

AGREEMENT

EFFECTIVE AUGUST 17, 2019 – AUGUST 19, 2022

BETWEEN

AMERICAN ORDNANCE LLC

IOWA ARMY AMMUNITION PLANT

AND

**Local Union No. 83
International Brotherhood of Boilermakers,
Iron Shipbuilders and Helpers of America
(Boilermakers Unit)**

**Local Union No. 91
Sheet Metal Workers International Association
(Sheet Metal Workers Unit)**

**Local Union No. 125
United Association of Journeymen and Apprentices
of the Plumbing and Pipefitting Industry of the
United States and Canada
(Pipefitters Unit)**

**Local Union No. 1260
Carpenters and Millwrights Affiliated with
The United Brotherhood of Carpenters
and Joiners of America
(Carpenters Unit)**

**Local Union No. 577
International Association of Bridge
Structural and Ornamental Ironworkers
(Ironworkers Unit)**

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PREAMBLE

THIS AGREEMENT made and entered into this 17th day of August, 2019, between American Ordnance LLC (hereinafter called the Company) and the Joint Craft Unions (hereinafter called the Union) as follows:

Local Union No. 83, International Brotherhood of Boilermakers, Iron Shipbuilders and Helpers of America (Boilermakers Unit);

Local Union No. 91, Sheet Metal Workers International Association (Sheet Metal Workers Unit);

Local Union No. 125, United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada (Pipefitters Unit);

Local Union No. 1260, Carpenters and Millwrights Affiliated with the United Brotherhood of Carpenters and Joiners of America (Carpenters Unit); and

Local Union No. 577, International Association of Bridge Structural and Ornamental Ironworkers (Ironworkers Unit).

Team Iowa's vision is to be the premier supplier of quality munitions to the defense industry with employee involvement and the innovative use of facilities.

WITNESSETH THAT:

For and in consideration of the mutual promises contained herein and their performance, the Company and the Union(s) hereby agree as follows:

ARTICLE 1 - PURPOSES

It is the purpose of this Agreement to assure the efficient, economical, and profitable operation of the Plant; to secure and sustain high levels of productivity of each employee covered by this Agreement; to assure that the requirements and expectations of our customers are met efficiently and economically, to foster an environment of continuous improvement in quality and productivity; to promote environmental, safety, and health consciousness throughout

the Plant; to maintain a harmonious relationship between the employees in the bargaining unit and the Company; to establish wages, hours, and working conditions; to provide a procedure for the prompt and equitable settlement of grievances; to avert strikes, slowdowns, and any other disturbances which interfere with or interrupt production; and, further, to set forth the rates of pay, wages, and other conditions of employment to be observed by the parties hereto.

ARTICLE 2 - RECOGNITION

The Company recognizes each Union as the exclusive collective bargaining representative for all employees of the Company and in the Unit here involved at the Iowa Army Ammunition Plant.

ARTICLE 3 - TERMS OF AGREEMENT AMENDMENTS

This Agreement shall be effective as of August 17, 2019, and shall continue in full force and effect until midnight 19 August 2022, and from year to year thereafter unless it is modified or terminated as hereinafter provided.

If either party desires to modify this Agreement upon its expiration date, notice of such a desire shall be given by either party to the other by registered or certified letter not earlier than 90 nor later than 60 calendar days prior to midnight 19 August 2022.

If negotiations pursuant to suggested modifications are not completed prior to 19 August 2022, this Agreement shall terminate on that date unless extended by mutual agreement of the parties.

Any Amendment to this Agreement, which may be made at any time by mutual consent of the Company and the Union, or become appropriate as a result of negotiation between the Company and Union as provided herein above, shall be reduced to writing, state the effective date of the Amendment, and be executed in the same manner as this Agreement.

ARTICLE 4 - SCOPE OF AGREEMENT

- A. The provisions of this Agreement and any of its obligations shall apply to the Company's performance of maintenance work by its employees relating to the load, assemble, and pack of ammunition on IAAAP property which arises out of the contracts which the Company has with the U.S. Government and/or third-party contractors/small business contractors. Further, this Agreement applies to other defense ordnance load, assemble, and pack work that the Company marketing brings to the Company at this facility and Company employees are utilized.
- B. Actions of the Government are not actions of the Company. Should the Government issue another contract or agreement with the Company, the provisions of this Agreement will be extended to the new contract or agreement. Should the Government modify any contract or take back work being performed by the Company for the Government, the terms and conditions of this agreement shall no longer apply to the work changed and/or no longer being performed by the Company. In this event written confirmation given to the Company will be given to the Union. In the event a Government initiated change results in a provision of this agreement having an adverse economic or operational impact upon the Company, such provision will cease to be in effect to the extent it creates such adverse impact. The Company will notify the Union of such changes and meet with the Union to explore alternative options. The No Strike – No Lockout provision will remain applicable even if the parties are unable to reach an agreement on alternative language.

ARTICLE 5 - DEFINITIONS

For the purposes of this Agreement, the terms listed below shall have the definitions indicated.

1. **Unit** - All persons employed by the Company at the Iowa Army Ammunition Plant in the job classifications appearing under each separate Unit as stated in this Agreement.
2. **Employee(s)** - Person(s) included in the Unit and carried on the Company's employment roster. When the masculine term is used, it applies equally to female employees.
3. **Plant** - The Iowa Army Ammunition Plant, the property of the United States Government, located near Middletown, Des Moines County, Iowa.
4. **Complaint** - The format in which an employee initiates an action under the Complaint or Grievance Procedure.
5. **Grievance** - A misunderstanding, controversy, or dispute between an employee or Union and the Company which involves the interpretation or application of or compliance with the provisions of this Agreement.
6. **Hourly Rate** - The rate of pay per hour for the applicable job classifications as established in Article 32 Section 1 of this Agreement.
7. **Pay Rate** - The rate at which an employee is paid.
8. **Layoff** - A period during which an employee is temporarily relieved from duty on account of the lack of work but is not terminated from the employ of the Company.
9. **Reduction-in-force** - Termination of employment on account of the lack of work.
10. **Call-In** - A situation whereby an employee has left the Plant premises and is called back by the Company to perform work outside his regularly scheduled hours of work.
11. **Service** - Total employment on the Company's Employment Roster except construction.
12. **Single Shift Operation** - Work which is scheduled for one shift only each workday

13. **Multiple Shift Operation** - Work which is scheduled as a continuous operation involving two or three shifts each workday. Employees who are relieved or who provide relief are multiple shift employees.
14. **Workweek** - A period of 168 consecutive hours beginning Sunday and ending the following Sunday.
15. **Workday** - A period of 24 consecutive hours.
16. **Act of God – A natural hazard outside human control as determined by the Company.**

ARTICLE 6 - STRIKES AND LOCKOUTS

Section 1. For the duration of this Agreement there shall be no picketing, sympathy or unfair labor practice strike, support strike, sit-down, slowdown, work stoppage honoring of picket lines or other activity by the Union or its representatives or members which interferes with the Company's operations nor shall any officer, representative or agent of the Union condone, encourage, assist or threaten any such activity.

Section 2. Employees may honor a picket line of another legally striking Local Union representing IAAAP employees provided (1) the strike is authorized by the Local Union, (2) the strike is not in breach of the striking Local Union's Agreement with the Company and (3) the strike is based upon a dispute arising out of issues directly and solely involving IAAAP and its operations in Burlington, Iowa.

Section 3. Violation of the provisions of this Section by an employee covered by this Agreement shall be grounds for the immediate discharge of that employee. The Union has recourse to the grievance or arbitration procedure. The only arbitrable issue will be whether the employee was involved in such activity.

Section 4. If any employee or group of employees represented by the Union should violate the provisions of this Section, the Union shall take immediate affirmative action to prevent such acts and shall take all reasonable steps to the end that work will be promptly

and properly resumed. The Union and Company shall jointly notify local newspapers, local radio stations, if necessary, and the U.S. Army, that such action is not sanctioned by the Union.

Section 5. The Company agrees that there shall be no lockout during the term of this Agreement. The term "lockout" shall not be construed to include either a temporary or permanent shutdown or discontinuance of operations by the Company for economic reasons. In the event, the government restricts access or makes any changes to the operations at the plant, such restrictions and operational changes shall not be considered a lockout by the Company.

ARTICLE 7 - UNION-COMPANY RELATIONS

Section 1. Employee Rights - There will be no interference with, coercion, or restraint of employees in connection with the exercise of their rights to bargain collectively through representatives of their own choosing and to engage in concerted activities for the purpose of collective bargaining or other mutual aid and protection.

Section 2. Management Rights - There will be no interference with, coercion, or restraint of the Company in its exercise of the function of Management. It is recognized that the Company shall exercise its exclusive responsibility to manage the Company and direct the working forces.

Section 3. Company Rights

A. As long as the action of the Company does not violate any specific provision of this Agreement, it shall have the absolute and unqualified right to, in its sole discretion, and without limiting the generality of Section 2, plan, direct, and control Company operations; to subcontract any or all portions of the work; to select, instruct, and direct the working force; to hire, assign, and transfer; to suspend, discharge, or reprimand employees for just cause; to schedule the working hours; to make and enforce

reasonable Plant rules; to relieve employees from duty because of lack of work or other legitimate reasons; to determine the layout and equipment to be used in the business, the processes, techniques, methods, and means of production and distribution; to introduce new and to change existing operational methods, materials, machines, processes, or facilities; and to determine job content and classification, except as specifically abridged, delegated, granted, modified, or limited by other provisions of this Agreement.

- B. The choice, control, and direction of the supervisory staff is vested exclusively in the Company.
- C. The determination of the size of the workforce, the allocation and assignment of work or workers, the determination of policies affecting the selection, and training of employees is vested exclusively in the Company.
- D. The right to establish quality standards and judgment of workmanship required and the determination and enforcement of reasonable quantitative standards (levels) of production is vested exclusively in the Company.
- E. The control and use of the Plant Property and the determination of safety and health measures of the Plant is vested exclusively in the Company.
- F. The right to close the Plant for any reason providing notice is given to the Union is vested exclusively in the Company.

Section 4. Inclusion of Rights - It is agreed that the enumeration above of management prerogatives shall not be deemed to exclude other management prerogatives not herein specifically enumerated, provided that the exercise of such rights shall not be in conflict with any provision of this Agreement.

Section 5. Exercise of Rights - The exercise or non-exercise of rights retained by the Company shall not be deemed a waiver of any such right and shall not prevent the Company from exercising such rights in any way in the future.

Section 6. Harmonious Relations - There will be no harassment of the Company or the Union by either Union or non-Union employees. Any report of an employee making anti-Union or anti-Company statements, or otherwise attempting to damage the relationship of the Company and the Union will be considered proper basis for disciplinary procedure and/or the filing of a grievance, whichever is appropriate.

Section 7. Union Business Outside the Plant

- A. The Company acknowledges that a Union signatory to this Agreement may designate not more than three employees from the bargaining Unit(s) to perform Union business outside the Plant which involves activities pursuant to this Agreement. In such event, the designated employee(s) will terminate his/her employment with the Company by giving a minimum of 24 hours' written notice specifying the duration of the assignment, but not to exceed one year. The one-year period may be extended in increments of one year by mutual agreement between the Union and the Company.
- B. During the time an individual is employed by the Union under the provisions of this Section, the only benefit of this Agreement which will accrue to the individual is continued seniority in the bargaining unit(s) and seniority group(s) which were applicable at the time of termination from employment with the Company.

ARTICLE 8 - REGULATORY PROVISIONS

Section 1. Designation of Stewards - The Company recognizes the right of the Union to designate a reasonable number of stewards among the employees. Elections for the purpose of selecting stewards will not be conducted on Company premises.

Section 2. Union Business During Working Hours - Except as otherwise provided in the grievance procedure, representatives of the Union will not conduct Union business or deal

with employees during working hours. Any employee, including representatives of the Union in any capacity, will obtain permission of his Foreman or Supervisor before leaving his job during working hours.

Section 3. Posting of Notices - The Union may cause to be posted on bulletin boards in the Plant such notices as relate to Union business affecting employees. All notices so posted shall have the prior approval of the Company in accordance with established procedure.

Section 4. Printing of Agreement - The Company will print this Agreement in its final form for the purpose of distribution to the employees and interested parties to the contract. If, for any reason, a typographical variance occurs between a commercially printed Agreement and the original signed Agreement, the latter will govern.

Section 5. Safety - An employee is to report hazardous conditions (such as unsafe equipment or at risk behavior) or environmental concerns to his/her appropriate supervisor or to the employee's union steward. In the event a union steward becomes aware of any unsafe, health, or environmental condition, the union steward will immediately report in writing, on approved form provided by the Company, such condition to his supervisor. The employee may also report safety problems by telephone on the Safety Hotline by calling SAFE (753-7233). Such calls will be documented by Company on same approved form provided by the Company. The employee, or the union steward, as the case may be, will be advised in writing within a reasonable time, not to exceed ten working days, of the disposition of such matters as are reported under the provisions of this Section.

Section 6. Personnel Security

A. **Regulations** – Anti-sabotage, anti-espionage, and Plant protective measures, including access to the Plant, approved or prescribed by the Department of the Army or its representatives, will be binding upon management,

employees and their representatives. Such measures will, insofar as practicable, be prominently posted throughout the Plant and otherwise made available to employees. Violations of any of these rules or regulations will be grounds for disciplinary action, including immediate dismissal. The Company will furnish any identification credentials required in connection with employment at the Plant.

B. Clearances

1. The Union agrees that, where Government security regulations are placed upon the Company, such regulations shall govern the acceptance, rejection, or removal of an employee from work coming under these regulations. It is further agreed that neither the granting, denial of, or revocation of a security clearance shall be grounds for grievance or arbitration.
2. The Company agrees that any employee who has been removed from work, requiring a security clearance, shall be entitled, in accordance with his seniority status and the applicable seniority provisions of this Agreement, to other work not requiring such clearance as may exist within his job classification. It is expressly understood between the parties that grievances arising under this paragraph shall be subject to Article 29 of this Agreement.

- C. Subversive Activities** - Discharge directed by the Government for suspicion of subversive activities will be handled in accordance with directives issued by the Government.

Section 7. Equipment

- A. Furnishing of Clothing and Equipment** - The Company will furnish, and the employees will wear, such clothing and equipment as the Company deems necessary to the safety and health of the employee in the performance of a job assignment. Where prescription safety glasses are required

by the Company, such glasses will be furnished at Company expense; however, prescriptions will be provided by employees at their expense.

B. Loss of Equipment - Employees will not be assessed for loss or damage of tools, clothing, identification badges, or other property provided by the Company in connection with their employment unless negligence is shown.

C. Working boots - The Company will provide working boots to employees pursuant to AP&P 0164. However, the amount to be paid by the Company per year will be at the cost not to exceed \$175. The employees who are regularly exposed to adverse wet conditions in the field will be entitled to an additional pair of work boots in 2020.

Section 8. Working Rules - The Company will make available to the Union upon request a copy of those working rules (which are reduced to writing) governing employees, published, signed by a representative of management, and do not contain classified security information.

Section 9. Except when discharged for cause, or when a termination is a result of closing operations, or where an immediate shutdown of an operation is directed by the Government, an employee will be given at least one days pay at the employee's regular rate of pay for the day after being notified of said termination. The employee will not be required to report to work the day the employee is being paid. Employees on vacation or sick leave, leave of absence, or away from work for any other reason, will be notified by letter mailed to the employee's last known address on record with the Company with the one days pay being paid in the following payroll period.

ARTICLE 9 - CHECK-OFF

Section 1. Union Dues Deductions - Upon receipt of a properly signed authorization from an employee, the Company will deduct Union dues from the employee's earnings.

- A. Authorization shall be supplied on a form satisfactory to the Company and shall be terminable at any time upon 30 days' written notice to the Company.
- B. Deductions will be made on one payroll only in each month; and the Company shall have no obligation to collect the dues of any employee whose net pay in that payroll week, after other previously authorized deductions, is insufficient to cover the dues. However, the Company will attempt to deduct two months' dues from such employee in the next deduction period only.
- C. Dues collected by the Company pursuant to this Article shall be paid to the Union by check not later than ten days after the close of the week in which earnings are subject to deductions for dues.
- D. The Union shall hold the Company harmless for any loss on account of its performance under this Article.

ARTICLE 10 - UNION SECURITY

Section 1. Provision for Negotiations - In the event, during the term of this Agreement, it is determined by a change in the Iowa State Law or by the District Court of Des Moines County, Iowa, or the Iowa State Supreme Court, or the United States District Court of the State of Iowa, and no timely appeal is taken or pending, that a Union Shop or Agency Shop is legal at the Iowa Army Ammunition Plant with respect to the Company's operations, then within 31 calendar days after such decision becomes final the Company agrees to negotiate with the Union as to a Union Shop or Agency Shop becoming a condition of continued employment for all employees covered by this Agreement having then been employed 30 calendar days or longer. During the period of the aforementioned negotiations, the provisions of Article 6, Section 1, of this Agreement will not be applicable.

Section 2. Notification of Employees - Each employee who is affected by the provisions of this Article will be promptly informed by the Company regarding its requirements.

Section 3. When a job opening occurs within any craft, other than an opening to be filled by recall, the Company will notify the chief union steward or business agent of the respective craft, who may then refer candidates. The Company is not required to hire any such applicant referred, but will give fair consideration to any such applicant.

ARTICLE 11 - WORK TASK ASSIGNMENT

Section 1. Assignment of Work Tasks - Recognizing that the various Union work task assignment claims are competing and, as such, necessarily overlap, the Company will administer this provision in a manner consistent with the provisions of this Agreement. Job assignments of work tasks usually performed by employees in this bargaining unit at this Plant will be maintained for the term of this Agreement, subject to the provisions of this Article.

Section 2. If a question of work task assignment exists in connection with a job assignment, the Union may protest the Company's action through the formal grievance procedure. In any step of the grievance procedure, any other Union(s) may enter the proceedings in its own interest and will be recognized by the parties hereto as a participant; provided that in exercising this prerogative, such participant agrees to be bound by the decision reached under the grievance procedure. In the event any such grievance reaches arbitration, the expense of the arbitrator will be borne as stated in Article 29 of this Agreement.

Section 3. Continuation of Work

- A. There will be no refusal by an employee to perform any work that may be assigned on the basis that a question of work task assignment exists.
- B. There will be no strike, work stoppage, or slow down on the basis that a question of work task assignment exists.

Section 4. Supervisory or other salaried exempt, nonbargaining unit employees shall not be permitted to perform bargaining unit work tasks except in the following types of situations:

- A. In emergencies - For the purpose of this Article, an emergency shall be fire, explosion, flood, hurricane, storm, line rupture, power failure or any other conditions which endanger life or property, national emergency and directives given by the Government to the Company. Written confirmation given to the Company from the Government will be provided to the Union.
- B. In experimental work which requires special techniques and knowledge and for which bargaining unit employees are not qualified.
- C. In the instruction of employees.
- D. In the performance of necessary work when production difficulties are encountered on the job. Production difficulties mean those difficulties requiring supervisory assistance to determine the cause or to prevent shutdown.
- E. In the performance of a needed work task which requires no more than thirty (30) minutes time.

Section 5. Incidental Duties

- A. Excluding leadpersons, when an employee is assigned and working on a job, he will be permitted to perform those duties of another classification in another bargaining unit or in an hourly-rated, nonbargaining unit classification which he is capable of performing except that the time spent in such activities will not exceed 30% of any workday. Incidental duties will not be assigned as a job assignment; unless the required craft is unavailable due to unforeseen events and will jeopardize operations or productions normal process. At no time shall an employee be assigned duties which he has neither the knowledge nor skill to accomplish or which would compromise his personal safety or the safety of others.
- B. Excluding leadpersons, likewise, when an employee in another bargaining unit or in an hourly-rated, nonbargaining unit classification is working on a job, he will be permitted to perform those duties of a classification in this bargaining unit which he is capable of performing except that the time

spent in such activities will not exceed 30% of any workday. Incidental duties will not be assigned as a job assignment; unless the required craft is unavailable due to unforeseen events and will jeopardize operations or productions normal process. At no time shall an employee be assigned duties which he has neither the knowledge nor skill to accomplish, or which would compromise his personal safety or the safety of others.

- C. Any assignment of incidental duties will not result in a change in classification or hourly rate for the employee assigned such incidental duties.
- D. Incidental duties are duties that shall occur by chance in connection with another job task. These duties are liable to happen as a result of another craft activity or task.

Section 6. Demilitarization Disposal - Any classification of employees may perform demilitarization functions falling within their scope of work if they are qualified to safely and efficiently perform this work.

Section 7. Total Productive Maintenance (TPM)

- A. Production operators and other hourly-rated employees outside this bargaining unit may assist employees in this bargaining unit in repair work when they are waiting for machinery/equipment to be repaired. Production operators and other hourly-rated employees outside this bargaining unit may keep their equipment clean and lubricated. Production operators and other hourly-rated employees outside this bargaining unit may do minor repairs which can be accomplished with simple hand tools such as a screwdriver, pliers, or wrench.
- B. Production operators and other hourly-rated employees outside this bargaining unit performing these functions will be trained as necessary.
- C. No reduction in employees in this bargaining unit will occur as a result of this program.

Section 8. Any employee of this Plant, bargaining unit or nonbargaining unit, including a supervisor, who uses a motor vehicle on or off the Plant may, while operating such motor vehicle, transport persons working with or under the supervision of such employee and transport and deliver papers, parts, tools, supplies, materials, equipment, or other objects used in connection with work tasks performed by such employee or employees working with or under the supervision of such employee.

Section 9. Except for unusual circumstances employees will take their morning and afternoon breaks on the line where they are doing their work at the time of the break.

ARTICLE 12 - HOURS OF WORK

Section 1. Days of Work - Days of work will normally be as follows unless changed by the Company. The Company, unless an unexpected situation develops which requires expediency, will notify the union of the proposed changes and meet with the union to discuss such changes:

- A. On a five-day schedule per week, the days worked will normally be Monday through Friday.
- B. On a six-day schedule per week, the days worked will normally be Monday through Saturday.
- C. On a four-day per week, the days worked will normally be four consecutive days, Monday through Friday.
- D. Alternate Schedule
 1. An alternate schedule will consist of a consecutive four-day schedule during the days of Wednesday through Sunday. There will be no Sunday premium.
 2. Current employees will be offered the opportunity for the alternate schedule, prior to the hiring of any new employee. However, no current employee will be forced to the alternate schedule. Employees hired after September 7, 1993, may be forced to work this alternate schedule.

3. Current employees on layoff in recall status will be offered the alternate schedule, prior to the hiring of any new employee. Current employees on layoff in recall status will not forfeit their recall rights should they refuse the alternate schedule.
 4. New employees will be hired to fill openings not covered by the above procedures. Employees on the alternate schedule will be offered the opportunity to transfer to the regular schedule prior to the hiring of additional employees.
- E. On a three day scheduled work week, the days involved will normally be three (3) consecutive days where employees will work twelve (12) hours per day. Employees will be paid 40 hours at their regular rate for working these 36 hours.

Section 2. Shift Work - When the Company assigns any employee, or group of employees, to work on a uniform rotating shift basis, the shift such employees are required to work will not be changed more frequently than once every four weeks in order to conform to the uniform rotating shift.

Section 3. Days off in the Workweek - The Company agrees to have the workdays run consecutively and to allow employees two consecutive days off in the workweek. Any work performed on a scheduled day off will be paid for in conformance with Article 13 , Section 6. Employees will be advised of their days off not later than two days prior to the beginning of each pay period. Any employee covered under the terms of this Agreement who is required to work on his scheduled day off, will not be required to take another day off in that workweek in lieu thereof. However, when it is necessary for the Company to schedule specific operations on a 21-shift-per-week basis, the employee will have two consecutive days off. Further, should the Company's operations require an employee(s) to work a six or seven-day workweek, the provisions for two consecutive days off in the workweek, as stated elsewhere in this Section, would not apply.

Section 4. Assignment of Overtime:

1. When overtime work is required, the employee(s) assigned to the work or to the line will be assigned the overtime.
2. If there are insufficient volunteers from the line or area, qualified volunteers will be solicited from the entire seniority group. If this does not result in sufficient qualified volunteers, the least senior qualified employee or employees will be assigned to work such overtime.
3. If, by mistake, an employee is not assigned overtime work, the employee will not be paid for such missed assignment but will be given the next available overtime assignment for the employee's line or area.
4. An employee will be excused from a mandatory overtime assignment only for some compelling personal or family reason satisfactory to the Company.

Section 5. Certification - When the duties of a job assignment require employees who have been certified for that work, overtime will be distributed in accordance with the overtime provisions to those employees with training/certification at the time extra work occurs.

Section 6. In making the record of hours worked each day by each employee required by law, the Company may select the method of record keeping, which may include the use of electronic devices.

ARTICLE 13 - WAGES AND PREMIUM PAYMENTS

Section 1. Hourly Rates - The job classifications that will be applicable and the hourly rates at which employees will work and be paid during the period of this Agreement are as reflected in Article 32, Section 1 hereof.

Section 2. Shift Differential - A minimum shift differential of 30 cents per hour will be paid to employees for all work performed on shifts other than the day shift. A shift other than a day shift occurs

when the majority of an employee's regularly scheduled shift hours are outside of 6:00 a.m. to 6:00 p.m. All leadpersons will receive the same shift differential.

Section 3. Temporary Higher or Lower Rated Job - If an employee is assigned to a lower rated job, he will receive his regular rate of pay for the hours worked in the lower rated job. If an employee is assigned to a higher rated job, he will receive the higher rate of pay for the hours worked in the higher rated job.

Section 4. Non-Pyramiding of Premiums - When hours of work requiring premium pay under any Article of this Agreement coincide, only one premium will be paid, and that will be the highest.

Section 5. Rates for Different Types of Work - In the event an employee works at two or more different types of work in one workweek for which he receives different hourly rates, overtime pay will be based on the hourly rate in effect during the overtime hours.

Section 6. Premium Pay

A. Extended Work in a Workday or a Workweek

1. Employees scheduled to work eight hours in a workday will be paid 1.5 times their pay rate for all hours worked in excess of eight in a workday or eight in one continuous period or 40 in a workweek, subject to the limitations of Section 4 of this Article.
2. Employees scheduled to work ten hours in a workday will be paid 1.5 times their pay rate for all hours worked in excess of ten in a workday or ten in one continuous period or 40 in a workweek for four ten-hour workdays in a workweek, subject to the limitations of Section 4 of this Article.
3. When an employee receives pay for a holiday not worked as provided in Article 20 of this Agreement, such holiday or all hours paid will be considered as time worked for purposes of calculating overtime in excess of 40 hours in a workweek. However, when an

employee is scheduled to work a four-day week and the holiday falls on his scheduled day off, the foregoing will not apply. This paragraph will not be applicable in the event the Government interferes with the Company's regular work schedules during a particular week. Written confirmation given to Company will be provided to the Union.

- B. **Sunday Work** – An employee will be paid two times his pay rate for all hours worked on Sunday, subject to the limitations of Section 4 of this Article.
- C. **21-Shift Schedule** - Employees who are assigned to work on a uniform rotating shift covering 21 shifts per week shall be paid 1½ times their pay rate for all hours worked on Saturday and Sunday, subject to the limitations of Section 4 of this Article.
- D. **Holiday Work**
 - 1. For work performed on a holiday listed in Article 20, Sections 1 and 2, or a day recognized in lieu thereof, an employee will be paid 1½ times his regular pay rate for all hours worked on the holiday, such payment being in addition to the eight hours allowed at his pay rate as specified in Article 20, Section 4.
 - 2. Employees who are assigned to work on a uniform rotating shift covering 21 shifts per week shall be paid their pay rate for all hours worked on a holiday, such payment being in addition to the eight hours allowed at his pay rate as specified in Article 20, Section 4.
- E. **Rescheduling** - The Company will not intentionally reschedule an employee to avoid the payment of overtime.

ARTICLE 14 - REPORTING TIME AND IRREGULAR ASSIGNMENTS

Section 1. Report Guarantee - Employees reporting for work at their regular starting time, unless previously notified not to report, may at the option of the proper supervisory authority be required to (a) stand by, (b) perform any service in their regular line of work, or

(c) be released. If released, employees assigned to a five eight-hour day schedule will be paid four hours pay at their pay rate or such premium rate as is applicable for the day involved; employees assigned to a four ten-hour day schedule will be paid five hours pay at their pay rate or such premium rate as is applicable for the day involved. If an employee works more than five hours but less than ten hours on a ten-hour schedule, he will receive a minimum of ten hours pay at his pay rate or such premium rate as is applicable for the day involved. If an employee works more than four hours but less than eight hours on an eight-hour schedule, he will receive a minimum of eight hours pay at his pay rate or such premium rate as is applicable for the day involved. If an employee works more than five hours but less than ten hours on a ten-hour schedule, he will receive a minimum of ten hours' pay at his pay rate or such premium rate as is applicable for the day involved. However, if an employee requests and is granted permission to leave the job or leaves per Voluntary Company Convenience prior to the completion of the shift, he will be paid only for the hours worked.

Section 2. Act of God – In case of an Act of God, the Company will cancel work at least two (2) hours prior to the start of a shift via area radio stations. If the Company is successful in meeting this two (2) hour requirement, no one will be paid report pay should they arrive at work. In cases where the Company is unable to provide this two (2) hour notice, persons that show up for work will be paid a minimum of two (2) hours. That two (2) hours will be considered “show-up pay.”

Section 3. Call-in Guarantee

- A. Any employee reporting for work on "call-in," as that term is defined in Article 5, will receive a minimum of five hours' pay at 1½ times his pay rate. Pay for work performed after the five-hour period stated above will be computed at the rate specified in this Agreement for the day and circumstance involved. In the event that the call-in period continues into the employee's regular shift, payment will be made at the rate of 1½ times the employee's pay rate for the first five hours worked, straight time for the remainder of his regular shift, and 1½ times his pay rate for all hours worked beyond

his regular shift. Only those hours actually worked will be counted in determining overtime pay. Refusal to perform any work in his classification that may be assigned will forfeit all claim to payment of wages, except for such actual time the employee worked, and that time will be computed at the rate specified in this Agreement for the day involved.

- B. If an employee is notified to report for work at a given time by the end of his regular shift, the “call-in” provision of this Section 2A will not apply. In such instance, the minimum pay provision of Section 1 of this Article will be applicable.

Section 4. Emergency Work Assignments - An employee will perform any assigned work not covered by his regular job classification under the following conditions:

- A. The provisions of the Company's Disaster Plan or IAAAP War Emergency Plan are in effect.
- B. The immediate services of an employee are needed and requested to render assistance in the event of any accident involving personal injury or property damage, or complying with requests of the Government.
- C. Work assignments under this Section will not be made for periods longer than required to best serve the welfare of employees involved or until such time as the company is able to secure appropriate personnel to replace those performing the work temporarily.

ARTICLE 15 - PAYDAYS

Section 1. Payment Schedule - Wages will be paid bi-weekly (every other week), not later than five calendar days after the end of the payroll period in which the wages were earned. When a regular payday falls on a holiday or nonscheduled workday, wages will be paid on the preceding workday.

Section 2. Termination Payment - An employee whose services with the Company is terminated will be paid in full the next regular payday for the time worked. Pay for unused accrued vacation

and unused sick or STD bank per the policy will be paid the following payday after the employee receives his final check for wages.

Section 3. Notification of Business Representative - Should a situation arise wherein the Company would be unable to comply with its intended practice, the proper Union Business Representative will be notified accordingly.

Section 4. Retroactive Pay - Should retroactive pay become due a former employee, the Company will forward the former employee's check by certified mail to the last known address as reflected on Company records. Should the letter be returned unclaimed, the Company will notify the appropriate Union Business Representative who will assist in attempting to locate the former employee. If, after 60 calendar days from the date of such notification, neither party has been able to effect delivery of monies due, the Company will be relieved of further efforts and liability for payment, subject to applicable Federal or State laws as are then in effect or may later become effective. This provision will not apply if the affected former employee is in the service of the Armed Forces of the United States of America.

Section 5. When the employee returns to work after being on a leave of absence where insurance premiums have gone unpaid for the employee, the Company will allow the employee to reimburse the Company for any unpaid premiums through future payroll deductions provided the employee requests a payment plan before the payment is withheld. In the event the employee does not make a request for a payment plan, the total amount will be taken from the employee's first payroll check. The reimbursement plan will allow the employee to receive the employee's first paycheck with normal insurance deductions. The paychecks following will deduct the normal insurance deductions as well as an equal amount for reimbursing the Company for the advanced insurance premiums. Should the employee terminate employment prior to reimbursing premiums that are due, the Company will be entitled to take all remaining monies owed out of any remaining paycheck(s) and/or request that payment be made in full.

ARTICLE 16 - WORKER'S COMPENSATION AND SOCIAL SECURITY

Section 1. Compliance With Law - The Company will comply with applicable Federal and State laws relative to worker's compensation, unemployment compensation, and social security.

ARTICLE 17 - VACATION AND SICK LEAVE POLICIES

Beginning January 1 of each year, each employee who has satisfactorily completed the probationary period will accrue vacation each week (a) during which the employee works at least one full scheduled workday, (b) during which the employee is on vacation, including holiday pay, bereavement pay, jury duty pay and annual two-week National Guard or Reserve Training, or (c) during which the employee is on temporary layoff of fourteen (14) calendar days or less, as follows:

- A. 1.538 hours for an employee with less than 9 years continuous employment at the Plant. Upon satisfactory completion of the probationary period, a new hire will have accrued hours from date of hire. *(Can accrue up to a maximum of 80 hours for 52 weeks)*
- B. 2.307 hours for an employee with 9 but less than 15 years of continuous employment at the Plant. *(Can accrue up to a maximum of 120 hours for 52 weeks)*
- C. 3.077 hours for an employee with 15 or more years of continuous employment at the Plant. *(Can accrue up to a maximum of 160 hours for 52 weeks)*

Section 2. If the employee's continuous employment reaches the next category during the calendar year, the employee's accrual for the entire year will be in accordance with such category.

Section 3. **Vacation Bank**

- A. It is recognized that an employee may within each calendar year have need to use vacation even though the employee has not yet accrued sufficient vacation for such need. To resolve this concern, each employee who has successfully completed the probationary period will, at the beginning of each calendar year beginning January 1, 2020, have a vacation bank credit in the amount of the total of such hours which the employee is expected to accrue in 52 weeks of credited service within the year.
- B. Upon completion of the probationary period, an employee will, in addition to accrued vacation which the employee will receive upon successful completion of the probationary period, be granted a vacation bank credit in an amount of the total of such hours which such employee will be expected to accrue during the remainder of the calendar year. A probationary employee will have no bank credit vacation and can use no vacation until the successful completion of the probationary period.
- C. The employee may draw on this bank only for personal vacation taken during the calendar year for which the bank credit is granted. Should the employee be separated from employment before the employee's accrual of vacation is sufficient to cover the hours borrowed from the employees unaccrued usage, the employee shall be required to make payment for such deficiency from the employee's last paycheck, if required by the Company.
- D. In the event an employee had not taken or donated all of his accrued PTO by June 30, 2014, such PTO hours were placed in a Special Company PTO Bank ("Special PTO Bank") which is kept in safe keeping by the Company until the employee terminates his employment with the Company. At such time, the employee will be paid the value of his

Special PTO Bank. The Company reserves the right to pay the employee the value of his Special PTO Bank at any time prior to termination or extend the period of time to allow an employee to use his PTO hours in his Special PTO Bank.

- E. Employees currently with twenty years of service or those employees upon reaching twenty years of service as of December 31, 2022, will be credited with twenty (20) hours of additional vacation eligibility as of January 1 of each respective year, under subsection 3A above, for each year of the agreement in which they have at least twenty(20) years of service.

Section 4. An employee may take vacation, including bank credited hours, at any time in increments of one-half ($\frac{1}{2}$) hour or more for any reason, provided the employee obtains prior approval for such vacation. An employee must make such request to his or her supervisor or designated alternate for approval no later than the day before in which the vacation is requested. In the event of a denial, the employee may also seek approval from the next level of management.

Section 5. Employees can use up to four (4) same day notification vacation days per year. An employee must notify his supervisor or designated alternate no less than one hour before the employee is to report to work. The line/department will establish and post the method of notification. If the employee does not give timely notification as required in this section, the employee will receive a letter of counsel prior to being subject to the disciplinary policy.

Section 6. An employee will be allowed to carry over to the following calendar year any unused vacation from the current calendar year up to 100% of current annual accrual plus 120 hours. An employee who reaches 100% of current annual accrual plus 120 hours will not accrue any further vacation hours, the provisions of Section 1 notwithstanding.

Section 7. Upon separation from employment by termination, resignation, retirement, or death, the employee or the employee's estate will be paid for all remaining accrued hours of vacation. This will not include any vacation except that which has been accrued and not used.

Section 8. An employee may, at the employee's discretion, donate accrued, but not bank credited, hours of vacation to the credit of another employee at the Plant in accordance with established donated time policy.

Section 9. Employees who qualify for a short term disability claim may reserve the last 40 hours of his/her vacation bank. The last 40 hours of an employee's vacation bank will be applied as currently done against approved FMLA unless the employee notifies the company prior to 12:00 pm (noon) on Monday before payroll is processed for the applicable work period that the employee's vacation bank is not to be reduced.

Section 10. A probationary employee may not use/take vacation/sick time until the successful completion of the probationary period unless granted at the discretion of the Company.

SICK LEAVE

Section 1. As of January 1, of each year, each employee who has satisfactorily completed their probationary period will be awarded 40 hours sick pay for each calendar year. For the year in which an employee completes his probationary period prior to January 1, the number of sick pay hours for the remainder of that year shall be based upon the quarter of the year in which the employee was hired. (If hired in May and the employee's probation is completed in July, the employee would receive 30 hours of sick pay leave.)

Section 2. APPLICATION FOR USE:

- A. An employee must take sick leave pay at any time in increments of one-half hour (1/2) to receive such leave pay.

An employee must notify his or her supervisor or designated alternate just as soon as this reasonably can be done, but no later than one-half (1/2) hour before the time the employee is to report for work. The line/department will establish and post the method of notification. An employee will receive his sick pay, if available, if the employee does not give timely notification as required in this section, the employee will receive a letter of counsel prior to being subject to the disciplinary policy.

- B. For the purposes of this Article, when an employee misses work (except for Company Convenience or non-scheduled work days), the employee will be required to take any unused sick time or accrued vacation time.

Section 3. UNUSED ALLOCATED SICK PAY: Except for the limitation noted in Section 4, any unused designated sick pay as of December 31 of each respective year, will be rolled over into a special short term disability (STD) bank which can be used by the employee (a) during a STD waiting period and/or (b) added to the employee's STD pay while on STD which would allow an employee to receive up to 100% of the employee's regular forty (40) hours of compensation while on STD.

Section 4. LIMITATION TO ROLLOVER OF SICK LEAVE PAY: As noted herein above, an employee will be entitled to rollover any unused allocated sick leave pay into his/her STD bank. The STD bank, however, is limited to 120 hours and may not be increased over and above such amount.

Section 5. Upon separation from employment by termination, resignation, retirement or death, the employee or the employee's estate will be eligible to receive a maximum of 40 hours of the unused sick leave pay or prior sick leave hours in an employee's STD bank. In regard to payment of unused sick leave, payment is limited to 10 hours for each quarter worked. For example, if an employee works until June 20th and has already taken 20 hours sick leave, the employee would not be entitled to additional payment of unused sick leave since the employee only worked two quarters

ARTICLE 18 - BEREAVEMENT LEAVE

Section 1. **Application for Benefits** - Upon a properly supported application, an employee will be paid Bereavement Leave for eight hours when scheduled eight hours, Bereavement Leave will be paid ten hours when scheduled ten hours, and Bereavement Leave will be paid twelve hours when scheduled twelve hours for scheduled workdays lost, not to exceed three, for a member of his immediate family, and for reasonable travel time for lengthy distances before and/or after the funeral, notwithstanding the foregoing, the application of this benefit will in no case generate in any one workweek more than the number of hours in the Company's established workweek in effect for the employee involved during the time Bereavement Leave is taken. For the purpose of this Article, the term "immediate family" shall mean the employee's husband, wife, son, stepson, foster son, son-in-law, daughter, stepdaughter, foster daughter, daughter-in-law, father, stepfather, foster father, father-in-law, mother, stepmother, foster mother, mother-in-law, brother, half-brother, stepbrother, brother-in-law, sister, half-sister, stepsister, sister-in-law, grandparent, grandparent-in-law, step-grandparent, domestic partner (as defined by the company), grandchild, and step-grandchild. No employee will receive bereavement pay and holiday pay for the same day.

Section 2. **Notification** - An employee shall notify his supervisor of the death of the member of his immediate family during his regular shift on the first day that he is absent.

Section 3. **Extended Travel** – In the event an employee is required to travel from the employee's home address per the HR record which is over 500 miles to a funeral, the employee will be entitled to an additional paid workday.

ARTICLE 19 - JURY LEAVE

Section 1. In the event an employee is called to serve as a juror, the Company will pay the employee for his scheduled work hours lost due to examination, selection, subpoena as a witness, and/or actual

service on a jury. Jury duty will be paid eight hours when scheduled eight hours, it will be paid ten hours when scheduled ten hours, and it will be paid twelve hours when scheduled twelve hours. Payments made by the Company to an employee under this provision shall not exceed the equivalent of eight (8) hours if scheduled eight (8) hours or ten (10) hours if scheduled ten (10) hours or forty (40) hours in one workweek when scheduled to work eight (8) or ten (10) hour shifts, nor shall it exceed the equivalent of twelve (12) hours if scheduled twelve (12) hours or thirty-six (36) hours in one workweek when scheduled to work twelve (12) hour shifts less the amount the employee is paid for his jury duties. No employee will receive Jury Pay and Holiday Pay for the same day.

Section 2. If an employee assigned to a day shift is released from jury service at or before half of their shift, he will be required to return to work and complete the remainder of his shift. If released after half of their shift, the employee will not be required to return to work and will be compensated for the eight, ten or twelve hour period as provided above. Also, a day shift employee will not be required to report for duty at his regular starting time if the jury is convened at or prior to 10:00 a.m.

Section 3. The Company will continue the practice of accommodating night shift employees on a case-by-case basis. However, if an employee is required to be on jury duty for over 5 hours, they will not be required to report to work that night. If they are required to report to jury duty the next day they will be allowed to leave at the half-way point of their shift.

ARTICLE 20 - HOLIDAY LEAVE

Section 1. **Designated Holidays** - The following are designated as holidays during the term of this Agreement:

New Year's Day
Memorial Day
Independence Day
Labor Day

Veterans Day
Thanksgiving Day
Day before Christmas Day
Christmas Day

Section 2. Floating Holidays - The Company will each calendar year designate two holidays in addition to the eight holidays listed. These holidays will be referred to as “floating holidays.” The Company may designate such “floating holidays” for specific dates within the calendar year, or the Company may designate one or both of such “floating holidays” as a personal holiday to be taken by the employee on the date of the employee’s choosing provided the employee schedules such holiday with the employee’s supervisor at least 30 calendar days in advance.

Section 3. Days Observed as Holidays - Holidays will be observed and treated accordingly under the provisions of this Agreement, on the officially designated calendar date, except as provided below:

- A. Holidays which fall on Saturday will be observed on the preceding Friday.
- B. Holidays which fall on Sunday will be observed on the following Monday.
- C. In the event two successive holidays fall on Sunday and Monday, the Sunday holiday will be observed on the preceding Friday.
- D. In the event two successive holidays fall on Friday and Saturday, the Saturday holiday will be observed on the following Monday.
- E. If the Company wishes to deviate from the current contract language for “Days Observed as Holidays” so as to better utilize the plant and to provide a better sequence of days off that is mutually beneficial to both the Company and its employees, the Company will contact the Union. The Company and the Union will then discuss the proposed change and attempt to reach an agreement that is mutually acceptable. If an agreement cannot be reached, the current language of Article 20 Section 3 Items A – D will be applicable.

Section 4. **Eligibility** - To be eligible for pay for a holiday not worked, an employee must meet one of the following conditions:

- A. Have worked the scheduled day before and after or the holiday, if scheduled to work the holiday.
- B. Be on layoff.
- C. Have been terminated from employment without prejudice during the workweek in which the holiday falls; or, in case of a holiday which falls on Sunday and is observed on the Monday following, have been terminated during the previous workweek.
- D. Be on approved sick leave provided that no employee will receive benefits under the sick leave provisions of this Agreement and holiday pay for the same day.
- E. Be on approved vacation under the provisions of Article 17; provided that no employee will receive benefits under vacation provisions of this Agreement and holiday pay for the same day.
- F. Absent on account of occupational illness or injury provided that no employee will receive benefits under the provisions of Article 16 (Worker's Compensation and Social Security) of this Agreement and holiday pay for the same day.
- G. Serving on a jury.

Section 5. **Holiday Pay** - For employees assigned to a five eight-hour day schedule, holidays will be paid eight hours. For employees assigned to a four ten-hour day schedule, holidays will be paid ten hours. Hours observed outside of the four ten-hour days will be paid eight hours. Employees who qualify under the provisions of Section 4 of this Article will be paid their hours assigned at their pay rate, exclusive of shift premium for each of the designated holidays not worked.

Section 6. **Exclusions**

- A. Employees who are scheduled to work on a holiday or day recognized as a holiday and are absent from work on that day for any reason other than those set forth in Section 4 above, unless the absence is authorized by the employee's appropriate supervisor, will not receive holiday pay for that day. Employees who are on a disciplinary suspension will not be entitled to pay for a holiday occurring during such period of suspension.
- B. Pay for holiday not worked will not be granted to an employee who voluntarily terminates or is discharged for cause, prior to a holiday which occurs during the workweek in which the employee terminated.

ARTICLE 21 - LEAVE OF ABSENCE

Section 1. **Military Leave** - Employees will be eligible for military leave pursuant to the Company's military leave policy as set forth in the Company's employee policies at mydayzim.com (military leave – Section 1414). However, in as much as the Company's military leave policy either equals or exceeds federal law, the Company retains the absolute discretion to delete or modify any of the provisions which exceed federal law. The Union will be notified of any changes. Any employee having a question concerning the military leave policy should see the HR Manager.

Section 2. An employee who has unused accrued vacation and/or sick leave hours (excluding STD Bank), must use such before any consideration will be given for unpaid leave except under Section 1 above. Except for Family and Medical Leave and leave because of extended temporary disability, unpaid leave will be granted only for urgent personal reasons and after approval in accordance with Human Resources Practices. Ordinarily, such leave will not be for more than one (1) week, but such leave may be extended to as much as 30 calendar days for good cause.

ARTICLE 22 - GROUP LIFE, HOSPITALIZATION, MEDICAL AND SURGICAL BENEFITS

A. All Benefits (Group Life, Hospitalization, Medical and Surgical Benefits) and premium rates as of January 1, 2019 shall remain in effect through December 31, 2019

B. Effective January 1, 2020

Section 1. Each employee may participate in the group, life, hospitalization, medical and surgical, vision, dental, and parental plan made available by the Company. The details of each plan and premiums to be paid by the employee are set forth by the Company and/or in the plan booklets provided to each employee during open enrollment or when an employee begins his employment with the Company. Employees may participate in the insurance programs under the following terms:

A. Medical Plan Premium Contributions

| <u>Medical Plan</u> | <u>Tier</u> | <u>2019 Rates Semi-Monthly</u> | <u>2020 Rates Semi-Monthly</u> | <u>2021 & 2022</u> |
|------------------------------------|---------------|------------------------------------|------------------------------------|------------------------|
| <u>Bronze Choice Care</u> | <u>EE</u> | <u>\$35.23</u> | <u>\$28.60</u> | <u>TBD*</u> |
| | <u>EE+1</u> | <u>\$73.63</u> | <u>\$60.65</u> | |
| | <u>Family</u> | <u>\$101.82</u> | <u>\$81.90</u> | |
| <u>Bronze Plus Choice Care</u> | <u>EE</u> | <u>\$49.62</u> | <u>\$49.20</u> | <u>TBD*</u> |
| | <u>EE+1</u> | <u>\$103.70</u> | <u>\$103.70</u> | |
| | <u>Family</u> | <u>\$143.40</u> | <u>\$141.40</u> | |
| <u>Silver PPO</u> | <u>EE</u> | <u>\$102.50</u> | <u>\$95.66</u> | <u>TBD*</u> |
| | <u>EE+1</u> | <u>\$214.22</u> | <u>\$200.45</u> | |
| | <u>Family</u> | <u>\$296.22</u> | <u>\$259.67</u> | |
| <u>Gold PPO</u> | <u>EE</u> | <u>\$111.70</u> | <u>\$123.53</u> | <u>TBD*</u> |
| | <u>EE+1</u> | <u>\$233.45</u> | <u>\$257.99</u> | |
| | <u>Family</u> | <u>\$322.80</u> | <u>\$342.35</u> | |

Note: The Day & Zimmermann Corporate insurance rates at the lowest salary tier, currently \$75,000, will be used for the rates for all bargaining unit employees. These rates are based off the recommendations of Trion.

The medical plan premium contributions to be made by an employee is noted above. **No employee will be required to pay more than the amount set forth in the below chart** for the plan in the year in which this limitation is applicable. Example: Assume the Bronze Plus family plan premium for AO employees is increased by the Company to a rate of \$160 in 2021. The chart sets the limitation for Bronze Plus family at \$152.71. The employee would pay \$152.71 and not the \$160 set by Trion for the Company.

NOT GREATER THAN

| <u>Semi-Monthly Limitation Premium Chart</u> | | | |
|--|---------------|-----------------|-----------------|
| <u>Medical Plan</u> | <u>Tier</u> | <u>2021</u> | <u>2022</u> |
| <u>Bronze Choice Care</u> | <u>EE</u> | <u>\$30.89</u> | <u>\$33.36</u> |
| | <u>EE+1</u> | <u>\$65.50</u> | <u>\$70.74</u> |
| | <u>Family</u> | <u>\$88.45</u> | <u>\$95.53</u> |
| <u>Bronze Plus Choice Care</u> | <u>EE</u> | <u>\$53.14</u> | <u>\$57.39</u> |
| | <u>EE+1</u> | <u>\$112.00</u> | <u>\$120.96</u> |
| | <u>Family</u> | <u>\$152.71</u> | <u>\$164.93</u> |
| <u>Silver PPO</u> | <u>EE</u> | <u>\$103.31</u> | <u>\$111.58</u> |
| | <u>EE+1</u> | <u>\$216.49</u> | <u>\$233.80</u> |
| | <u>Family</u> | <u>\$280.44</u> | <u>\$302.88</u> |
| <u>Gold PPO</u> | <u>EE</u> | <u>\$133.41</u> | <u>\$144.09</u> |
| | <u>EE+1</u> | <u>\$278.63</u> | <u>\$300.92</u> |
| | <u>Family</u> | <u>\$369.74</u> | <u>\$399.32</u> |

B. Dental Plan Premium Contributions

(Calculation Formula: Multiply monthly premium as determined by the Company by the percentage. Divide the total by 2 to determine the amount paid by the employee twice each month.)

| - | <u>2020</u> <u>Percentage</u> | <u>2021</u> <u>Percentage</u> | <u>2022</u> <u>Percentage</u> |
|--------------------------|----------------------------------|----------------------------------|----------------------------------|
| <u>Employee Only</u> | <u>50%</u> | <u>55%</u> | <u>60%</u> |
| <u>Employee +1</u> | <u>50%</u> | <u>55%</u> | <u>60%</u> |
| <u>Employee + Family</u> | <u>50%</u> | <u>55%</u> | <u>60%</u> |

C. Vision Plan Premium Contributions

Employees will continue to pay the full monthly premium cost for Vision Care.

- D. If the employee's spouse/domestic partner has insurance coverage available through another employer, and the employee chooses to cover him/her under the Company's medical plan, the employee will pay an additional \$35 per month on top of the premiums shown in the chart above.
- E. If the employee or the employee's spouse/domestic partner smoke or use tobacco products, the employee will pay an additional \$35 per month per person on top of the premiums shown in the chart above. This fee can be waived for a maximum one year period of time, until the next benefits year, if employee or spouse/domestic partner follows all applicable guidelines as set out in the Company's tobacco cessation program and certifies that they have quit smoking.

Section 2. The Company will, at its cost, provide each employee with short-term disability insurance coverage for a period not to exceed 90 days. Long-term disability insurance coverage will also be available to employees on a voluntary basis on a cost-sharing basis. The Company will pay 50% of the premium and the employee will pay 50% of the premium for Long-term disability. At all times, the plan documents shall control the terms and conditions of the plan benefits and shall supersede this Agreement in the event any conflicts exist.

Section 3. The Company will, at its cost, provide each employee with basic life and accidental death and dismemberment insurance. Optional additional life insurance on each employee and the employee's spouse will also be made available to each employee. Such insurance benefits will be set forth in a plan booklet for employees. At all times, the plan documents shall control the terms and conditions of the plan benefits and shall supersede this Agreement in the event any conflicts exist.

Section 4. The insurance carrier for the plans may be changed by the Company during the term of this Agreement.

Section 5. Additional benefits may be made available to the employees during the term of this Agreement; and, all benefits may be subsequently changed, modified or eliminated altogether at the discretion of the Company after giving notice to the union of such changes and giving the union an opportunity to discuss such changes.

Section 6. Additional benefits may be made available to the employees during the term of this Agreement and subsequently changed at the discretion of the Company.

Section 7. The Union and the Company may by mutual agreement during the term of this agreement develop alternate levels of insurance to save the employees and the Company money. A joint committee consisting of equal number of representatives from the Company and the Union will be established at the request of either party and the meeting to be agreeable between the parties.

ARTICLE 23 - PENSION/401(k)

Section 1. Freezing of Retirement Plan As to Participation and New Accruals. The Retirement Plan for Bargaining Employees at IAAP (As Amended and Restated Effective January 1, 2013), as amended (sometimes referred to in this Article as the "Plan") will be amended, consistent with any applicable requirements of the Employee Income Security Act of 1974, as amended ("ERISA"), and as more particularly described below, so as to cease all new

participation in the Plan and to cease all new accrual of, and all other increases in, benefits in the Plan effective as of the date that is 45 days after ratification of this Agreement or as of such later date as the Company shall establish by written notice to the Union (such date being referred to, in either event, as the "Freeze Date"). This amendment of the Plan as of the Freeze Date is sometimes referred in this Agreement as the "freezing of the Plan." The effect of the freezing of the Plan will result, without limitation, in the following:

- (a) Subject to the other terms of the Plan, as it is amended for the freezing of the Plan, any Participant under the Plan on the Freeze Date will be eligible to continue participation after the Freeze Date and will continue to accrue Service or "continuous service" solely for vesting purposes (i.e. determining Years of Vesting Service) as per the terms of the Plan.
- (b) No Participant will accrue after the Freeze Date any additional Accrued Benefit or any additional full or partial Years of Credited Service or other additional or increased benefits (including pre-retirement death benefits) attributable to any service (including, without limitation, "Service," as defined under the Plan) and/or age or other status that would otherwise arise or accrue after the Freeze Date, and no "applicable benefit rate," "benefit credit rate" or "benefit rate" under the Plan (including, without limitation, any such rate set forth in any Appendix to the Plan) will be recognized for any period of service or reemployment after the Freeze Date regardless of the bargaining unit or other group of employees, if any, to which any such rate may be assigned under or pursuant to the Plan. The statutory dollar maximum limitation on benefits and compensation imposed by Code Sections 415 and 401(a)(17) under the Plan shall be governed solely by such dollar limitations as in effect on the Freeze Date, and they shall not be adjusted for any reason thereafter.

- (c) All prior freezing of benefits, cessations and/or voluntary waivers of participation, in the Plan for any or all categories of Participants will remain in effect. If a Participant rejoins the Plan following a reemployment occurring after the Freeze Date, the Participant will participate in the Plan, but only under the terms of the Plan as it is amended including the freezing of the Plan that is effective as of the Freeze Date.

All capitalized terms in this Paragraph 25 will have the meaning given to them in the Plan unless the context requires otherwise.

Section 2. The Company will continue to provide a 401(k) Plan with the Company match as set forth in the plan for all active employees and as amended effective January 1, 2017. Details of the plan are available in the plan booklet.

ARTICLE 24 - FMLA

Section 1. Except for the 40 hour vacation bank withholding allowance, employees covered under FMLA, will be required to use paid leave simultaneously with any part of the 12-week period of leave. Employer-provided insurance (health, dental, and life) will continue for employees during the leave period on the same basis as if they were actively employed.

Section 2. **Intermittent Leave/Reduced** - Employees on intermittent leave or leave on a reduced leave schedule may be transferred temporarily to an available alternative position for which the employee is qualified and that better accommodates recurring leave periods than the employee's regular position. The alternate position must have equivalent pay and benefits.

ARTICLE 25 - EQUAL OPPORTUNITY

Section 1. Employment Practices - The Company and the Union agree that no person employed or seeking employment shall be

discriminated against by reason of race, religion, color, sex or national origin. Such action shall include, but not be limited to, the following: employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay, or other forms of compensation and selection for training, including apprenticeship.

Section 2. Age Provisions - No person employed or seeking employment shall be discriminated against by reason of age, except on the basis of a Bona Fide Occupational Qualification, retirement plan, or statutory requirement.

Section 3. Compliance with Laws and Regulations - The parties agree to comply with all applicable Federal laws and executive orders pertaining to nondiscrimination and equal opportunity in employment, including all orders issued by the Office of Federal Contract Compliance and any orders which are applicable to Government contract operations conducted by the Company at the Iowa Army Ammunition Plant.

Section 4. Affirmative Action Plan - The parties recognize the requirement that the Company, as a Federal government contractor, adopt an affirmative action plan which includes goals, objectives, and timetables for the recruitment, employment, training, and upgrading of minority employees, female employees, handicapped employees, disabled veterans, and veterans of the Vietnam Era employees. The contracting Union(s) agree to support the Company's Affirmative Action Plan and will assist in the achievement of established goals and objectives within the bargaining unit(s) covered by this Agreement. The contracting Union(s) will be advised of applicable goals, objectives, and timetables.

Section 5. Americans with Disabilities Act (ADA) - The Union and the Company will comply with the provisions of the Americans with Disabilities Act.

Section 6. Special Provision - The provisions of this Article will not operate to invalidate any other term or condition of this Agreement.

Section 7. Posting of Policy Statements - Copies of the Company's nondiscrimination policy shall be posted by the Company in conspicuous places available to employees and applicants for employment.

ARTICLE 26 - APPRENTICESHIP PROGRAM

Section 1. The Company may conduct an apprenticeship program which, if installed, will be consistent with the standards set by the United States Department of Labor, Bureau of Apprenticeship. The initial establishment and continuance of an apprenticeship program will be at the Company's discretion.

ARTICLE 27 - MEDICAL EXAMINATIONS

Section 1. Post-Employment Offer of Employment Examinations - A satisfactory medical examination, according to the Standards set by the Company, shall be a condition of employment, with the cost of such examination borne by the Company. No compensation will be made to the potential employee for time consumed in undergoing an examination under this section.

Section 2. Periodic Examinations - The Company will provide, at its expense, a qualified designated medical advisor who will examine employees at intervals during the term of their employment. Employees will submit to the examination as a condition of continuance of employment.

The Company will provide a drug-free workplace to all employees, and Company Administrative Practice & Procedure (AP&P) 49 provides the guidelines for ensuring we remain a drug-free workplace. If a current employee tests positive for alcohol or marijuana, and if rehabilitation is agreed upon by the employee, and if the employee has not previously violated the Company's policy on drug-

free workplace or previously tested positive for alcohol or marijuana; the Company will agree to the employee's request to enter treatment subject to the provisions of AP&P 49.

Excluding alcohol and marijuana, if the confirmed positive test is for any illegal/illicit drug or substance, including abuse of legal prescriptions, the Company will immediately suspend without pay until the employee exercises or fails to exercise their right to have a second confirmatory test conducted. Upon learning that the second confirmatory test is positive or if the employee refuses to request the second test, employment will be terminated.

Section 3. Termination Examinations - Employees will submit to physical examinations, including chest X-rays, at the Company's expense, immediately prior to termination of employment when required by the Company. Further, the Company agrees that an employee may request and receive an exit physical examination, including X-rays, if appropriate and necessary, at the Company's expense and be given a copy of the Company's physical classification rating as a result of such examination.

Section 4. Work-Related Examination

- A. If an examination reveals an employee has sustained an injury or disease that is related to his work, the Company will provide remedies required by law.
- B. If an examination reveals an employee has developed susceptibility to injurious effects from material with which he works, the employee will immediately be removed from the job involving exposure to the materials for a period as determined by the Medical Director. If such a job is available in the Unit, the employee will be assigned a job involving no exposure to similar materials. Such assignment, if made, will be subject to the seniority provisions of this Agreement and subject to the condition that the rate established for that job will be applicable during the prescribed period. Should another physical examination reveal continued susceptibility to injurious effects from exposure to those materials, the employee will

be removed permanently from the job requiring such exposure and given an appropriate physical classification rating. The affected employee will replace another similar employee having less seniority in the same job classification. If there are no other such employees in the same job classification with less seniority, the Company will endeavor to assign the affected employee to other work in another job classification in the same seniority group not involving exposure.

Section 5. Contested Examination - In addition to the specific provisions of Section 4 above, the Company's Medical Director shall in other cases determine whether or not an employee is physically able to perform the duties of an assigned job. However, any employee may, if in his opinion an injustice has been done him arising out of an examination performed by a Company physician, or a determination by the Medical Director, have himself re-examined at his expense by another physician of his choice, who after being properly informed as to the exact nature of the duties to be performed by the employee, will render a written statement as to the employee's ability to perform the assigned jobs. If no agreement can be reached between the Company's physician and the employee's physician, the question will be referred to a third physician, mutually satisfactory to the Company and the employee, who, after being properly informed as to the exact nature of the work involved and the physical condition of the employee, including a further physical examination of the employee by himself or specialist(s) selected by him, will decide the medical questions involved. Expenses incurred in connection with the services of the third physician, including fees, travel, and all other associated costs, will be shared equally by the Company and the Union. If, after settlement of all medical questions by the above procedure, the parties cannot agree as to other aspects of the case, the employee may resort to the grievance procedure, including arbitration, as provided in Article 29 of this Agreement, for final disposition.

ARTICLE 28 - SENIORITY

Section 1. Purpose - The purpose of seniority is to provide an objective and mutually agreeable standard by which certain interactions between employer and employee may be governed. Seniority provides management with a useful vehicle to objectively determine which employee has priority over other members of his seniority group when circumstances as discussed herein require his selection. Through seniority each employee has a vested right accruing as a result of his tenure within the seniority group which may be exercised to his benefit as the occasion arises.

Section 2. Scope - Seniority will be calculated as the length of continuous service with the Company in a designated seniority group. Seniority shows the relationship of one employee to all others in the same seniority group with respect to the application of this Article. The employee in the seniority group who has the longest cumulative period of service in that seniority group, no part of which has been forfeited under any terms of this Agreement or any prior Agreement, shall have the highest seniority in that seniority group.

Section 3. Seniority Accrual and Records

A. Seniority Within a Group

1. During the first 90 calendar days that an employee is employed in a seniority group, such employee shall have no seniority or seniority rights in that group. Upon completion of this period, seniority will then have accrued from the first day the individual was employed in that job classification. After an employee has performed such work as has been assigned to him for as long as 90 calendar days, he will be considered as having the ability to perform the work of the job classification he holds. However, such a determination is not considered irrevocable; and continued employment is dependent upon continued satisfactory job performance. Any contention by the Company that an employee's service is unsatisfactory

may, at the employee's option, be reviewed through the established grievance procedure, except that which is determined during his first 90 calendar days in a given seniority group. Intermittent periods of employment which are separated by a termination from the Company for any reason, except as otherwise specifically provided in this Agreement, shall not entitle an employee to accrue time toward the qualifying period of calendar days referred to in this Section.

2. Upon completion of an apprenticeship program, the individual will not be required to complete the probationary period stated above.

- B. **Seniority Groups** – An employee will be credited with seniority in the seniority group within which his particular job classification falls. The seniority group within which an individual's seniority is maintained is based on job classifications required related skills.
- C. **Seniority Lists** – Seniority lists covering present employees who have been in the Company's employ 90 calendar days or longer, will be provided by the Company, posted on the bulletin boards, and copies furnished to the Union. Revised lists will be prepared at intervals of six months. It will be the responsibility of the employee, directly or through the appropriate union representative, to protest his status with respect to any seniority list posted by the Company. However, a protest shall have no validity whatsoever if made after an employee has been terminated from the Company's payroll records unless the protest is made within the time limitations specified in the Complaint and Grievance Procedure Article of this Agreement.
- D. **Termination of Seniority** - Any of the following causes will terminate the seniority of an employee or former employee:
1. Voluntary quitting.
 2. Discharge for just cause.
 3. Failure to accept re-employment in accordance with the provisions of this Article.

4. Permanent total disability on account of occupational injury or illness.
5. Failure to resume active work with the Company within two weeks after being released from a physician's care in case of disability on account of occupational or nonoccupational injury or illness.
6. Failure to report to work for three consecutive working days without an explanation satisfactory to the Company.
7. Expiration of 30 months since date of reduction-in-force.
8. Retirement under the Pension Agreement.
9. Being on a leave of absence, STD or LTD for six (6) months. (An employee is eligible for reinstatement pursuant to the six month termination MOU attached hereto.)

E. Seniority Accounting

1. Any employee accepting an assignment outside the Unit or seniority group, including a supervisory job, but remaining in the employ of the Company at this Plant, shall retain that seniority he has accumulated in the Unit, and shall assume whatever job his seniority entitles him should he later return to the bargaining unit and/or seniority group.
2. However, in the event an employee working in a job covered by this Agreement is promoted to a supervisory mechanical position with the Company, he will retain and continue to accrue seniority in his seniority group(s).

Section 4. Layoff and Recall

A. Layoff

1. If a layoff (temporary layoff or furlough or a reduction-in-force layoff) is expected by the Company to last for no more than fourteen (14) calendar days, those employees whose work is reduced or stopped will be placed on temporary layoff (or furlough). If such

reduction or stoppage of work should extend for more than fourteen (14) calendar days, the employees temporarily laid off will be controlled by paragraph (2) below.

2. If a layoff (temporary layoff or furlough or reduction-in-force layoff) is for more than fourteen (14) calendar days, the least senior employee will be laid off, provided the remaining employees are fully qualified and are able to perform the essential functions of the remaining jobs. In some cases, an employee may not be fully qualified if the employee has not been certified to perform the job.
3. If the retention of a less senior employee is necessary for there to be sufficient employees who are fully qualified for the remaining jobs, the employee or employees placed on layoff will be the least senior of the employees who are not fully qualified to perform the remaining jobs.
4. The Company may, at its discretion, allow a more senior employee to accept layoff, but such employee must return to work in the event of a recall or forfeit seniority.

B. Recall

1. Recall of laid off employees will be in order of seniority provided the more senior employee or employees are qualified to perform the essential functions of the available job or jobs.
2. Recall will be by telephone, but if personal contact is not made, the Company will forward written notice of recall to an eligible former employee via certified mail to the address furnished to the Company by the employee. A period of three calendar days from the date of receipt of such written notice will be allowed for the former employee to reply to the Company and indicate whether or not he will accept employment. If he refuses the offer of employment, his seniority will be terminated. If he accepts the offer of employment,

he shall report to work on the date specified by the Company or within seven calendar days from the date the recall notice is mailed, whichever is later. If he fails to report for work within the limits specified above, his seniority will be terminated.

3. If an individual is ill (including pregnancy) or injured at the time of recall to the degree that he is unable to accept employment and such condition is supported by a written statement from a physician, he will not forfeit recall rights but will be continued in an eligible status for the remainder of the period set forth in this Article. An individual affected by this provision may return to work at any time prior to the expiration of the aforementioned period, provided he obtains permission of the Company's Medical Director, furnishes at least ten days' notice to the Company, and has sufficient seniority to displace a junior employee.
4. If the duration of the available work assignment is for fourteen (14) calendar days or less, the Company is not required to go through recall procedures.

C. **Work Assignments** - An employee may exercise seniority in his seniority group to determine a choice of shift, provided that a vacancy exists on the selected shift. Notice of shift vacancies will be posted on appropriate bulletin boards. Positions will be filled with the intent to maximize production efficiency and employee welfare.

D. **Temporary Employees**

1. The Company may retain temporary employees from a temporary employment agency to perform necessary work under the following circumstances:
 - a. When additional Craft Unit work is needed and an opening is not available, the Company may contact a temporary employment agency and have the agency contact individuals on the AO RIF and active recall list of that Craft Unit for purposes of working at the plant as a temporary

employee. The use of temporary employees will not cause a layoff or impede the recall of any bargaining unit employee when an opening exists as determined by the Company. The use of temporary employees will not be used for the elimination of any bargaining unit position or classification.

- b. In the event the employee accepts the temporary position, his 30 month recall right period shall be frozen while working in temporary status. The individual shall not be considered an employee of the Company and shall receive his compensation and benefits from the temporary employment agency.
- c. In the event the employee elects not to accept the temporary position, his 30 month recall right period shall continue to run.

ARTICLE 29 - COMPLAINT AND GRIEVANCE PROCEDURE

Grievances will be settled exclusively by the following procedure:

Section 1. Steps in Procedure - Consisting of three steps, the first and second steps of this procedure will be good faith efforts by both parties to settle the dispute promptly and earnestly by open discussion and negotiation. The third step will be binding arbitration.

Section 2. Initiation of Complaint - A grievance is initiated as a complaint, which may be raised by any employee or by the Union.

Section 3. Employee Initiated Complaint - A complaint initiated by an employee will be processed as follows:

- A. **Preliminary Step** - Any employee having a complaint relating to the administration of the Labor Agreement shall discuss the matter with his department head or an appropriately designated Company representative within

five working days from the date of the incident. He may request the assistance of a steward if he wishes.

- B. **Step One** - If a satisfactory disposition of the complaint is not reached within three working days through the preliminary discussion step, the employee shall reduce his complaint to writing, using the form provided by the Company for this purpose. The form shall be signed by the employee and by the steward if applicable. The employee and/or steward will forward one copy to the Personnel Department immediately upon initiation of the written complaint. The department head or designated Company representative will then have two working days to submit his answer to the employee's complaint and state his position on the matter. If the answer is accepted, the employee and steward, if applicable, shall sign the form indicating acceptance. If it is not accepted, the department head or designated Company representative shall, within two additional working days, sign the form and enter it in Step Two.
- C. **Step Two** - If the complaint is not satisfactorily disposed of in Step One, the forms will be forwarded to the Personnel Department. At a meeting to be held within 30 days of receipt of the grievance for the purpose of discussing such complaints, the matter will be reviewed by the Business Representative and appropriate steward and the Human Resources Manager or designated representative, with such other parties in attendance as are called by the principal participants. The Company and the Union shall earnestly strive to resolve the complaint in Step Two during the meeting. If the parties fail to reach agreement in Step Two and determine that the subject of the complaint is a proper subject for a grievance as that term is defined in Article 5, then the complaint shall at that time be recorded as a grievance. If the Company does not respond within seven (7) working days, the grievance is considered settled in favor of the Union provided the Union first serves on the Human Resources Manager or designated representative a

written statement that the Union intends to claim that the grievance is settled in favor of the Union and a statement of just what such settlement in favor of the Union will be and allows the Company two (2) workdays to respond in writing to the Union either accepting or rejecting the Union's proposed settlement. If the position of the Company is unacceptable to the Union, a period of seven days from the next membership meeting following the Company's response will be allowed for referral to Step Three.

- D. **Step Three** - A dispute not resolved in Step Two may be referred to arbitration by the Union or the employee within seven working days as provided above. Notice of intent to arbitrate shall be forwarded by the originating party to the Company via registered or certified mail, return receipt requested. The time of delivery of the aforementioned notice shall govern with respect to compliance with the time limitation involved. If no notice of intent to arbitrate is forwarded within the specified time limit, further processing of the grievances shall be barred.

Section 4. Union Initiated Grievance - Complaints originated by the Union will be handled as outlined in Section 3 of this Article, except that Step One will be omitted and the matter discussed initially in Step Two. The Business Representative, any officer, or properly designated steward may originate a grievance on behalf of the Union.

Section 5. Arbitration - The procedure for binding arbitration will be as follows:

- A. It shall be the responsibility of the Union to secure from the Federal Mediation and Conciliation Service a panel of arbitrators uneven in number and listing not less than five candidates. This request to the Federal Mediation and Conciliation Service shall be made in the form of a letter not later than 90 calendar days from the date of the notice of intent to arbitrate, with a copy of such letter furnished to the Company. In the event no such request has been

made at the expiration of the 90-day period specified above, further processing of the grievance will be barred.

- B. Within five calendar days from the date the panel of arbitrators is received by the Union, representatives for the Company and the Union will meet for the purpose of selecting a sole arbitrator. At the meeting the Company and the Union shall strike from the panel alternately until only one name remains and he shall be the sole arbitrator.
- C. The arbitrator shall have no right to change, modify, or amend any part of this Agreement. The decision and award of the arbitrator shall be in writing and shall be final and binding upon the parties thereto, including any award with regard to compensation for lost time. In cases of grievances involving lost time or money in connection therewith, the parties may agree to, or the arbitrator may order, reinstatement and/or back pay, but in no event shall back pay be awarded for any period of time prior to the date the grievance occurred.
- D. Fees and necessary expense of travel, food, and lodging incurred by the arbitrator will be paid by the losing party. In the event there is not a prevailing party in the arbitration cost will be shared jointly and equally by the Union, Company, and all intervening parties who become participants in the grievance.
- E. The parties may agree to employ the services of a reporter to record the proceedings of the arbitration hearing. If such is a mutual agreement, the fees and necessary expense of travel, food and lodging shall be paid jointly and equally by the Union and the Company. If only one of the parties desires the services of a reporter, this will be permitted; however, in such event, the fees and other expenses will be the sole responsibility of the party engaging the reporter. Further, in such instance, all recorded data produced in this manner will become the sole property of the party bearing the cost of the service. An arbitrator may not order the services of a reporter.

- F. Deliberations in arbitration will not exceed two calendar days. During this period, each party will be limited to eight hours for the presentation of evidence.
- G. The parties shall have seven working days to implement the arbitrator's decision or to request clarification from the arbitrator. Clarification information must be submitted to the arbitrator within 20 days of the receipt of the decision.

Section 6. Investigation of Grievance - One Union steward will be allowed up to one hour off during normal working hours without loss of normal pay to investigate a single grievance subject, with the aggrieved, but prior consent must be obtained from his immediate supervisor. For purposes of this Section, the time will be granted consistent with operating conditions, but not later than one hour prior to the end of the shift during which the request is made.

Section 7. Compensation of Witnesses - Compensation of any witness called by either party for participating in any step of a grievance, including arbitration, shall be the responsibility of the party calling that witness except that an aggrieved employee and/or his steward may attend meetings held during their normal working hours without loss of pay.

Section 8. Independent Grievance Action - Notwithstanding any other provision of this Article, any employee, at any time and in any step of this procedure, may personally present his grievance and have such grievance adjusted in a manner consistent with this Agreement without intervention of, or expense to the representing Union; but the Union will be given an opportunity to have a representative present at such adjustment.

ARTICLE 30 - SEPARABILITY OF PROVISIONS

If any provision or provisions of this Agreement are/or may become contrary to any law or any regulation having the force of law, that provision or those provisions are abrogated and the remaining provisions are not affected.

ARTICLE 31 - INCENTIVE PAID TIME OFF

Section 1. If the Company determines that there will be a plant shutdown for a period of not more than two weeks, written notice of this will be given to employees as far in advance as this reasonably can be done.

Section 2. Any employee who will be scheduled to work on any of the shutdown days will be advised of this by the employee's supervisor as soon as this reasonably can be done.

Section 3. Incentive PTO of up to forty (40) hours for use by those employees affected by a shutdown of the Plant may be earned by employees collectively meeting pre-established Company goals for the IAAAP facility which will be measured quarterly. Such goals and incentive PTO-hours will be Company-wide including the employees at this Plant.

Section 4. An employee who works any of the shutdown days will be paid his ten (10) incentive PTO hours for the day worked in 2013 and an incentive day on the day worked in 2014 and thereafter plus his regular hourly pay for hours worked.

ARTICLE 32 - CLASSIFICATIONS AND HOURLY RATES

Section 1. The hourly rate of all employees will be increased as set out below:

| Classification | 2nd PP After Ratification 2019 | FPP August 2020 | FPP August 2021 |
|------------------------------|--|------------------------|------------------------|
| Boilermaker (B6) | \$27.48 | \$28.13 | \$28.83 |
| Carpenter (C10) | \$27.48 | \$28.13 | \$28.83 |
| Ironworker (I11) | \$27.48 | \$28.13 | \$28.83 |
| Pipefitter (P5) | \$27.58 | \$28.33 | \$29.13 |
| Sheetmetal Mech. (S7) | \$27.48 | \$28.13 | \$28.83 |

A. Should a Mechanic Helper-Boilermaker be employed, the hourly rate will be 75% of the Boilermaker hourly rate.

B. Employees certified through the Company to do backflow work (currently 7 employees) will receive an additional hourly increase each year of the CBA as follows when the annual increase is given as stated above. :

2019 - \$0.25

2020 - \$0.25

2021 - \$0.25

Employees certified in HVAC skills will receive \$1.10 over and above the Pipefitter (P5) wage rate.

Non-Pyramiding of wages for those with Backflow and HVAC certifications.

| <u>YEAR</u> | <u>Effective</u> | <u>Pipefitter (P5)</u> | <u>Pipefitters with Backflow</u> | <u>Pipefitters with HVAC</u> |
|-------------|---|------------------------|----------------------------------|------------------------------|
| <u>2019</u> | <u>2nd PP After Ratification</u> | <u>\$27.58</u> | <u>\$27.83</u> | <u>\$28.68</u> |
| <u>2020</u> | <u>FPP August</u> | <u>\$28.33</u> | <u>\$28.83</u> | <u>\$29.43</u> |
| <u>2021</u> | <u>FPP August</u> | <u>\$29.13</u> | <u>\$29.88</u> | <u>\$30.23</u> |

Section 2. A new hire or transferee into a classification listed in Section 1 above will be paid at an hourly rate of 95% of the hourly rate for the classification. Upon satisfactory completion of the 90 day probationary period, the new hire or transferee will be paid 100% of the hourly rate for the classification.. The transferee into a higher pay classification will not be paid less than the rate they were making in the previous classification.

Section 3. Pay for trainees under an established apprenticeship program will be 60% of the hourly rate for the classification for the first six months, 65% for the second six months, 75% for the third six months, 80% for the fourth six months, 90% for the fifth six months, 95% for the sixth six months, and 100% of such hourly rate thereafter. They will receive the appropriate percentage of any increases to the journeyman rate.

Section 4. Should the Company determine the need for a lead person, the Company may select no more than one person from each job classification noted in Section 1 whom it determines to be the best suited for the lead person position. The hourly rate for a lead person will be a minimum of One Dollar fifty cents (\$1.50) above the employee's regular hourly rate. The lead person may be used at any location within the plant, perform any work within various maintenance job classifications during the regular scheduled 40 hour work week, applicable to the crafts signatory to this agreement and coordinate/assign work among the employees with whom the lead person works. Lead persons will not cause or be used to facilitate layoffs of craft persons.

Section 5. Off Hours On Call

- A. The Company may assign an employee to be on call during the employee's off hours in the workweek. If the employee accepts the on-call assignment, the employee will be required (1) to carry a beeper or other electronic communication device at all times during such off hours, (2) to remain within an area close enough to the Plant to respond to a call-in and return to the Plant within one hour, and (3) to remain prepared to come to the Plant and work up to a full work shift when called. In the event no employee accepts the off hours or call work, the Company will assign such work to the least senior employee in the seniority group provided such individual(s) is qualified.
- B. The off hours when an employee is on call will not be work hours, but the employee will, for the workweek when on call, receive additional pay of \$90.00 beginning the first pay period after ratification. This extra pay for the workweek will be added to the employee's regular work hours pay and, if called in to work, held over for work, or scheduled overtime during that week when on call, the employee's overtime rate will reflect such additional pay.

Section 6. Asbestos Pay –

- A. Employees who are asbestos certified will continue to receive the \$0.10 per hour additional wage, however when an employee is required to suit up and perform work involving friable asbestos or asbestos abatement the employee will receive the employees regular hourly wage plus an additional one dollar (\$1.00) for all hours spent performing this work.
- B. Employees previously certified in friable asbestos or asbestos abatement will be eligible to receive, at the Company's cost a traditional medical exam on even years beginning 2016. In the event an employee separates his employment with the company during an odd year (for instance in 2019) the employee is eligible to receive, at the Company's expense, the traditional medical exam for a certified asbestos employee, such exam being administered when the employee leaves the company. (See also Article 27 section 3)

ARTICLE 33 - COMPLETE AGREEMENT

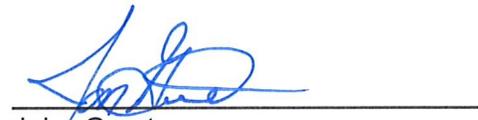
This Agreement supersedes and replaces all previous agreements, oral or written, and all proposals, counter-proposals, and discussions during negotiations for this Agreement between the Union and the Company and includes the full and complete agreement between the Union and the Company for the term of this Agreement. This Agreement becomes effective when signed by the authorized representatives of the Union and the Company and cannot be amended except by mutual agreement between the Union and the Company reduced to writing and signed by their authorized representatives.

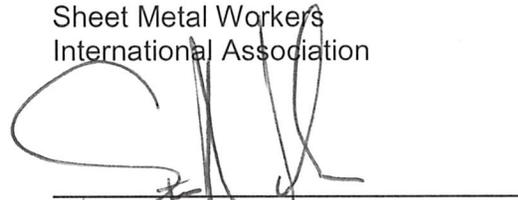
IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have caused this Agreement to be executed to become effective this 17th day of August, 2019.


John Seward,
Business Representative
Local Union No. 83,
International Brotherhood of
Boilermakers Iron Shipbuilders and
Helpers of America


Bruce Beckman,
Business Representative
Local Union No. 125,
United Association of
Journeymen and Apprentices
of the Pipefitting Industry of the
United States and Canada


Stephen L Dowell,
Business Representative
Local Union No. 577,
International Association of
Bridge Structural and Ornamental
Ironworkers


John Garst,
Business Representative
Local No. 91,
Sheet Metal Workers
International Association


Steve Nienhaus, President/
Executive Secretary-Treasurer
Local No. 1260
of the Chicago Region Council
of Carpenters


Michael Albee
Human Resources Director
American Ordnance LLC

**ADDENDUM TO
2019 COLLECTIVE BARGAINING AGREEMENT
BETWEEN**

**American Ordnance LLC (AO)
Iowa Army Ammunition Plant
Middletown, Iowa 52638**

AND

All Crafts Units

Subject: Disciplinary Actions

Minor offenses which fall within normal discipline will be handled as follows:

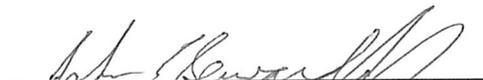
- First infraction –documented verbal warning
- Second infraction - written warning
- Third infraction –final written warning/suspension
- Fourth infraction - termination

Serious offenses such as gambling, fighting, theft, insubordination, use of drugs or alcohol, card playing on Company time, filling out another's time card, bringing contraband on to reservation, horseplay, willful disregard of safety instructions, immoral conduct, loafing or sleeping on the job, fraud, misuse of Government property, environmental disregard, and willful disregard of a security procedure may result in suspension or termination for a first offense.

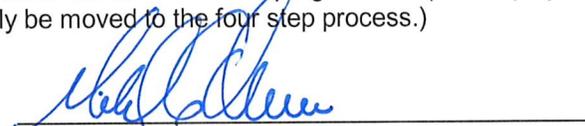
This is not a complete list of serious offenses. Other infractions will be dealt with according to the seriousness of the offense.

The document in and of itself will not be subject to the grievance procedure, but action taken is subject to the grievance procedure. Disciplinary actions which are over 18 months old will not be used in determining which numbered infraction that individual is at.

A letter of counsel can be issued at the discretion of the company but is not required to be issued prior to a disciplinary action nor does it initiate the disciplinary process as an automatic progression. (An employee could have multiple letters of counsel and not automatically be moved to the four step process.)



John Seward



Michael Allbee
Human Resource Director
American Ordnance LLC



Bruce Beckman



Stephen Dowell



Steve Nienhaus



John Garst

MEMORANDUM OF UNDERSTANDING

Six Month Termination

The Company may remove an employee from the active payroll (termination) after six months absence for medical reasons; subject to reinstatement as set out hereinbelow:

An employee on extended medical absence will continue to accrue seniority for 30 months following the last day of active work.

An employee separated from the active payroll must apply for reinstatement within two weeks after being released to return to work; otherwise the employee waives reinstatement rights. The employee must, within that period, present a physician's release to work certification to the Company. The physician's certification must set out any limitations or accommodations requested. The employee must be released to perform the full duties of the job or, if the employee meets the definition of an ADA "person with a disability," the employee must be able to perform the essential elements of the job, with a reasonable accommodation if necessary. An employee requesting an ADA accommodation has the obligation of making that request known, in writing, to the Company.

The employee may, at the Company's option, be required to pass a drug test and a physical examination by a Company selected physician.

The employee will be restored to the active payroll recognizing his or her seniority in accordance with established practice.

The employee must successfully complete updating and recurrency training and demonstrate his or her ability to perform the full duties of the job or, alternatively, be approved for an ADA reasonable accommodation.

An employee reinstated under this agreement who, within six months after return to work, again becomes medically unable to work due the same condition, will continue where they left off in the previously established 30 month seniority accrual period that began the last day of active work.

A restored employee will be awarded vacation time in accordance with Article 17 of the contract. The amount of vacation will be pro rated for the year, based on the return to work date. The vacation calculation will recognize up to 30 months seniority accrual after the last day of active work.

Seniority and reinstatement rights terminate upon an award of social security benefits or a statement from the employee's physician that the employee is permanently unable to work.

This settlement is retroactive to January 1, 2000, and will be applied to all long term medical disability cases arising since that date. This settlement shall have no applicability or precedent in any case other than medical disability.

Agreed to this 17th day of August, 2019, at Middletown, Iowa by:



John Seward



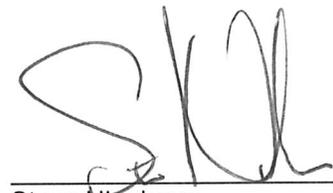
Michael Allbee
Human Resource Director
American Ordnance LLC



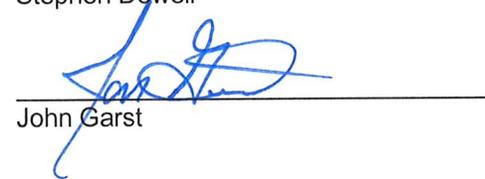
Bruce Beckman



Stephen Dowell



Steve Nienhaus



John Garst

MEMORANDUM OF UNDERSTANDING

Labor-Management Cooperation Agreement For Outside Contract Work

The parties recognize the Government and the Company utilize various contractors to perform work projects at IAAAP. To assist certain companies who employ individuals associated with the Union ("a Unionized Company") be able to bid on the work projects at IAAAP, the Company will do the following:

1. The Company will provide a workshop at a mutually convenient time for the Union Business Representatives to attend and learn how to navigate the government's website FEDBIZOPS, such website containing vast information about work projects being put out for bid at IAAAP and elsewhere. The Business Representative can then share such information with a Unionized Company.
2. The Company maintains a website at www.aollc.biz which provides an opportunity for a Unionized Company to fill out a New Supplier Request Form and submit it to the Company. When filling out the form, the Unionized Company should identify areas of expertise, recent projects, references, list of equipment, a POC, and other pertinent information. A copy of the form is attached and the Unionized Company needs to sell itself on its accomplishments and abilities. Once the Unionized Company applies and is qualified by the Company, the Purchasing Department will place the Unionized Company on its list of companies to review for future work projects for which the Unionized Company has expressed an interest and expertise. (Normally, a company will receive a general scope of work concerning a particular project and be requested to attend an on-site meeting regarding an upcoming project. If the company remains interested, AO will provide a bid package at the on-site meeting which will then be filled out and returned to the Company for assessment.)
3. The Company must retain the discretion to determine who will be eligible to bid on a particular project and the number of contractors eligible to bid. However, the Company will make a good faith effort to involve the Unionized Companies.

Agreed to this 17th day of August, 2019, at Middletown, Iowa by:


John Seward


Bruce Beckman


Stephen Dowell


John Garst


Michael Allbee
Human Resource Director
American Ordnance LLC


Steve Nienhaus

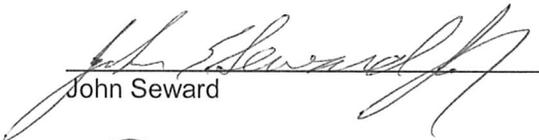
MEMORANDUM OF UNDERSTANDING

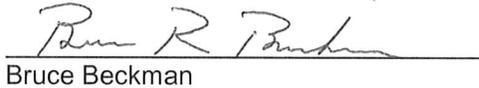
License/Certification/Security Clearance

The parties acknowledge that certain bargaining unit work may require an employee to have a State or Federal government license/certification or security clearance to perform certain work. In the event the terms and conditions of this agreement negate the Company from having the necessary personnel to perform the work because certain employees fail to have a license and/or security clearance, the Union will meet expeditiously with the Company to find a way to have appropriate personnel with a license or security clearance to perform the work until other arrangements can be made.

In the event a State or Federal government requires an employee to have a particular license/certification in order to perform certain work in his job classification, and an employee fails to obtain a license within a mutually agreeable period of time not to exceed that extended by law and is not protected by a "grandfather clause," the Company and Union will meet to discuss what can be done to prevent the employee from being laid-off. If a resolution can not be reached and the employee is eventually laid-off, the employee can exercise bumping rights back into his job classification once he becomes licensed provided his seniority can hold the position. The Company will reimburse an employee for successfully obtaining a State or Federal certification or licensing fee as required by the Company, not to exceed paying the employee \$275 during the term of the CBA.

Agreed to this 17th day of August, 2019, at Middletown, Iowa by:


John Seward


Bruce Beckman


Stephen Dowell


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Michael Allbee
Human Resource Director
American Ordnance LLC


Steve Nienhaus

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