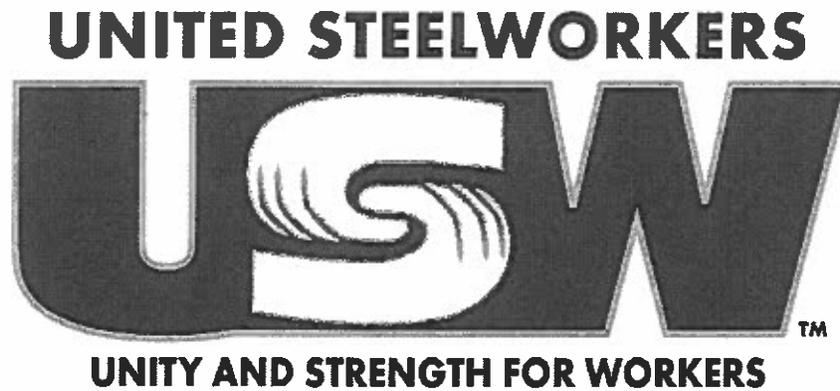


**AGREEMENT BETWEEN
PROGRESSIVE MACHINE WORKS, INC.**

AND

**UNITED STEEL, PAPER AND FORRESTRY, RUBBER,
MANUFACTURING, ENERGY, ALLIED
INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL
UNION, AFL-CIO-CLC.**

LOCAL 6996-18



EFFECTIVE SEPTEMBER 1, 2016 – SEPTEMBER 1, 2019

INDEX

Article 1	Intent and Purpose	Page 3
Article 2	Recognition	Page 3 & 4
Article 3	Check-Off	Page 4 & 5
Article 4	Wages	Page 5 - 7
Article 5	Shift Differentials	Page 7 & 8
Article 6	Hours of Work	Page 9 & 10
Article 7	Overtime and Premium Pay	Page 10 & 11
Article 8	Holidays	Page 11 & 12
Article 9	Insurance	Page 12 & 13
Article 10	Pensions	Page 14
Article 11	Seniority	Page 14- 17
Article 12	Vacations	Page 17 - 19
Article 13	Adjustment of Grievances	Page 19 - 22
Article 14	Suspension and Discharge Cases	Page 22
Article 15	Management	Page 22 & 23
Article 16	Safety and Health	Page 23
Article 17	Military Service	Page 24
Article 18	Miscellaneous Provisions	Page 24 – 27
Article 19	Jury Service	Page 27
Article 20	Bereavement	Page 27
Article 21	Termination	Page 27
	Signature Sheet	Page 28
Exhibit A	Rate Schedule in Effect 9-1-16	Page 29
	in Effect 9-1-17	Page 30
	in Effect 9-1-18	Page 31

PREAMBLE

This Agreement, dated September 1, 2016, is entered into between PROGRESSIVE MACHINE WORKS, INC. its successors or assigns (hereinafter referred to as the "Company") and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC, (hereinafter referred to as the "Union") on behalf of Local Union No. 6996-18.

The parties hereto agree as follows:

ARTICLE 1- INTENT AND PURPOSE

Section 1.

It is the intent and purpose of the parties hereto that this Agreement shall promote and improve industrial and economic relationships between the employees of the Company and the Company, and to set forth herein the basic agreements covering rates of pay, hours of work and conditions of employment to be observed between the parties hereto.

Section 2.

The term "employee" as used in this Agreement shall include all production and maintenance employees, but excluding all other employees termed as Foremen, Assistant Foremen, Salaried Office and Clerical Employees and all Supervisors with the authority to hire, discharge, promote, demote, discipline or otherwise effect changes in the status of employees.

Section 3.

Changes in title, or methods of pay of positions included within the bargaining unit shall not be made for purposes of eliminating said positions from the bargaining unit This provision shall not apply to cases of advancement to positions not included within the bargaining unit.

ARTICLE 2 - RECOGNITION

Section 1.

The Company recognizes the United Steelworkers as the sole collective bargaining agency for all of its employees included in the bargaining unit as defined heretofore.

Section 2.

The Company further agrees that the new employees shall be required to join the Union before the expiration of their first 45 days of employment with the Company, as a condition of employment.

Section 3.

Employees who now are, or in the future, become, members of the Union shall be required to remain members in good standing in accordance with the provisions of the Constitution of the International Union for the duration of their employment with the Company.

ARTICLE 3 - CHECK-OFF

Section 1.

The Company shall deduct from the pay of such employee his union dues as designated by the International Secretary-Treasurer in accordance with the International Constitution of the Union.

Section 2.

The Company shall, in like manner, deduct initiation fees as designated by the International Secretary-Treasurer in accordance with the International Constitution of the Union from those employees who are subject to such initiation fee and after being notified to make such deduction by the Financial Secretary of the Local Union.

Section 3.

The Company shall deduct Assessments after being notified to make such deduction by the International Secretary-Treasurer of the Union.

Section 4.

The Company shall forward deductions made each month to the International Secretary-Treasurer of the Union, at the address which he authorizes for this purpose, in the form of a check made payable to his name.

Section 5.

For the purposes of maintaining local union records, the Company shall furnish to the Financial Secretary of the Local Union a monthly report showing the membership total and listing the names of members for whom no deductions were made and the reason therefore. A copy of said report shall be furnished to the District Office of the Union.

Section 6.

The Union will provide the Company with authorization cards signed by its members authorizing the Company to deduct from the wages of employees who signed said cards, the monthly union dues and initiation fees, if any.

Section 7.

The Union shall indemnify the Company and hold it harmless against any and all suits, claims, demands and liabilities that might arise out of or by reason of any action that shall be taken by the Company for the purpose of complying with the foregoing provisions of this Article or in reliance on any list of authorization cards which shall be furnished to the Company by the Union for purposes of this Article.

Section 8.

Copies of this agreement will be furnished to all employees. The expenses incident to such services shall be paid equally and jointly by the parties.

ARTICLE 4 - WAGES

Section 1.

Wage rates are shown in Exhibit A which shall be a part of this Agreement.

Section 2. Established Rates and Classifications

For each mechanical, maintenance and production occupation there shall be a fixed number of classifications, but in no event to exceed four, and the rates of pay for each such classification shall be the amount as set forth in "Exhibit A" and made a part of this Agreement.

Section 3. Record of Rates

Upon request the Company shall provide the Chairman of the Grievance Committee a list of the hourly base rates of all employees and keep him informed of any changes.

Section 4. Wash-up and Rest Periods

The Company shall establish for the life of this Agreement a ten (10) minute rest period and a five (5) minute wash-up period at the end of each shift for all employees. Employees shall have the prerogative of individually determining whether or not they shall cease or continue productive work during said rest period. Rest periods shall be between 9:10 A.M. to 9:20 A.M. for the Day Shift and for the Night Shift, between 7:20 P.M. to 7:30 P.M.

Section 5. Reporting Pay

Employees who report for work in their regular and usual way, unless notified not to report, and are required to go home before starting work or are put to work shall be guaranteed four (4) hours pay for four (4) hours work for so reporting.

Section 6. Profit Sharing

- (a) Payments will be made to those employees who were in the employ of the Company on June 30 of the fiscal year and had received earnings in at least 13 pay periods.
- (b) The period for calculation of Profit Sharing will be the same as the fiscal year of the Company, namely, July 1 to June 30.
- (c) The Company will contribute to Profit Sharing, 25% of its net operating profit as would be reported on its Federal Income Tax Return, with the Profit Sharing Pool having a maximum cap of 12% of the gross wages of the union employees. The Company will use its accepted and continuing methods of accounting to determine profits, and the Company and its accountant or other advisors have complete authority in this respect. However, in the event that a loss is experienced, such loss will be deducted from the first succeeding year's profits before calculating the amount to be contributed to profit sharing.
- (d) Each employee will be credited with his total straight time hours worked to a maximum of 2080 hours per fiscal year. All hours paid for vacation, holidays, jury duty and bereavement will be considered as hours worked. All hours lost due to union business for the purpose of this section will be considered as hours worked. The total hours of all the employees will be divided into the bonus pool to establish an amount per hour worked. Each employee's bonus will then be determined by multiplying his individual hours worked by this figure.
- (e) The Company will make a mid-year (Dec. 30) determination of profits, if any. As soon as possible, after January 1, but not later than April 1, one-half of the 25% of the first six months profits will be distributed to eligible employees. Additionally, a meeting will be held with the employees to discuss the mid-year status no later than March 15 of the year.
- (f) The profit for the entire fiscal year will be determined after July 1 of each year. Twenty-five percent (25%) of this profit, less any payment made pursuant to (e) above, will be paid as soon as possible after July 1, but not later than October 1. Additionally, a meeting will be held with the employees to discuss the year end status no later than September 15 of the year.

- (g) The Company and the Union agree that the Profit Sharing Plan is intended to engender a closer relationship between all employees and their Company and to encourage all employees, supervisors, and management to work in a mutually helpful manner. The elimination of waste, lost time, spoiled work, etc., should be the goal of everyone concerned so that maximum profit potential can be realized.
- (h) This method is to be used unless the Union and the Company mutually agree to some other system that may be more desirable.

Section 7. Job Classification and Adjustment

- (a) Should new job classifications be created during the terms of this Agreement, the Company shall develop a proper rate for each such job classification and report it to the Union within fifteen (15) days.
- (b) When a wage rate for a new job is installed, the Union may, at any time, but within a reasonable period, which may not exceed sixty (60) days, file a grievance alleging that such new rate does not bear a fair relationship to other jobs in the plant. Such grievances shall be adjusted under the grievance and arbitration machinery of the contract.

Any adjustment of rate shall be retroactive to the day of the installation of the disputed rate.

- (c) The job duties for each job shall be agreed upon and described in a schedule entitled "Plant Job Descriptions" and made a part of this agreement. Changes in said job descriptions of new or changed jobs which may arise in the future shall be made by the Company and a copy given to the Union. In the event, the Union claims such descriptions do not accurately describe the changed or new jobs, the disagreement shall be subject to the grievance procedure of this Agreement.

All rate changes agreed to under this sub-section "c" shall be retroactive to the date of the change in the job description or the date of the establishment of any new job.

ARTICLE 5 - SHIFT DIFFERENTIALS

- (a) For hours worked on the Afternoon Shift, there shall be paid a premium rate of \$.30 per hour. For hours worked on the Night Shift, there shall be paid a premium of \$.30 per hour.
- (b) For purposes of applying the aforesaid Shift Differentials, all hours worked by an employee during the Work Day shall be considered as worked on the shift on which he is regularly scheduled to start work except:

1. An employee regularly scheduled for the Day Shift who completes his regular eight hour turn and continues to work into the Afternoon Shift in excess of two hours shall be paid the Afternoon Shift Differential for all hours worked in excess of two on the Afternoon Shift.
2. An employee regularly scheduled for the Day Shift who completes his regular eight hour turn and, after leaving the Company's premises, is called out for the Afternoon Shift or Night Shift within the same work day, shall be paid the applicable shift differential for the hours worked on the Afternoon or Night Shift.

(b) Shifts shall be identified in accordance with the following:

1. Day shift includes all turns regularly scheduled to commence between 6:00 A.M. and 8:00 A.M. inclusive.
2. Afternoon Shift includes all turns regularly scheduled to commence between 2:00 P.M. and 5:00 P.M. inclusive.
3. Night Shift includes all turns regularly scheduled to commence between 10:00 P.M. and 12:00 Midnight inclusive.

(c) Shift Differential shall be included in the calculation of overtime compensation.

(d) Any hours worked by an employee on a regularly scheduled shift which commences at a time not specified in Paragraph "c" above, shall be paid as follows:

1. For hours worked which would fall in the prevailing Day Shift of the department, no Shift Differential shall be paid.
2. For hours worked which would fall in the prevailing Afternoon Shift of the department, the Afternoon Shift Differential shall be paid.
3. For hours worked which would fall in the prevailing Night Shift of the department the Night Shift Differential shall be paid.

(e) The Shift Differential which applies to the Shift on which time is made up shall be paid for make-up time, except in cases where an employee makes up lost time because said employee requested time off.

(f) Shift Differential shall be paid for allowed time or reporting time when the hours for which payment is made would have called for a Shift Differential if worked.

ARTICLE 6- HOURS OF WORK

Section 1. The Work Day

Eight (8) consecutive hours exclusive of unpaid lunch periods which may not be of less than thirty (30) minutes duration shall constitute a normal day's work and shall be followed by a sixteen (16) hour rest period. Time and one-half shall be paid for all continuous hours worked beyond the completion of any continuous eight (8) hours of work by an employee or for any hours worked during said sixteen (16) hour rest period. In determining the said sixteen (16) hour rest period, there must be deducted, from said sixteen (16) hours, any unpaid lunch period.

Employees who have completed four (4) hours of work in any Work Day shall be provided with work for the balance of their eight (8) hour day, unless they are notified by their Foreman during the first four (4) hours of their shift that work will not be available for the last four (4) hour period.

Section 2. the Work Week

The Work Week shall consist of five (5) consecutive work days followed by a rest period of forty-eight (48) consecutive hours within a period of seven (7) consecutive days.

Section 3. The Work Schedule

The normal Work Week shall be five (5) consecutive work days beginning on Monday and ending on Friday.

Should it be necessary, in the interest of efficient operations to establish schedules departing from normal, such schedules shall be established by mutual agreement of the Grievance Committee and the Management. Work schedules shall be posted at least one week in advance wherever possible.

Determination of any changes of the prevailing starting times of any shifts shall be made only by mutual agreement of the Grievance Committee and the Management.

Section 4. Absenteeism

In recognition of the difficulties imposed upon Management through failure of employees to comply with working schedules the Grievance Committee and the Management shall establish a plan of Absenteeism Control providing for the discipline of employees reporting late or absenting themselves from work without just cause. Two (2) vacation days per year can be used in lieu of days absent and will not be considered lost time.

Employees, shall whenever possible, give prior notice to the Company whenever they report late or absent themselves from work.

Section 5.

Should it be necessary to work overtime on any job, the employee regularly assigned to such job shall be given preference for such overtime work, but with the understanding that reasonable effort shall be made to schedule work so that the same employee, or employees, shall not receive an unfair proportion of such overtime work. An employee refusing overtime work shall have such overtime hours credited to him for purposes of affording a fair distribution of overtime. Up to sixteen (16) hours of overtime per calendar quarter shall not be considered an unfair proportion of overtime between men in the same department.

ARTICLE 7- OVERTIME AND PREMIUM PAY

This Article provides a basis for calculation of, and payment for, Overtime and Premium Time and shall not be construed as a guarantee of hours of work per day or per week, or a guarantee of days of work per week.

Section 1. Daily and Weekly Overtime

- (a) Time and One-Half shall be paid for all hours or parts of hours worked in excess of eight (8) hours within the twenty-four (24) hour period commencing with the time the employee begins work or for hours or parts of hours worked in excess of forty (40) hours in any one Work Week, whichever is higher. No overtime will be paid to any employee for make-up time, unless said employee has been requested to make-up lost time by the Company.
- (b) Time and One-Half shall be paid for all time worked during the established sixteen (16) hour rest period, deducting therefrom any unpaid lunch period.
- (c) In the event that work schedules which depart from the normal are agreed upon in accordance with Article IV, overtime will be paid for hours worked in excess of the agreed upon hours per day but in any case, overtime will be paid on all hours in excess of 40 hours per week. For example, on a work schedule of four (4) days, ten (10) hours per day, daily overtime will be paid on hours worked in excess of 10 per day.

Section 2. Premium Pay

- (a) Time and One-Half shall be paid for all work performed on Saturday, except to watchmen and firemen who shall receive time and one-half for the sixth (6th) day of their scheduled work week.
- (b) Double time shall be paid for all work performed on Sunday, except to watchmen and firemen, who shall receive double time for the seventh (7th) day of their scheduled work week.

- (c) In all instances employees who cannot be scheduled from Monday to Friday, inclusive, shall be paid time and one-half for the sixth (6th) day and double time for the seventh (7th) day of their scheduled work week.
- (d) No employee shall be penalized for his inability or for his refusal, for good cause, to work on Saturdays, Sundays or Holidays.

ARTICLE 8 – HOLIDAYS

Section 1.

Recognized holidays shall be:

New Year's Day	Good Friday	Memorial Day
Independence Day	Labor Day	Thanksgiving Day
Friday after Thanksgiving	Day before Christmas	Christmas Day
Day before New Year's Day	<u>*Personal Day (see below)</u>	

*Personal Day - Each employee is eligible for one (1) paid personal day per each contract year. Unused personal days shall not carry forward into the next contract year, instead such unused days will be paid to the employee at the end of the contract year in which it was not used.

Section 2.

The ten (10) holidays listed in Section 1 shall be paid holidays regardless of the day of the week on which the holiday falls except that if any governmental bodies officially set a day for the holiday observances other than the traditionally observed date, such designated day shall be the paid holiday.

Section 3.

- (a) Probationary employees who are not entitled to seniority rights shall be eligible for holiday pay only if they are working their full scheduled hours the day before and the day after a holiday.
- (b) Employees with seniority rights who are absent because of illness or injury will be paid holiday pay for any holiday that occurs within three (3) calendar months of the start of such absence. However, if the employee returns to a normal full time working schedule after three (3) but before six(6) calendar months any holiday that has occurred within fourteen (14) or less calendar days of the employee's return will be paid as though the employee were working.
- (c) Holiday pay shall not be paid to sick or injured employees who are on leave for periods in excess of six (6) calendar months preceding such holidays.

(d) Holiday pay shall not be paid to employees on lay-off except if lay-off or recall to work occurs within fourteen (14) calendar days of a holiday, in which case the holiday will be paid as though the employee were working.

(e) All holiday eligibility requirements in this section must be met as of the date the holiday is observed.

Section 4.

Holiday pay will be paid for eight (8) hours per day. The amount per hour will be the same as that used for determining vacation pay and will change at each employee's anniversary date.

Section 5.

Time and one-half, in addition to the holiday pay, shall be paid for all work performed on holidays.

ARTICLE 9 - INSURANCE

The Company is hereby committed to provide its employees, covered by this Agreement, insurance for the purpose and amounts specified as follows. Full details of the insurance coverage will be available in printed booklet form, issued by the insurance carriers and incorporated herein as a part of this Agreement. A brief statement of benefits follows:

(a) Sickness and Accident Coverage

1. Weekly benefit - Effective 10-01-16: \$400.00
2. Maximum benefit period is fifty-two (52) weeks as long as the coverage is available. If Company is not able to find coverage for 52 weeks or if the cost increases more than 10% per year, the Company and the Union will negotiate changes acceptable to both parties that might include decreasing the number of weeks of coverage.
3. Benefits commence for disability due to injury, the first day; for disability due to sickness or disease, the eighth day, however, after six full weeks of absence due to illness or disease, the Company will pay the S & A waiting week, after the employee's return to full employment for a period of two weeks.
4. Daily benefit will be one-seventh (1/7th) of weekly benefit.
5. With regard to compensatory injury, the waiting period is seven (7) days, retroactive if disability lasts fourteen (14) days or more. Employees would be required to refund to the Company any payments

received from sickness and accident coverage for the first week of compensatory injury if disability lasts fourteen (14) days or more.

- (b) Life Insurance for active employees as well as Accidental Death and Dismemberment is:

\$40,000.00 - 10-01-16

Retirees's Life Insurance is \$2,000. There will be no coverage for employees retiring before the age of sixty-two (62). Those employees retiring before the age of sixty-five (65) will receive coverage equal to the amount that has been actuarially accumulated but not less than \$1,700 at sixty-two (62), \$1,800 at sixty-three (63), and \$1,900 at sixty-four (64).

- (c) Basic hospitalization coverage will be provided by the Company through the Steelworkers Health and Welfare Fund using Highmark Blue Shield PPO 90/70 with Drug option D. The employee's co-pay 25% of the monthly premium for each employee's coverage, employees whose coverage level is "Employee/Chil(ren)" or "Employee/Spouse" shall co-pay 30% and "family" level employees shall pay 35%.

Due to the rate volatility of the Medical Insurance industry and available options constantly changing, and in order to make the best use of the Company's and employee's resources, the parties agree that during the term of this Agreement the insurance carrier may be changed by mutual agreement to provide comparable coverage at a better price. In year two of the current agreement, the Company and Union propose to explore possible changes in benefits that would not affect an increase in the monthly premium and doing so, benefit the resources of both Company and employee.

In the event an employee opts out of a level of medical coverage or coverage all together, provided he supplies the Employer with adequate proof of other coverage, he shall be compensated at the rate of 30% of the employers savings per month.

- (d) Insurance coverage for new employees shall begin on the first day of the month following the month during which they reach 90 days of employment.
- (e) The insurance of any employee on layoff will be continued during the month following the month in which layoff occurs.
- (f) Insurance coverage for employees recalled from layoff shall be reinstated on the first day they return to work, unless they return on a part-time status as outlined in Article 18 Section 2(c).

ARTICLE 10 – PENSIONS

The parties agree to continue participation in the National Industrial Group Pension Plan and the "Agreement to Participate in Agreement and Declaration of Trust" and the "Pension Agreement" shall be part of this Agreement.

The Company's contribution to the Pension Fund shall be as follows:

Effective 9-01-09 - \$1.23

ARTICLE 11 - SENIORITY

- (a) Seniority is defined as the length of continuous service with the Company.
- (b) Length of continuous service shall mean the elapsed time from the first day on which an employee entered the service of the Company, and since which date there has been no break of service.
- (c) Dismissal for just cause, voluntary resignation, or absence in excess of a leave of absence shall be considered as a break in the length of continuous service, in which event subsequent reemployment shall be deemed to be new employment
- (d) Employees shall not be entitled to Seniority Rights until they have completed 45 days of work for the Company, after which period their Seniority shall date from the time of employment. This 45 day period may be extended for an additional 15 days by mutual agreement between the Company and the Union, however, after having worked thirty (30) days, he shall be assigned to a job classification and have his wages adjusted accordingly.
- (e) It is understood and agreed that in all cases of:
Vacancies, promotions, demotions, increases and decreases of forces (except promotions to positions excluded in the definition of "employee" in Article I hereof), length of continuous service shall be the determining factor unless it is proved that the employee involved has not the ability to perform the work.
- (f) It is understood and agreed that in reducing the forces, all probationary employees shall be the first to be laid off. If further reductions are necessary, the oldest employees in order of seniority who can perform the remaining work will be retained. The ability to perform the particular job shall be determined by a trial period not to exceed 15 working days.
- (g) It shall be understood and agreed that the Company shall not hire any new employee as long as a former employee is laid off and has not been recalled. thereafter the Company may employ new employees at its own discretion or according to management's determined need.

- (h) Laid off employees shall be recalled according to their seniority. Employees will be notified by certified mail or telephone or in person and failure to reply within three (3) consecutive working days from the effective date of recall, delivery shall be deemed a voluntary quit. A date to report to work will not exceed seven (7) calendar days from the date of employees acceptance to return to work.
- (i) When employees who have been advanced to positions of Foremen or Assistant Foremen are no longer needed as Foremen or Assistant Foremen, they shall be classified as employees with full seniority rights and share the work accordingly. Foremen or supervisors who are not covered by the terms of this Agreement, and who have not been advanced to such positions from the bargaining unit, may not be transferred to the bargaining unit during slack periods unless and until the normal working force has been reduced to fifteen (15) or less maintenance and production workers. When such transfers are made, they shall be required to become members of the Union upon transfer.
- (j) Seniority lists shall be furnished to the Grievance Committee by the Company twice a year by request.
- (k) Any member of the Union, who is an employee of the Company shall be given, upon the request of the Union, a leave of absence not to exceed three years, but can be extended if elected to subsequent three year terms for all full time local union office, for the purpose of working for the Union with the provision that such leave shall not constitute a break in the employee's record of continuous service, but shall not be entitled to any vacation pay or other benefits paid by the Company during this period of leave.
- (l) The Company may grant leave of absence, at its discretion for valid reasons, and may not unreasonably deny leave to regular employees when requested for just cause. Leave of absence shall be written in triplicate form. One copy shall be retained by the employee, one by the Company and one furnished to the Union. Failure of the employee to report to work within five (5) days after the expiration of such leave of absence will be considered as a break in continuity of service unless the employee has contacted the Company personally or by Registered Mail and has been granted an extension of leave.

If a leave of absence in excess of two (2) weeks is granted, the employee shall not receive holiday pay for any holidays falling within the period of the leave of absence. Furthermore, the vacation time and vacation pay granted will be calculated by multiplying the normal vacation time and pay by a fraction, the numerator of which will be 50 weeks less the excess weeks of leave beyond two (2), and the denominator will be 50 weeks.

EXAMPLE: An employee receiving a four week leave, will receive vacation for 48/50 of his vacation pay and vacation time.

- (m) Being absent due to lay-off for a continuous period equal to length of service at time of layoff for a period up to two (2) years seniority shall be considered a break in service. Being absent due to lay-off for a continuous period of two (2) years shall be considered a break in service for employees with two (2) or more years seniority.

There shall be no break in continuous service for seniority purposes for absences due to illness or non-compensable injury unless such absence continues for a period equal to the employee's prior service for seniority purposes, but not less than two (2) or more than five (5) years. However, any accumulation in excess of two (2) years during such absence shall be counted only for purposes of job security and promotional opportunity under this Article.

If employees who have lost their seniority credits due to an extended lay-off are rehired as a new employee at a later date, they will be credited with any full credit years they had earned prior to lay-off. This will affect the seniority add-on, vacation days and pay and the pension credits if so determined by the pension carrier. Their seniority status will be determined by the date of the rehire. No past credit will be given to any employee who was a voluntary quit or who did not accept a recall opportunity.

- (n) All newly created or vacant job classifications which occur in the plant covered by this contract, shall be offered to present employees in the following manner:

1. A job shall be posted on the bulletin board, listing the job title, rate and shift hours in which it exists.
2. The job posted shall remain on the board for two (2) working days before the job is considered closed. The time limit shall not include Saturdays, Sundays, or Holidays.
3. The job shall be filled in the following manner: (a) according to plant seniority (b) according to ability
4. However, these requirements shall be subject to the following restrictions: An employee must have completed his probationary period in order to be considered an eligible bidder.
5. Present employees who bid to newly created or vacant jobs shall be given preference to appointment and training before new employees are hired and trained.

- (o) Notwithstanding any other provisions of this contract dealing with the order of lay-off, employees whose services are, in the opinion of the Company, necessary to insure efficient operation, may be retained irrespective of length of service. The number of employees so retained shall not exceed 10% of the total number of employees (as defined in Article 1, Section 2) immediately prior to such layoff.

Employees hired prior to September 1, 1964 shall, in no way, be affected by this provision.

- (p) Notwithstanding the fact that employees may be on lay-off, management reserves the right to schedule overtime as it determines the need therefor, to take care of emergencies, maintenance, urgent customer requests and requirements or any other circumstances where time is lacking to employ the usual recall procedures. This is limited to the above circumstances and may not be used by the Company to establish continuing overtime schedules which would adversely affect the recall rights of men on lay-off. Men on lay-off who are in the same job classification as those who performed the overtime work will have an additional day added to their seniority protection as detailed in Article 11, paragraph (m) for any day on which overtime is performed. If more than one employee in the same classification as those on lay-off performs overtime on the same day, additional days will be added for each employee who performed overtime work.

However, no additional days will be added to employees on lay-off who are not in the same classification as those working overtime. For example, no additional days would be added to Turret Lathe Operators on lay-off if Milling Machine work is performed on overtime.

ARTICLE 12 - VACATIONS

Section 1.

- (a) The following Schedule of Vacations shall be in effect for all employees as long as their service with the Company remains unbroken.

New employees will receive five (5) days of vacation after one year's service except that up to three (3) days may be taken after six months service with the balance of the five days to be taken between one and two year's service. The following schedule will apply after additional years of service:

<u>Years</u>	<u>Days of Vacation</u>	<u>Years</u>	<u>Days of Vacation</u>	<u>Years</u>	<u>Days of Vacation</u>
1	5	9	14	17	20
2	6	10	15	18	20
3	8	11	16	19	20
4	9	12	17	20	20
5	11	13	18	21	21
6	12	14	19	22	22
7	12	15	20	23	23
8	13	16	20	24	24
				25	25

- (b) It is understood and agreed that a shutdown of the plant for one week between June 15th and Labor Day shall be designated as one week of vacation.

Other weeks of vacation will be granted at times most desirable to employees (longer service employees being given preference as to choice). However, the final decision as to choice of any vacation week for any employee is reserved by management to insure orderly operations.

- (c) Continuous Service shall be determined by the employees first employed in any plant of the Company and in accordance with the provisions for determination of continuous service as set forth under Article 11 hereof.

Section 2.

In determining vacation pay, and/or Holiday pay for part time employees who are specifically employed as part time employees, their pay shall be in direct proportion to their regularly scheduled number of work hours per day to eight (8) hours. In other words, a man who works four (4) hours, would receive one-half (1/2) the normal holiday or vacation pay. Part time employees are not entitled to the protection of seniority unless and except they are employed on a full time basis, in which case, their seniority shall start as of the date of their employment, on a full time basis.

Section 3.

- (a) Each employee eligible for a vacation as determined by sub-section (b) of this section will be paid at their hourly wage rate.

Hours of vacation pay will be eight (8) hours per vacation day. Bonus for attendance beyond the minimum required for vacation eligibility will be paid. Each week beyond 26 in which pay is received including vacation pay but excluding holiday pay, will receive a bonus of one-half percent (1/2%). Each full year of service will receive a bonus of one-half percent (1/2%). (Example: A man with 10 years of service, having no lost time, will receive 18% bonus.)

It is understood and agreed that any employee off, as a result of Worker's Compensation injury, shall have his lost time counted as worked for the purpose of this Article 12. It is further understood and agreed that the first five working days off will not be counted as time worked.

- (b) It is understood and agreed however that to receive vacation pay under any of the provisions of this Article, an employee must have received earnings in at least twenty-six (26) of the fifty-two (52) pay periods immediately preceding his anniversary date. If an employee received earnings in less than twenty-six pay periods during the qualifying year, the employee will be eligible to receive vacation pay based on the total pay periods worked as a percentage of 26 multiplied by the number of vacation days eligible, dropping any fractional portion of a day. Holiday pay shall not be considered earnings for purposes of this

paragraph. This same provision of pay period and anniversary dates shall apply to all vacations as provided in the VACATION SCHEDULE.

Section 4. Vacation Allowance in Lieu of Vacation

- (a) The Union and the Company agree that their mutual objective is the attainment of maximum production and if, in the opinion of management, this vacation program would interfere with the attainment of the objective, any eligible employee may be required, at the option of the Company, to continue work and receive a vacation allowance in lieu of actual vacation from work. The vacation to continue work and receive a vacation allowance in lieu of actual vacation from work. The vacation allowance due such employee shall be equal to the amount due him had vacation been taken. This vacation allowance shall be paid in his last pay prior to his anniversary date. However, it is the intent that to the greatest degree possible in Management's judgement, eligible employees shall receive the benefit of vacation from work.
- (b) Employees who have qualified for vacations under the foregoing provisions shall not be denied their right to vacations or vacation pay in lieu thereof.
- (c) Any employee recalled to work during his time off for vacation shall be paid at the rate of Double Time for all the remaining days of his vacation period.
- (d) In the case of any vacations exceeding 20 days in any one year, the Company has the option of giving vacation pay in lieu of vacation.

ARTICLE 13 - ADJUSTMENT OF GRIEVANCES

- (a) The procedural steps for the settlement of grievances hereinafter set forth represent a general standard which may be modified at the plant by agreement between the Management and the Union to permit a specific procedure best suited for the orderly and expeditious settlement of grievances at the plant provided such modifications are not contrary to the general principles herein established.
- (b) The procedure under this Article is available to the International Union or the Company for the presentation and settlement of grievances arising under the terms of this Agreement. Such cases shall be presented under Step Two of the Grievance Procedure.

STEP ONE

Grievances in this step will be heard at the regularly scheduled discussion meeting, as provided for in Paragraph (j) of this Article. Grievances to be heard, shall be presented, in writing, at least twenty-four (24) hours prior to such meeting. If the matter

is not satisfactorily settled at the meeting, it is required that the Company furnish a written answer under this step within three (3) working days after the date of the First Step Meeting and failure to do so will result in settling of the grievance in favor of the Union. The Union must then, within three (3) working days from date of receipt of Company's answer, process the grievance in writing to the Second Step and failure to do so will result in settling the grievance in favor of the Company.

STEP TWO

Between an International Union Representative, members of the Grievance Committee and Representatives of the Company. The meeting in Step Two shall be held within ten (10) working days from the date of receipt of request by either party for such meeting. Time limits for such meeting may be extended by mutual agreement and in writing. Failure of either party to meet within the above stipulated limits shall resolve the grievance against the party who defaults.

If the grievance is not satisfactorily settled at the meeting, the Company is required to furnish a written answer under this step within three (3) working days after date of meeting and failure to do so will result in settlement of the grievance in favor of the Union unless the time is extended by mutual agreement and in writing.

If the grievance is not appealed in writing to the next step by the Union within a three (3) working day period after receipt of the Company's Second Step Answer, the grievance shall be considered as resolved in favor of the Company, except where such periods are extended by mutual agreement in writing.

STEP THREE – ARBITRATION

Any difference, dispute, claims or grievance case arising out of or relating to this Agreement which has not been satisfactorily settled in accordance with the foregoing procedure may be submitted by either party to Arbitration.

The parties may mutually select an arbitrator who shall hear said case and render his decision as speedily as possible. In the event the parties fail to agree upon selection of an Arbitrator within five (5) working days from date of receipt of request for Arbitration the matter then shall be submitted to arbitration under the Voluntary Labor Arbitration Rules, then obtaining, of the American Arbitration Association. The parties agree to abide by the award, subject to such regulations as any Federal Agency having jurisdiction may impose. The parties further agree that there shall be no suspension of work when such disputes arise and while it is in process of adjustment or arbitration.

The salary and expenses incident to the services of the Arbitrator shall be paid jointly and equally by the parties. The Arbitrator shall have only jurisdiction and authority to interpret, apply or determine compliance with the provision contained in this Agreement or any written amendments thereto.

The Arbitrator shall not have jurisdiction or authority to add to, detract from, or alter in any way the provisions of this Agreement or any written amendments thereto.

The decision of the Arbitrator on any matter which shall have been submitted in accordance with the provisions of this Agreement shall be final and binding upon the Company and the Union.

When awards are made on any matter submitted, the party against whom the award is made shall furnish to the other party proof of its compliance within 15 days after award has been made unless an extension of time has been agreed upon.

GENERAL RULES

- (a) The actual number of members of the Grievance Committee shall be determined by the Union, which number shall not exceed five (5). The Union shall supply to the Company names of members designated by it to handle affairs of the Union with the Company. The Company shall likewise supply to the Union, names of persons authorized to deal with the Union.
- (b) The Company shall permit access to all departments of the plant to the Grievance committee and the Representative of the International Union for purposes of investigating grievances.
- (c) Time lost by members of the Grievance Committee in investigating or processing grievance cases or in Union-Company discussion meetings shall not be paid for by the Company but shall be credited as time worked for purposes of computing overtime and premium pay and for pension contributions.
- (d) Meetings requested by the Company during working hours shall be held without loss of pay to the Grievance Committee.
- (e) In no event shall the Company attempt to settle any dispute or grievance directly with the employee involved, if the first or subsequent steps stipulated above have not resulted in settlement satisfactory to the Union.
- (f) If the Company and the Union shall so agree in writing, any grievance or other matter not appealable under the provisions of this Agreement may be submitted to Arbitration.
- (g) Conveniently located Bulletin Boards shall be maintained by the Company for the used of the Union.
- (h) When a grievance involves a group or entire department, the matter maybe presented in writing in Step Two.
- (i) Members of the Grievance Committee shall notify their respective foremen when

leaving and returning to their jobs to investigate grievances.

- (j) A discussion meeting will be held after working hours on the second Monday following the regularly scheduled monthly Union meeting or in cases of urgency, as soon as possible. The purpose of the meeting will be to provide the opportunity for discussion of complaints, problems, or requests presented by either party and to promote better employee/employer respect and harmonious relations between the parties. In the event there are no topics for discussion, the parties may mutually agree not to hold a meeting. The parties may invite to participate in the discussions such additional employees as deemed necessary.

ARTICLE 14 - SUSPENSION AND DISCHARGE CASES

- (a) In the exercise of its rights set forth in Article 15, Management agrees that a member of the Union shall not be peremptorily discharged from and after the date hereof, but that in all instances in which Management may conclude that an employee's conduct may justify suspension or discharge, he shall be first suspended. Such initial suspension shall be for not more than five (5) working days.
- (b) During this period of initial suspension, the Local Union or International Union may request a hearing and a statement of offense before the general superintendent, with the members of the plant Grievance Committee present. After such Second Step hearing, the Management will decide whether the suspension shall be extended, revoked or converted into discharge. If the suspension shall be revoked, the employee shall be returned to employment and receive such compensation as may be agreed upon for the work hours lost.
- (c) In the event a decision shall result in either the confirmation or extension of the suspension or discharge of the employee, the Union shall receive, in writing (within 5 days), the decision of Management. If the decision of the Company is unsatisfactory in the opinion of the Union, the Union may present the case according to the Arbitration Rules of this Agreement.
- (d) Should the Arbitrator, acting in accordance with Step Three of the Grievance Procedure, decide that the employee has been discharged or suspended unjustly, the Company shall reinstate the employee and pay such compensation as ordered by the Arbitrator for the work hours lost.

ARTICLE 15 - MANAGEMENT

The right to hire and maintain order and efficiency is the sole responsibility of Management. The right to promote and the right to discipline and discharge for proper cause are likewise the sole responsibility of Management.

The Union recognizes other rights and responsibilities belonging solely to the Company, such as the rights to decide the number and location of plants, the machine and tool equipment, the products to be manufactured, the methods of manufacturing, the schedules of production, the processes of manufacturing or assembling together with all designing and engineering, and the purchases of raw materials, semi-manufactured and finished parts which may be required.

The Union also recognizes that the Company possesses, except to the extent that they are specifically relinquished or modified by this Agreement, all the rights, powers and privileges, or authority that it had prior to signature of this Agreement.

ARTICLE 16 - SAFETY AND HEALTH

- (a) The Company shall make reasonable provision for the safety and health of its employees at the plant during their hours of employment.
- (b) The protective devices such as special wearing apparel, goggles, gloves, fire and waterproof clothing and other articles equally necessary to properly safeguard the health of the employees and protect employees from injury shall be provided by the Company. Proper heating and ventilating systems shall be installed where needed.
- (c) A Safety and health Committee consisting of two (2) employees designated by the Union and a maximum of two (2) designated by the Company, shall be established. The Safety Committee shall meet once each month on a day and time agreed upon, for the purpose of considering the formulating and recommending changes in procedure to be followed.
- (d) No employee shall be reprimanded for his refusal to work under conditions that could be detrimental to his health or cause serious injury. However, after examination by a Union Representative and Company Representative, and corrective action as agreed upon between these representatives has been taken, it shall be the employee's duty to proceed with his work.
- (e) When an employee is exposed regularly to a condition that could be injurious to his health, the Company shall provide free physical examinations.
- (f) The Company shall provide an allowance for prescription industrial safety glasses, \$50.00 for single correction lenses and \$100.00 for bifocal or trifocal lenses. This shall be limited to one pair of glasses per employee per year. The employee shall present a receipt showing glasses meet ANSI specifications for industrial safety glasses when making claims for the allowance.

ARTICLE 17 - MILITARY SERVICE

Section 1.

- (a) Except as shall be otherwise provided by law or by agreement in writing, between the parties hereto, should any employee at the plant, who has entered or shall enter the military, naval or merchant marine service of the United States, be honorably discharged from such service and shall within ninety (90) days continuing after he is relieved from such service, or from hospitalization continuing after discharge, apply to the Company in writing for re-employment at the plant, for the purposes of Article 11 of this Agreement, his record of continuous service at the plant shall be deemed not to have been broken by this absence on such military, naval or merchant marine service and, on the basis of said seniority, (determined in accordance with the provisions of said Article 11) he shall be entitled to re-employment at such plant, if and when work which he is qualified to perform is available in the plant in an occupation of like status and pay, and provided that he shall be given preference over any other employee with less seniority as so determined by said Article 11. If an employee so applying for re-employment shall so request, he may be granted a leave of absence without pay not to exceed sixty (60) days before he shall return to work.

- (b) An employee veteran, when reinstated, shall be entitled to his former rate of pay with accrued adjustments that would have been his had he continued in employment.

Section 2.

If an employee who would otherwise have been entitled to a vacation with pay, or lieu thereof to vacation allowance, under the provisions of Article 12 of this Agreement, during the calendar year in which he shall enter the military, naval or merchant marine service of the United States before he shall have taken such vacation, or before he shall have accepted vacation allowance in lieu of a vacation, he shall be paid an amount equal to the vacation pay which he would have been entitled to receive for the period of such vacation.

Section 3.

An employee who, after being honorably discharged from military, naval or merchant marine service of the United States, is reinstated pursuant to this Article 17, shall be entitled to a vacation with pay or in lieu thereof to vacation allowance in and for the calendar year in which he is reinstated in accordance with the provisions of Article 12 of this Agreement, without regard to the revisions of Article 12 of this Agreement, without regard to the requirements of being consistently employed as defined in Article 11.

ARTICLE 18 - MISCELLANEOUS PROVISIONS

Section 1.

- (a) Should the Company relocate or expand operations to another area, all present employees shall have first preference of jobs. The Company agrees to establish a proper monetary adjustment to take care of any change in travel expense (to and from work) as a result of this relocation.
- (b) An employee who is injured while working in the plant and is taken to a doctor or hospital and returns to his job during that shift, shall be paid at his hourly wage rate during the time of his absence. An employee who is unable to return to work shall be paid for the balance of the shift at his hourly wage rate and not to exceed a total of eight (8) hours for the day.

The Company shall provide or pay for transportation to a doctor or hospital and return either to work or to the employee's home, except in cases of minor injuries which would not impair the employee's ability to provide his own transportation.

- (c) Smoking shall not be permitted in and about the plant during working hours except in properly designated danger areas, provided that, the fire insurance carrier for the Company shall have the final decision as to the acceptability of smoking at all times and places.

Heat of sixty-five degrees (65°) or more shall be maintained in the plant during working hours, provided that, in the event of a breakdown in the heating plant, particularly at the start of the day shift, employees will remain in the plant for the four (4) hours referred to in Article 4, Section 10, or until they are given permission to leave by management. During such four hours, all employees may have access to the offices or other parts of the plant where heat may be available. It is understood that in the event of a heating plant failure, every effort will be made to notify employees at their homes before the start of the employee's shift.

- (d) The procedure of providing a clean wash room with a weekly scrub down shall be maintained.
- (e) The parking lot will be maintained in a usable condition. Arrangements will be made locally to provide snow removal as quickly as possible when necessary.
- (f) The present practice of chip removal from machines and the provision of rags or wiping cloths shall continue.
- (g) The Company shall continue to provide all tools other than the personal tools normally provided by the mechanic. The Company shall also maintain a supply of material suitable for the construction of guards.
- (h) Should an employee be required to spend time out of town in the service of the

Company, he shall be reimbursed for all expenses incurred.

Section 2.

- (a) A supervisor's or foreman's first duty shall be to assist and direct the members of the work force who may need his help.
- (b) Supervisors and foremen, not covered by the contract, shall be permitted to do: jig and fixture work, tooling, pre-production samples, set-up work, etc., when they have available time. However, they shall not be permitted to perform any work consistently performed by the production or maintenance employees covered by this contract, except in cases of emergencies or extenuating circumstances such as: to instruct employees or to correct operating difficulties, or to take the place of absent employees until a production employee can be secured from those employees in the plant that day.
- (c) Supervisors and foreman, not covered by this contract, may be permitted to provide temporary production help when the work level in the shop requires immediate assistance but does not necessitate the recall of an employee from layoff or the hiring of a new employee. Prior to such supervisor or foreman performing work under this section (c), any employees out of the plant on layoff will be offered the work on a part-time basis. Acceptance of said work, provided the recall is not for full time work, shall waive the medical benefit coverage contained elsewhere in this Agreement.

Section 3.

When requested by either party, a joint apprenticeship committee shall be set up locally to work out an apprenticeship or training program.

Section 4.

The Company has the right to develop and institute policies including general work rules as they feel necessary to aid in the orderly running of the business. These policies and work rules will be administered equally and fairly among all employees. Any disputes concerning these policies and work rules will be subject to the grievance procedure set forth in this agreement.

Section 5.

- (a) The parties agree the Employer may establish position(s) of partime employees on the basis of performing non-production work. Said employee shall not be covered by this Agreement with the exception of bargaining unit employees out of the plant on lay-off or medical restriction who will be offered the available part-time

work first. In any event, if a bargaining unit employee turns down such work he will not be adversely affected by such denial. Acceptance of this work shall waive medical benefit coverage contained elsewhere in this contract.

Section 6.

The Company will explore the feasibility of providing for direct deposit of paychecks. The Company shall also explore the feasibility of an IRS 125 plan for the deduction of the employee's medical insurance contributions.

ARTICLE 19 - JURY SERVICE

An employee, who is called for jury service, shall be excused from work for the days on which he serves and he shall receive for each such day of jury service of which he otherwise would have worked the difference between eight (8) hours of pay at his hourly wage rate and the payment he receives for jury service. The Company's liability shall, however, be limited to a total of ten (10) days in any one year of this Agreement, the year being from September 1st to September 1st.

ARTICLE 20 - BEREAVEMENT

Employees whose parents, parents-in-law, spouse, children, brother or sister have died will be granted bereavement time-off for which eight (8) hours per day times the employee's hourly wage rate will be paid for a maximum of three (3) days for each leave. Employees whose grandparents or grandchildren have died will be granted bereavement time-off for which eight (8) hours per day times the employee's hourly wage rate will be paid for (1) day for each leave. In case of doubt of relationship, reasonable proof of such relationship may be required.

ARTICLE 21 - TERMINATION

The terms and conditions of this Agreement shall remain in full force and effect until midnight, September 1, 2019 and shall continue thereafter in effect from year to year unless notice of termination, in writing, by Certified Mail, is given by either party at least sixty (60) days before the next annual expiration to the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC, Five Gateway Center, Pittsburgh, Pennsylvania, 15222, if by the Company and the Progressive Machine Works, Inc., Hamburg, Pennsylvania, 19526, if by the Union, whichever the case may be.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year above written.

PROGRESSIVE MACHINE WORKS, INC.

Donald G. ...

UNITED STEEL WORKERS

Leo W. ...

International President

John ...

International Secretary/Treasurer

Thomas Conway

International Vice President - Administration

Julius D. ...

International Vice President - Human Affairs

Bobby Mac

Director, District 10

Jack R. Costa

Jack R. Costa
Staff Representative

Bryan Shappell

Bryan Shappell, Unit President
USW 6996 Negotiating Committee

EXHIBIT A

RATE SCHEDULE

RATE SCHEDULE EFFECTIVE September 1, 2016

<u>OCCUPATION</u>	<u>CLASSIFICATION</u>			
	AA	A	B	C
CNC Operator	<u>\$20.70</u>	<u>\$19.70</u>	<u>\$19.09</u>	<u>\$18.48</u>
Utility			<u>\$19.09</u>	<u>\$18.26</u>
Minimum Hiring Rate				<u>\$17.18</u>

Plus .020 per hour per year of service as of September 1, 2016 for each year of the agreement.

Plus .010 per hour for employees with less than a full year service as of the date they reach six months service. If the seniority add on continues in the next agreement, these employees will receive only .010 per hour add on as of that time.

RATE SCHEDULE - YEAR 2

RATE SCHEDULE EFFECTIVE September 1, 2017

<u>OCCUPATION</u>	<u>CLASSIFICATION</u>			
	<u>AA</u>	<u>A</u>	<u>B</u>	<u>C</u>
CNC Operator	<u>\$21.15</u>	<u>\$20.15</u>	<u>\$19.54</u>	<u>\$18.93</u>
Utility			<u>\$19.54</u>	<u>\$18.71</u>
Minimum Hiring Rate				<u>\$17.63</u>

Plus .020 per hour per year of service as of September 1, 2017 for each year of the agreement.

Plus .010 per hour for employees with less than a full year service as of the date they reach six months service. If the seniority add on continues in the next agreement, these employees will receive only .010 per hour add on as of that time.

RATE SCHEDULE – YEAR 3

RATE SCHEDULE EFFECTIVE September 1, 2018

<u>OCCUPATION</u>	<u>CLASSIFICATION</u>			
	<u>AA</u>	<u>A</u>	<u>B</u>	<u>C</u>
CNC Operator	<u>\$21.60</u>	<u>\$20.60</u>	<u>\$19.99</u>	<u>\$19.38</u>
Utility			<u>\$19.99</u>	<u>\$19.16</u>
Minimum Hiring Rate				<u>\$18.08</u>

Plus .020 per hour per year of service as of September 1, 2018 for each year of the agreement.

Plus .010 per hour for employees with less than a full year service as of the date they reach six months service. If the seniority add on continues in the next agreement, these employees will receive only .010 per hour add on as of that time.