be a self-evaluation and an assessment exercise to assist eligible

bidder's in evaluating the depth of their commitment to become a mechanic and determining craft preference. The following items will be discussed:

- (1) Job preference and understanding of skilled trades requirements.
- (2) Personal sacrifices needed to succeed in the program.
- (3) Relevance of previous education and training.
- (4) Relevance of prior related experience (including work, background, hobbies and interest.)

4. When there is a need for mechanics in a craft, and such need cannot immediately be satisfied by means of the Apprentice Training Program, such vacancies shall be filled in accordance with Article IX of this Local Supplemental Agreement. Before posting Class A mechanical jobs, the mechanical Committeemen will be informed, at a meeting, of the reasons for posting.

5. Apprentices, who have been laid off from apprentice classifications (and are employed elsewhere within the Bargaining Unit), can apply for a posted apprentice position in the craft from which they were laid off. They shall receive first preference over new applicants (regardless of seniority), provided their re-entry rights as set forth below have not expired. Former apprentices who possess the necessary re-entry rights shall be reinstated, on a seniority basis, at the highest level grade they previously attained, provided they still retain the necessary qualifications to perform the work. Re-entry rights shall be limited as follows:

One (1) year of participation in the program ---

One (1) year re-entry rights

Two (2) or more years of participation in the program

Two (2) years' re-entry rights

Former apprentices may apply for apprentice openings in crafts different from the one in which they were laid off and shall have the same rights as other applicants except as limited elsewhere in this Agreement.

6. During the period of training in the Apprentice Training Program and for two (2) years after completion or voluntary transfer there from, an employee may not bid for any opening in the training program.

ARTICLE V TERM OF APPRENTICESHIP AND TRAINING

1. The term of apprenticeship and training for a craft shall consist of eight (8) periods of training unless a period of greater or lesser time is agreed upon by the Company and Union.

2. Each period of training shall be six (6) months in duration and shall consist of 875 hours of "on-the-job" training and 72 hours of related classroom instruction, or its equivalent as agreed upon by the Company and the Union, and five (5) tasks. Alternate programs, approved by the Bureau of Apprenticeship and Training and the Union County Coordinator for classroom instruction may be substituted, in whole or in part, with the joint approval of the Company and the Union.

3. Pay rate changes will occur at the end of the training period if all requirements for the period have been met.

4. Advanced Placement

- (A) Qualified Employees will enter the Apprentice Program at the Grade 1 entry level. During the initial 3 months of training the Company, in consultation with the Apprentice Committee, will evaluate the incumbents eligibility for advanced placement and provide credits indicated in Section 4 (B), if appropriate.**
- (B) Advanced placement in the Apprentice Program may be granted, up to a maximum of Grade 2 completion, if the following requirements are met:**
 - (1) 144 hours of outside schooling credits, or its equivalent, granted, based on mutual approval by the Union County Coordinator and the Company.**
 - (2) 1750 hours of on-the-job credits granted by the Company based on written, oral and hands on demonstration of proficiency in the specific craft. Proficiency evaluation will be made by the Company in consultation with the Apprentice Committee.**
 - (3) 10 Task completion credits granted based on prior school and work experience and demonstrated proficiency in these tasks. Task proficiency evaluations will be made by the Company.**

5. Advanced Credits

- (A) On-the-job credits, up to a maximum of 3500 hours, inclusive of the 1750 hours credited in Paragraph 4(B) (2), may be granted based on written, oral and hands on demonstration of the**

specific craft. Evaluation will be made by the Company in consultation with the Apprentice Committee.

- (B) Outside schooling credits, up to a maximum of 288 hours, inclusive of the 144 hours credited in Paragraph 4.(B)(1), or its equivalent, may be granted based on mutual approval by the Union County Coordinator and the Company

6. Accelerated Task Training

Apprentices who have been granted advanced placement of 5-10 tasks, will complete a minimum of 5 tasks per period and, with the approval of the Program Coordinator, will be given the option of completing a maximum of 7 tasks per period. Article VI will apply regarding continuation in the program.

ARTICLE VI TRAINING PROGRAM

1. The Standards of Apprenticeship and Training shall be approved by and registered with the Registration Agency.
2. All training and testing material shall be developed and administered by the Company and shall meet the requirements of the Registration Agency.
3. Apprentices shall be permitted to work overtime during the program as defined in the mechanical overtime procedure.
4. Each apprentice shall be required to successfully complete 875 hours of "on-the-job" training during each period of training.
5. Each apprentice shall be required to enroll in and attend an approved school, selected by the Apprentice

and approved by the Company, offering classes of related instruction for apprentices for a minimum of 72 hours during each period of training and receive a satisfactory grade.

6. Apprentices shall be required to pass written and/or practical examinations, prepared by the Company, in both the "on-the-job" training and related classroom instruction during the end of each period of training including the successful completion of the five designated tasks to qualify for advancement to the next higher level.

7. (A) The first ten of forty tasks must be taken in order and sequentially. The remaining eleven through forty can be taken in any order that logically complements current courses of study at school and/or "on-the-job" assignments. All changes in task taking must be approved by the Coordinator. The Apprentice Program Coordinator will inform the Apprentice Committee of the changes at the next scheduled meeting.

(B) Any apprentice who fails any given task three times during a period of training or fails to successfully complete the appropriate five tasks during a period of training will fail that period of training.

(C) Any apprentice who does not complete 875 hours of on-the-job training or receives an unsatisfactory rating from his supervisor, will fail that period of training.

(D) Any apprentice who does not attend the pre-determined number of classroom related hours or receives an unsatisfactory grade will fail that

period of training.

- (E) If an apprentice, Trainee 1, fails to pass the first period of training as defined under Paragraph 6, he may be permitted to repeat that period of training with the approval of the Apprentice Committee. If an apprentice fails to pass the same period of training a second time, he shall have his Apprentice Agreement terminated.
- (F) If an apprentice, Trainee 1 through 8, fails any two periods of training, or any one period of training twice, he shall have his Apprenticeship Agreement terminated.
- (G) An apprentice, Trainee 1 through 8, whose Apprenticeship Agreement has been terminated for reasons specified in (E) and (F) above shall not be permitted to re-enter the Apprentice Training Program for a period of thirty six (36) months.
- (H) If any period of training is failed, the Committee will review the circumstances and may allow an extension to complete the requirements if the circumstances justify it (i.e., extended illness, hospitalization). No grade/pay increase will occur until all requirements are met .

8. An apprentice who fails a period of training must repeat that period of training. The apprentice will repeat by having the remaining time in the failed period plus the additional six (6) months of the next period to complete the requirements of the failed period. The apprentice will only receive credit for the five tasks and 875 hours of on-the-job training hours for the failed period during the entire time period. Accumulation of school hours in classroom related instruction will be permitted during

this time period.

9. If an apprentice does not demonstrate reasonable interest or effort in the "on-the-job" training or related classroom instruction, he may have his Apprenticeship Agreement terminated at any time at the discretion of the Committee.

An apprentice whose Apprenticeship Agreement has been terminated for reasons specified in Paragraph 9 shall be permitted to re-enter the Apprentice Training Program after a period of thirty-six (36) months, provided a review of the candidate's qualifications by the Committee has shown a reasonable change from the cause for his termination. He shall re-enter the program in accordance with Article IV, Paragraph 3.(A)-(E) of Appendix C in the Local Supplemental Agreement.

10. An apprentice whose Apprenticeship Agreement is terminated under the provisions of this Article shall return to his former job classification and exercise seniority. If he cannot hold seniority, he shall revert to the pool.

11. "On-the-job" training shall be under the direction of Mechanical Supervisors and under the guidance of Mechanics. On-the-job training will be coordinated with the appropriate tasks for that period and will determine the assignment for apprentices during their periods of training.

ARTICLE VII APPRENTICESHIP AGREEMENT

1. Upon being selected for apprentice training, each apprentice shall sign an Apprenticeship Agreement which shall also be signed by the Company and the Union and which shall be registered with the Registration Agency.

2. The terms and conditions of these Standards of Apprenticeship and Training shall be made a part of each Apprenticeship Agreement.

3. After registration, copies of the Apprenticeship Agreement shall be distributed as follows:

- (A) The Apprentice
- (B) The Company
- (C) The Union
- (D) The Committee
- (E) The Registration Agency

ARTICLE VIII COMPENSATION

1. Cost of tuition, books, instruction, and training material shall be assumed by the Company.

2. No compensation shall be paid by the Company to any apprentice for time spent or other expenses incurred in securing related classroom instruction. The time spent for related classroom instruction shall not be considered as time worked.

3. A new apprentice shall receive the rate of Trainee 1 upon entering the apprentice training program and shall receive the appropriate rate increase upon successfully completing each period of training at the end of that period of training.

4. These rates shall be subject to all wage adjustments negotiated by the Company and the Union.

ARTICLE IX ORGANIZATION

1. Apprentices shall be given any assignments within their crafts in accordance with their qualifications.

2. Apprentices shall be considered qualified to perform an assignment when they have successfully completed the task which addresses that assignment.

ARTICLE X LAYOFF PROCEDURE

1. In the event of non-temporary layoffs, mechanics and apprentices shall be laid off in accordance with Article VI, Paragraph 10 of this Local Supplemental Agreement.

2. Apprentices who are laid off shall be permitted to complete the then current school term if applicable.

ARTICLE XI ADMINISTRATION

1. The administration of the Apprentice Training Program shall be under the direction of a Joint Apprenticeship Policy and Training Committee.

2. The Committee shall consist of the Manager, Site Training or his/her designees, (who shall act as Chairperson), three members appointed by the Company (who shall be Maintenance Supervisors or Superintendents), three members appointed by the Union (who shall be Class A Mechanics), and a Secretary appointed by the Company.

3. The Chairperson shall vote only when necessary to break ties. The Secretary shall have no vote.

4. Site Training shall be responsible for the maintenance of all training records.

5. The Committee shall meet monthly as necessary and shall be responsible for upholding the contractual provisions of Appendix C covering the selection of

apprenticeship candidates, the advancement of apprentices and the removal of apprentices from the program. In the event the Union is in disagreement with a decision of the Committee, such decision may be subject to the grievance procedure.

An apprentice will be invited to every Committee meeting. Every third meeting will include all apprentices and Union Committee member alternates.

ARTICLE XII NON-DISCRIMINATION

In the event any of these provisions conflict with applicable statutory or regulatory requirements, the Company and the Union shall meet to determine a mutually acceptable procedure which would conform with these requirements.

ARTICLE XIII EFFECTIVE DATE

The effective date of these Standards of Apprenticeship and Training shall be on or about May 1, 1991. Apprentices previously or currently enrolled in the apprentice program shall continue under the provisions which were in effect at the time of their initial entry into the program unless the apprentice and the Committee mutually agree to waive these Articles.

APPENDIX D JURISDICTIONAL AND WORK RULES

1. All crafts may do miscellaneous rigging, requiring basic mechanics skills, using ropes, slings, hoists, and monorails. These duties will not include: the use of spreader bars, multiple blocks to accommodate the tripping or shifting of equipment, blocks larger than three tons, or working with a crane.
2. Instrument mechanics or pipefitter/plumbers may remove valves or gauges to be repaired by instrument mechanics.
3. Millwrights and/or welders may assemble and erect structural steel.
4. Carpenters and/or millwrights may erect prefab partition systems.
5. Instrument mechanics may disconnect and connect 120 v power and air supplies to remove, repair, and reinstall instruments and valves.
6. HVAC Department
 - (A) Refrigeration mechanics may perform those duties which are required to troubleshoot refrigeration and HVAC systems. This would include, but not be limited to: controls and load side power supply at 480 volts and below; checking of instruments, and rotating equipment and valves. Refrigeration mechanics may remove and reinstall: belts, sheaves, valves and other equipment which they normally repair. Refrigeration mechanics may troubleshoot all electrical and instrument systems from the load switch forward and replace all instrument systems and electrical components 480 volts and under with the

exception of motors which are limited to 220 volts. New installation involvement by refrigeration mechanics is not expanded beyond its current scope.

(B) Refrigeration Mechanic

1. Work with other Company groups to provide monitoring of non-refrigeration equipment.

(C) All work performed by the Bargaining Unit on HVAC control and monitoring computers and HVAC electronic/pneumatic controls shall be the responsibility of Refrigeration Mechanics.

(D) The Union will identify one overtime "expert" per shift crew to work with the shift supervisors to resolve overtime selection/assignment questions that arise. Agreement between the shift supervisor and the designated overtime expert concerning overtime selection/assignment questions shall be honored by the Company and the Union, even if determined to be incorrect at a later time.

(E) Filter Chamber Service:

1. Filter Chamber Service duties will be performed by Refrigeration Shift Mechanics if and only if such work is accomplished on a straight time basis. Refrigeration Mechanics may change filters as part of routine air handler maintenance. If the performance of Filter Chamber Service duties as set forth herein results in overtime either directly or indirectly, then the Company may subcontract that work;
2. HVAC personnel will track the filter

changing schedule and order filters to meet the schedule;

3. The Filter Chamber Service work referred to herein is limited to the MMD and Corporate areas. Refrigeration Shift Mechanics will service the entire filter chamber including, but not limited to:

Filters	Door Gaskets
Minor Sheet Metal Repair	Painting
Lights	Strainers
Pan Drain Lines	Insulation
Lubrication - Dampers	Caulking
Cleaning	

7. Millwrights and/or pipefitter/plumbers may disconnect copper tubing or flange pipe to effect the repair or replacement of seals or pumps.

8. All crafts may remove insulation and, where required, install temporary blanketing, around job necessary for them to effect their respective work assignments.

9. Carpenters and/or utility mechanics may remove wooden forms. However, utility mechanics may remove wooden forms only when the forms are to be discarded.

10. Masons and/or utility mechanics may perform simple acid brick work in the nature of repair, replacement or patching.

11. Instrument mechanics will install instrument signal lines and pipefitter/plumbers will install instrument supply lines regardless of material or length unless both systems are being run by identical routes in which case either craft may do the installation. Instrument mechanics will do all final connections.

12. All crafts may operate a torch to allow them to perform their basic duties: fabricate brackets, cut material and heat equipment.

13. The movement of material and tools falls into the jurisdiction of all classifications.

14. Electricians, instrument mechanics or utility mechanics can pull tubing, wire, or cable. Utility mechanics will be used as helpers only and will not perform this function themselves.

15. All classifications may remove ceiling tiles to allow them access to the work area to perform their duties. If over 80 sq. ft. (ten 2' x 4' tiles) are removed, a carpenter will do the reinstallation.

16. Utility mechanics, service workers and laboratory service workers may bolt and unbolt furniture, file cabinets, bookshelves, pictures and similar items which can be removed and reinstalled using the same hardware. Carpenters and millwrights may also perform those duties and will do all work involving new hardware and its installation. Any classification may move office furniture and accessories, which does not require special equipment, to allow them to perform their duties.

17. Pipefitter/Plumbers, refrigeration mechanics and/or welders can silver solder piping and fitting connections.

18. Salaried personnel and/or mechanics can order maintenance material from the storeroom and standby. Salaried personnel can only order maintenance material for scheduled work.

19. Tinsmiths/Carpenters/Millwrights may replace fiberglass grating. The initial installation will be done by Millwrights.

20. Any craft may perform incidental support tasks

required to perform their primary tasks on equipment which they inspect, repair, maintain, replace or re-install. The items listed below are examples of incidental tasks:

I. Disconnect/Reconnect/Re-Install:

Ductwork	Supports
Tubing(a)	Anchors
Piping(b)	Couplings(d)
Hoses	Grounding
Belts(c)	Gauges
Brackets	Actuators
Hangers	

- (a) to include any type of tubing except freon, up to and including 1/2" diameter
- (b) Up to and including 1" Not to include pyrex piping.
- (c) to include only belt(s) removal.
- (d) to include only the disconnect

II. Lubrication, miscellaneous patching, penetrations

III. Removal/Re-Installation:

Insulation(e)	Grating
Guards	Ceiling Tiles(f)
Covers	Gaskets(g)
Inspection Ports	

- (e) to include the installation of reusable insulation.
- (f) as outlined in Appendix "D", except for maintenance work which has no square footage limitations.
- (g) any gaskets which are damaged in the course of disassembly/assembly can be replaced.

- IV. All electrical disconnects will be performed by *Electricians*, except for equipment which is normally serviced by Instrument Mechanics and/or Refrigeration Mechanics who can complete their own disconnects/reconnects.
- V. Safety valve repairs will be done by certified safety valve repair persons.
- VI. Asbestos removal and containment will only be done by pipecoverers.

21. With respect to the moving of furniture and/or boxes currently performed by bargaining unit employees, classification(s) who presently begin the move may perform the entire move. If management needs to supplement the number of employees assigned to the move, it may assign employees from any of the following classifications who presently perform such work:

- o Service Worker
- o Laboratory Service Assistant
- o Utility Mechanic
- o Stock Service Person

Existing department practices regarding the movement of equipment and material will remain unchanged. The practices regarding packing and unpacking will remain unchanged.

22. It is recognized that occasions may arise when it becomes necessary to pack and unpack office supplies and laboratory equipment in MSDRL which require personal and immediate attention by scientists and support personnel. Additionally, scientists may pack and unpack critically important materials. The packing and unpacking of these items by such personnel shall not exceed eight (8) boxes and may be moved by scientists and support personnel a distance no greater than such

items can be conveniently hand carried.

23. The Company may assign any employee who is properly trained as determined by the Company, to transport materials, equipment and/or supplies, etc.

24. Transportation of Glassware and Equipment - Bargaining Unit employees will transport glassware in MRL except when an excluded person needs an immediate repair of glassware equipment. Equipment may be moved by excluded personnel when equipment is located on the same floor, otherwise the Bargaining Unit will make the move. Equipment and supplies, as used in this paragraph, are defined as that which is capable of being carried by hand. An exception would be a piece of equipment regularly kept on a lab cart for movement between labs that share this equipment.

Stockrooms - if MRL re-establishes stockrooms, the Bargaining Unit will perform the related operational duties of this unit. Basic Duties - Stocking, delivery, glass washing, and laboratory cleaning are basic duties of the Laboratory Services Utility classification.

25. Unloading of trucks in the Mechanical Receiving Area (Stores and Standby) will continue to be Bargaining Unit work.

26. MECHANICAL AGREEMENT

(I) Painting and Gutter cleaning

- A) Painting can be performed by Bargaining Unit personnel without a change in rate.
- B) This work will normally be performed within an employee's area as fill-in work when the employee's normal job is shut down.
- C) Bargaining Unit personnel can paint their own

equipment or the equipment regarded as community equipment in their own areas, and will not include painting of extended structural surfaces such as walls, windows, ceilings, floors, iron work, platforms, shift lockers or lockers in locker rooms.

- D) Any surfaces to be sandblasted will be done by mechanics.
- E) The sideletter dated 5/1/73, Carpenters vs. Utility Mechanics - Gutter Cleaning, is modified as follows: It is understood that Utility Mechanics can clean the gutters, but that appropriate Class "A" Mechanics will repair them.

II. Year One of Contract:

A. Craft Groupings

- 1) Eliminate the rigger, machinist, packaging mechanic and leadburner classifications. The first three classifications will be absorbed into the millwright classification. Establish a group of millwrights (not to exceed five) by seniority, to backup the machinist and packaging mechanic, until the incumbent machinist and packaging mechanic positions are vacant by attrition.
- 2) Establish a group of mechanics (not to exceed five) by seniority, to supplement the welder classification.
- 3) Establish a group of mechanics (not to exceed five) by seniority, to supplement the pipecoverer classification.
- 4) Establish a group of mechanics, by seniority

(not to exceed five), to supplement the painter classification.

- 5) Utility Mechanics (not to exceed 12) are permitted to act as mechanics helpers for any Class "A" Mechanics. This group may include Chemical Operators temporarily transferred into the Utility Mechanic Classification for a period not to exceed thirty calendar days.
- 6) If, during the life of the contract, any welders, pipecoverers or painters are laid off, the corresponding backup group(s) will not be utilized. ("Lay off" is intended to include both lay off from classification and lay off from the Company.)

B. Flexibility

- 1) Mechanical flexibility will be expanded throughout M&I on a site wide basis. Unless the parties mutually agree otherwise, the primary craft will be represented on the job with the exception of what is stated in 2A (above), 2B2 and 2B3 (below). The primary craft will be determined by existing practices.
- 2) A group of mechanics will be trained to perform maintenance on specialized equipment systems (e.g., elevators, predictive maintenance technologies). As a result, one craft may do total system maintenance on these systems.
- 3) Chemical Operators may perform mechanical tasks set forth in the 4/3/84 jurisdictional agreement, as modified

below. This will serve to define the operating guidelines for the performance of certain work done by all Chemical Operators. Chemical Operators shall:

- a) Install prefabricated full-floor chem-flo filter assemblies into place in permanently connected flanges on still head manifolds or portable equipment for temporary process use.
- b) Install prefabricated reducing adapters, into place in permanently connected flanges on still head manifolds process manifolds, or portable equipment for the purpose of adding reactants to the vessel.
- c) Connect multiple hose lengths between two points where the connections are:
 1. Half unions which mate with hose fittings
 2. Nipples and hose clamps
 3. Quick disconnects similar to Kamlock and Snaptite
 4. Bolted flanges
- d) Make or break hose connections using bolted flanges of the same diameter. Any change in diameter at the flanged connection will be provided for by pipefitters. Hoses may be connected or disconnected by the operators between any two vessels or between any stationary or portable equipment such as a centrifuge, pressure filter, pump, etc.
- e) Make or break flexible hose

connections using bolted flanges at process exchange manifolds. Installation of permanent tees or elbows on process exchange manifolds will be done by the pipefitters. Installation or removal of blind flanges as part of a flexible hose change will be done by Chemical Operators.

- f) Run garden-type hose (bonded) between two pieces of equipment or to another receptacle such as a bucket, carboy or drum.
 - g) Remove and reinstall small subsurface lines and dip tubes that can be lifted by hand for inspection and cleaning.
 - h) Remove and reinstall inspection ports, blind flanges, and end valving only on equipment, vessels, filters, manifolds, etc., for inspection and cleaning.
 - i) Install prefabricated nitrogen blow tees in manifolds, drop lines, transfer lines, etc.
 - j) Correct minor piping and vacuum leaks.
 - k) Change oil on vacuum pumps in the new SSO.
- 4) The flexibility described in paragraphs 2A, and 2B will be exercised on regular time only, unless mutually agreed otherwise.
- C. Shop Floor Knowledge - Mechanics will learn and apply:

- 1) **Planning Skills** - Evaluate jobs to determine time, materials, tools, manpower, permits and coordination/scheduling requirements.
- 2) **Computer Skills** - Utilize the computerized maintenance management (FAMIS) system to perform maintenance management tasks, and the local access network to utilize M&I related information.
- 3) **Logistical Skills** - Order materials, follow-up on status of orders, acquire and receive materials. Insure that materials, tools and equipment are properly stored, transferred and utilized.
- 4) **Administrative Skills** - Properly prepare and handle logistical, maintenance management, training and time card-related documentation.
- 5) **Financial Skills** - Develop and apply an awareness of M&I related budgets (staffing, materials and other controllables) and assists in meeting established financial targets.
- 6) **Technical Skills** - Assist the Company in specification of new equipment, acceptance of new installations, investigate repetitive repairs, help specify maintenance (predictive, preventive, breakdown, inactive) requirements, help prepare spare parts lists and technical documentation files.
- 7) **Training Skills** - Mechanics will assist the Company in:

- a) Training other mechanics on the installation, operation and maintenance of equipment and systems.
 - b) Training Bargaining Unit operations personnel on the proper operation of equipment and systems.
 - c) Planning and presenting safety, GMP and other regulatory training.
- 8) *Customer Communications* - Assist the Company in improving the quality, timeliness and frequency of communications with our customers.
- D. During the first year of the agreement, the Union will work with the Company to define lists of tasks and assignments that mechanics will learn and perform starting in year 2 and continuing thereafter. Such tasks and assignments will be based on the following criteria:
- 1) Assignments and tasks that could be performed by any craft.
 - 2) Assignments and tasks that could be performed by any craft in a related group of crafts.
 - 3) Assignments and tasks that should only be performed by a primary craft on the job basis, because of the skills necessary to perform the task.
 - 4) Based upon the Union's good faith in assisting the Company in establishing and implementing these tasks and assignments, the Company will consider a system that incorporates appropriate

training and alternative pay.

- III. Years 2 and 3 of Contract - Implement the flexibility defined by the task and assignment lists defined in year one. The primary craft on the job requirement is eliminated except for tasks and assignments defined in ID3.
- IV. Any references to the pipefitter classification will be changed to the pipefitter/plumber classification.

APPENDIX E

SIDE LETTERS

Date Topic

- | | |
|----------|--|
| 05/13/60 | Clarification of Functions/Bargaining Unit Personnel |
| 07/03/61 | |
| 05/16/62 | Panel-mounted Instruments - Instrument/Millwrights, Electricians/Instrument -- Retain B-7 |
| 05/19/65 | McCabe to Kovach Jurisdiction |
| 04/21/67 | Overtime - Standardization of Format for Records -- Chemical Operators |
| 01/09/70 | Raw Material Sampling |
| 03/20/70 | Double Moves on Overtime |
| 06/04/70 | Rover Operator Classifications |
| 05/06/71 | Vacation (Cancellation) |
| 12/17/71 | Holidays - Shift Workers |
| 01/05/72 | Fire Watch - Power House VS Inspectors |
| 02/01/72 | Motor Bearings - Electricians/Millwrights (Griev. 240A-022-44) |
| 04/26/74 | Acid Brick - Utility Masons -- Retain Attachment B-10 |
| 08/28/74 | 16 Hour Agreement 8 Hours Off After + \$ |
| 04/21/75 | 16 Hour Agreement Friday Saturday |
| 04/23/75 | Resolution of Grievances 029-114-11, 029-025-14, 029-022-07, and 029-034-01 -- Item 4 Only |

- 05/22/75 Vacation During Shutdown -- Retain - Item 2, 3
- 07/29/75 Miscellaneous Jurisdiction - Agreements
Tinsmith/Welder - Sheet Metal
- 10/14/75 Addition of Service Worker Job to Pool Job
Classifications
- 12/17/75 Resolution of Grievances 934-115-
184/209, 934-125-208/9, 934-125-212 and
215 -- only last paragraph
- 06/14/76 Sampling of Returned Goods
- 02/25/77 Safety Order Progress and Break-in
Staffing -- Retain No. 4 Only.
- 08/12/77 Summer Shutdown - Polling Practice --
Chemical Operators (Combine with S. 10)
(Delete when Factory 29 ceases
operation)
- 05/01/78 Union Notification of Plant Health
Restrictions
- 05/18/78 Jurisdictional - Jacket Cleaning
- 06/08/79 Holidays - Refrigeration
- 01/14/80 Vacation Single Day - Overtime Procedure
- 02/29/80 Call-In Box Checking
- 03/20/80 Saturday Work - When Out Thursday --
Amended will to may
- 03/27/80 Pay Memo Circulation List
- 04/24/80 Stores Consolidation
- 08/08/85 1984 Memorandum of Agreement,
Attachment "E" procedures (with 11/18/86
addendum)

- 11/05/85 Rosenberg to Julio Production Rodent Breeding
- 12/17/86 Issuance of Safety Shoes - Procedures
- 08/06/87 Clarification of Appendix D, Paras. 1 and 2
- 08/06/87 Mechanical Overtime Procedure - Placement into Call-in Box
- 11/11/87 Holiday Pay for Regular Part-Time Employees
- 03/31/88 Chauffeur Procedures
- 04/15/88 Rosenberg to Julio Diet Mixing
- 04/15/88 Rosenberg to Julio Controlled Feeding
- 04/25/88 Rosenberg to Julio LAR Communication and Training
- 05/01/88 Addendum to the June 14, 1978 Letter of Agreement Entitled Shift Arrangement When Bumping To Same Job And Class
- 11/26/90 Amendment to Comprehensive Training Program for Chemical Operator
- 04/25/91 II Emergency Call-In for Fire Department
- 05/03/91 Reciprocal Interplant Transfer Rights
- 12/09/91 Elimination of Laundry Person Assignment
- 06/04/92 Revised Safety Valve Repair Person Backup Pool Agreement
- 06/29/92 Consolidation of Utility Person-Grounds and Truck Driver-Grounds into Utility Person-Grounds Classification
- 11/23/92 Factory 31 Proposed 12-Hour Shift Schedule

- 12/08/92 Amended Shift Mechanic Overtime
- 01/26/93 Cherokee Transfer
- 02/11/93 Consolidation of Dish Machine Operator-Utility, Pot Washer- Cafeteria, and Food Service Attendant-Utility Classifications into Food Service Attendant-Utility Classification. Consolidation of Cook, Short Order Cook, and Baker Classifications into Cook Classification.
- 10/06/93 Pilot Plant - Moving Material
- 02/18/94 Transfers from Rahway to Flint River
- 05/04/94 Transfers from Rahway to West Point
- 04/26/94 Environmental Operator
- 07/6/94 Transfers from Rahway to Flint River
- 11/17/94 Absence and Disability/Inside Union Business
- 01/27/95 LAR Overtime Distribution
- 03/28/95 Seniority Date for Employees Returning to Rahway under the Job Stability Agreement
- 03/29/95 Sunday Pay for Factory 31 on 12-Hour Shift Schedule
- 05/18/95 12-Hour Shift Schedule - Factories 6, 12 and 15.
- 08/22/95 Phasing out of contractors performing Service Worker duties
- 02/08/96 12-Hour Shift Schedule - Environmental Control
- 04/24/96 Standards of Apprenticeship and Training

05/22/96 Temporary Training Posting
11/19/96 Apprenticeship Agreement
01/15/97 Combined Institute Glassware Washer and
Main Unit Lab Service Utility Person duties
04/11/97 Fire Technician/Fire Department
04/07/00 Truck Driver-Waste Disposal Temporary
Vacancy Coverage as amended from
07/05/94
04/11/97 LAR Overtime Distribution - April 1997
01/17/98 New Job Classification - Materials
Handler-Direct Services
02/24/98 Refrigeration Mechanic Apprenticeship
Program
01/21/00 4160-Voltage Electrical Work
02/22/01 Chemical Operator Trainers Agreement
6/22/01 Vacation for new PACE Members
1/29/02 Violations of Corporate Policy 36
3/13/02 Cafeteria Price Changes
5/9/03 Rate Increase for Mechanical Apprentice
Trainee 1

APPENDIX F

CHEMICAL OPERATOR QUALIFICATIONS AND TRAINING

Employees shall be qualified for Research Chemical Operator and Factory 31 Control Room Operator job openings on a seniority basis provided they have satisfied either a) or b) or c) below.

Employees shall be qualified for Chemical Operator A openings on a seniority basis provided they have a seniority date of July 31, 1995 or earlier or have successfully completed the first month of the enhanced Chemical Operator Training Program as described in a) below.

Employees who have successfully completed a past Chemical Operator Training program, but have not as yet been a successful bidder for a Chemical Operator A position, will be deemed qualified for such position(s) prospectively until they fail to bid on any non-temporary Chemical Operator A position that is posted. In such circumstances (failure to bid), said employees will be required to complete the first month of the enhanced Chemical Operator Training Program in order to be qualified for subsequent Chemical Operator A positions.

- a) Successful completion of an enhanced 4 month Chemical Operator Training Program that includes 1 month of traditional training and 3 months on the job assignment as a Chemical Operator A. Upon successfully completing the first month of training, trainees assigned to the factories for the 3 month on the job portion of the program will be paid a rate equal to mechanical trainee 1, or the rate of their current job, whichever is higher. During this period, trainees will be ineligible to bid/temporary transfer to any job

except Chemical Operator A or any apprentice position. The trainees will not be used to cover vacancies and will not share in overtime, except that they will maintain overtime rights in their home department. At the end of the successful completion of the 4-month training program, or upon voluntary or involuntary early departure from the training program, the employee(s) will return to their former job and pay rate.

Candidates for the enhanced Chemical Operator Training Program will be selected on the basis of seniority. Programs will be offered at the Company's discretion provided Chemical Operator openings are anticipated and a minimum class size (six (6) trainees) can be met.

Employees who fail to successfully complete the enhanced Chemical Operator Training Program will not be eligible for Chemical Operator positions and will be precluded from attending subsequent Chemical Operator Training Programs for a period of 18 months.

- b) Have one (1) year Chemical Operator A experience.
- c) Prior experience of any length as a Chemical Operator AA, Research Chemical Operator or Factory 31 Control Room Operator

If there are no qualified bidders for subsequent openings in the Chemical Operator A, Research Chemical Operator or Factory 31 Control Room Operator classifications, employees in pool jobs (excluding Lab Animal Servicepersons) who have successfully completed the enhanced Chemical Operator Training Program will be forced into such openings on a low seniority basis.

APPENDIX G

FIRE PROTECTION TECHNICIAN

The Fire Protection Technician classification is above the pool for all job classifications except Class A Mechanics. The filling of these jobs will be in accordance with Article IX of the Local Agreement. Within three (3) years, all selected employees must participate in, and successfully complete, a training program developed and administered by the Company. The following progression shall be required for advancement through such training program:

Trainee 1 Entry Level

Trainee 2 OJT associated tasks

Trainee 3 OJT associated tasks
Certification - Hazardous Material
Technician
License - New Jersey Uniform Fire
Code

Trainee 4 OJT associated tasks

Trainee 5 OJT associated tasks

Trainee 6 OJT associated tasks

Fire Protection Technician

Shift selection by Fire Protection Technicians (not including trainees) will be made on a seniority basis.

All Fire Protection Technicians shall be required to renew their State Certification annually.

APPENDIX H

JOB STABILITY AGREEMENT

The Company may complete the subcontracting of Cafeteria bargaining unit work as follows:

- a. Surplus remaining incumbents in the position of Food Service Attendant/Utility through utilization of the lay off provisions (Article V, Seniority, paragraph 10), except that the affected employees may not elect layoff to the street.
- b. Surplus remaining Cooks through utilization of the lay off provisions (Article V, Seniority, paragraph 10), and personalize their rate, except that the affected employees may not elect layoff to the street. An employee with a personalized rate who bids or is transferred to any job with a base rate lower than his personalized rate, or who is bumped under the layoff provisions will maintain his personalized rate. An employee with a personalized rate who bids or is transferred to a job with a base rate that is higher than his personalized rate shall receive the higher rate for as long as he remains in that higher rated job classification. General wage increases or decreases will apply to these personalized rates.

At its discretion, the company may subcontract janitorial bargaining unit work as the company determines is necessary to provide relocation opportunities under this proposal.

Contractor employees performing bargaining unit janitorial work will be displaced as follows: qualified employees who are surplus by the factory 29 shutdown and who cannot otherwise be absorbed via the contractual lay off procedure will displace contractor janitorial employees at Rahway. If the

company identifies other janitorial vacancies at Rahway, those vacancies will be filled by hiring new bargaining unit employees or, if eligible, by transferring qualified employees from other company sites.

After all janitorial vacancies are filled by bargaining unit employees in accordance with the paragraph immediately above, any remaining qualified employees who are surplus by the factory 29 shutdown and who cannot otherwise be absorbed via the contractual lay off procedure will displace contractor cafeteria employees without prejudice, however, to the company's right to continue to contract out bargaining unit work in the Rahway cafeteria and to fill future cafeteria vacancies with contractor employees. such qualified employees will be eligible for cook positions as may be available in the discretion of the company and remaining qualified employees from factory 29 will be permitted to displace contractor employees as food service attendants.

New hires in the service worker (custodial) and service worker classifications will be paid the base rate of \$10.00/hour plus COLA.

Chauffeur services will be performed by bargaining unit employees in the chauffeur classification and contractor employees only. alternate chauffeurs will no longer be assigned. mail pickups, historically done by chauffeurs or alternate chauffeurs will no longer be considered bargaining unit work.

If the company decides to reduce the number of employees in a classification solely due to productivity improvements negotiated with, accepted by and ratified by the union during the

1994 or 1997 local contract negotiations, the company may at its discretion, offer on the basis of seniority one of the following three options to qualified affected employees in the classification being reduced.

1. On a non-precedent basis, assign work that would otherwise be performed by contractors, to qualified bargaining unit employees;
2. Offer bargaining unit work in the same or a different classification to qualified employees at the rate of the classification reduced or the classification actually worked, whichever is higher. rate retention would only be afforded until the employee had the opportunity to regain the rate or for one year, whichever occurs first;
3. Offer bargaining unit work to qualified employees at another site in conjunction with relocation assistance described below.

In the event the company chooses not to offer options 1, 2, or 3, above or such options are not available to the company, the company will offer option 4 as follows;

4. Offer to affected employees in the classification reduced, layoff to the street with, a second round of separation pay (equal to the first) on a one time only basis, if the layoff (not recalled to any location) lasts more than 90 days. additionally, employees will remain on the layoff list for an additional 30 months beyond the 48 months plus six months extension defined in article VI, paragraph 4c defined of the Local Supplemental Agreement Such extension on the layoff list is only intended to increase the period during

which affected employees are eligible for recall and is not intended to extend their rights under any other provision of the master or local supplemental agreements, e.g., credited service under Article IV of the master agreement, etc.

In the event an affected employee in the classification being reduced is offered and turns down one or more of the above, such affected employee may be laid off from the reduced classification.

If such employee laid off from a reduced classification was offered only option 4 and turned it down and bumps into a lower classification, such employee will get rate retention until such time as he has the opportunity to regain the rate or for one year, whichever occurs first.

The procedures outlined above with respect to options 1 through 4 will be repeated for employees affected by the bump of employees laid off from classification.

Employees who do not have seniority to hold a job will be laid off to the street with the increased benefits described in option 4 above. prior to lay off and provided they are qualified, such employees will be able to displace contractor employees who are working in jobs normally performed by bargaining unit employees in cafeteria and janitorial positions at the time of this agreement.

Prior to filling vacancies from the street at Rahway, and after employees on layoff status from IUC sites and west point have been considered for such vacancies, employees who elected transfer and began working at another site under this job stability proposal may be recalled to Rahway vacancies for which they are

qualified at the new hire rate within 48 months (plus the six month extension) from the time they transferred to the other site.

Employees who have elected transfer and who began working at another site under this job stability proposal and are subsequently laid off within 48 months (plus the 6 month extension) from the site to which they are transferred, shall be permitted to return to Rahway. such employees, provided they are qualified, will displace any pool job occupied by Rahway employees who had less Rahway seniority at the time the employees transferred to the other site at the displaced Rahway employees' rate or displace any contractor employees occupying bargaining unit jobs in the cafeteria or janitorial positions.

At the Company's discretion and upon notice to the union, a joint committee will be formed which will develop and implement a plan for self directed work teams in janitorial positions within one year from the date of notification to the union. based upon the union's good faith in assisting the company in establishing and implementing a plan for self directed work teams, the company will consider a system that incorporates alternative pay.

Effective immediately, the company will have complete right of assignment in janitorial and all limitations to such right as well as restrictions on operational flexibility are eliminated.

To the extent that implementation of any provision herein requires approval of the IUC or any other local union, implementation of such provision is contingent upon such approval being obtained. both parties will use their best efforts to obtain necessary approvals.

RELOCATION ASSISTANCE

1. The parties agree that employees who volunteer for and subsequently obtain employment at an IUC facility or west point pursuant to this agreement are not entitled to separation pay and will not be advanced separation pay, as defined in Article V of the parties' master agreement. however, such employees will be entitled to have limited access to their "new separation benefit allowance" to be used for reimbursement for reasonable moving expenses encountered when moving closer to work because continuing to commute to the new work location would increase their commute by greater than or equal to 50 miles. such limited access shall only be available for a period up to one year after transfer from Rahway. specifically, only the following expenses will be reimbursed upon presentation of appropriate documentation:

- a) Movement of household goods;
- b) Transportation of employee and family;
- c) Broker's fees not to exceed 6 percent associated with selling the employee's home;
- d) Lease cancellation fees not to exceed a maximum of two months;
- e) Storage of household goods; and
- f) Buyer points not to exceed two points when acquiring a residence at a new location.

The employee's limited access will terminate when the employee's net separation benefit allowance, as calculated in Article V of the master agreement, computed solely on the basis of length of continuous service up to the time of transfer from Rahway becomes zero.

Any separation benefit allowance used pursuant to this section would be subtracted, in a dollar amount, from the net separation benefit allowance, which the employee is entitled to by virtue of a subsequent layoff, except as limited by other provisions of this agreement, separation benefit allowance rights are governed by the parties' master agreement.

2. Time off the job to travel to one site at which work is available for which the surplus employee may be qualified (without pay unless the employee accepts transfer and begins working at the site).

3. Employees entitled to travel to a hiring site for a limited and appropriate number of days to decide whether to accept transfer will be paid the following if they accept transfer and begin working at that hiring site:

- Mileage to and from the hiring site
- \$50 per traveling day for meals
- \$60 per traveling night for lodging during the trip

In addition, such employees will be provided with temporary housing or an appropriate per diem by the hiring site for up to 60 days.

4. Pre-move house hunting trip similar to item 3.

5. Continuation of COLA.

APPENDIX I CHEMICAL OPERATOR STABILITY

In addition to the other applicable provisions of the local agreement, the provisions of this appendix apply in the case of a factory shutdown, but only for the duration of the shutdown.

1. For the purposes of this appendix, a "factory shutdown" is defined as the period of time during which greater than 75% of the operator staff in a factory is idle.
2. This appendix shall apply to Factories 6, 12, 15, 31, Fermentation Pilot Plant, NPI, LSO, and SSO Pilot Plants.
3. This appendix shall not apply to the normal 2 week summer shutdown.
4. In the event that the Company anticipates that the shutdown will last more than 120 days, it will meet with the Union to discuss whether to apply the provisions of this appendix or to apply the bump procedures.
5. The Company may transfer Chemical Operators to the Utility Mechanics classification to act as Mechanics' helpers without regard to Appendix D's limitation on the number of Utility Mechanics that can act as Mechanics' helpers or the duration of the transfer.
6. The Company may assign Chemical Operators to perform painting duties either in or out of their immediate areas.
7. The Company may temporarily transfer Chemical Operators to other Chemical Operator classifications for any reason, up to 120 calendar days or the duration of the shutdown. Where practical, such transfers will be made by seniority.
8. The Company will make a reasonable attempt to

schedule required annual training during the factory shutdown.

9. The Company may require Chemical Operators to take all of their eligible vacation, except for one week. However, during normal summer shutdown, Chemical Operators may continue to be required to take their eligible vacation.

10. A more senior employee on non-voluntary layoff from the pool will have the right to displace a less senior Chemical Operator assigned work in a pool job classification pursuant to these provisions for the duration of the shutdown or the duration of the pool job assignment, whichever is shorter.

11. In the event that the Company is required to keep operators in the factory during the shutdown period, selection of the operators will be made on the basis of seniority.

APPENDIX J PAINTER AND PIPECOVERER TRAINEE PROGRAM

A four-year, non-state certified in-house, on-the-job training program for Painter and Pipecoverer classifications will be established. Two (2) Painters and two (2) Pipecoverers trainee positions will be posted in 2003 and future postings shall be at the discretion of the Company. Employees will progress through three training levels based on demonstration of pre-scheduled milestone competencies. The rate of pay for graduates of such program will be the Class A Mechanical craft rate. Incumbent Painters and Pipecoverers will retain the Class A mechanical craft rate. Newly hired/transferred Painters and Pipecoverers will be paid the Class A Mechanical rate.

Trainees who do not pass one or more of the milestone competencies or who otherwise do not perform satisfactorily may be disqualified by the Company at its discretion and such individual shall be returned to their former classification and exercise seniority. If they cannot hold seniority, they shall revert to the pool.