

9784

A G R E E M E N T

and

**PENSION AND INSURANCE
AGREEMENT**

between

**EMERSON PROCESS MANAGEMENT
POWER & WATER SOLUTIONS, INC.**

and

**FEDERATION OF
INDEPENDENT
SALARIED UNIONS**

This document covers the period of

March 6, 2015 through March 6, 2020

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A G R E E M E N T

between

**EMERSON PROCESS MANAGEMENT
POWER & WATER SOLUTIONS, INC.**

and

**FEDERATION OF INDEPENDENT SALARIED
UNIONS**

INTRODUCTION

AGREEMENT, entered into as of the **sixth day of March, 2015 and ending on March 6, 2020** between EMERSON PROCESS MANAGEMENT POWER & WATER SOLUTIONS, INC. hereinafter referred to as the "Company," and the FEDERATION OF INDEPENDENT UNIONS, hereinafter referred to as the "Federation," acting for itself and on behalf of and in conjunction with its' Affiliate, which is hereinafter referred to as the "Affiliate."

SECTION I--RECOGNITION

- 1. The Company recognizes the Federation on behalf of and in conjunction with the Affiliate where the Federation or the Affiliate, respectively, through a National Labor Relations Board certification has been lawfully designated as the exclusive bargaining agent.**
- 2. The bargaining unit represented by the Union consists solely of non-exempt salaried employees in the manufacturing plant of the Company at Beta Drive, O'Hara Township, Pittsburgh, Pa. 15238, excluding all other employees, confidential secretaries to department managers or managers of higher rank, all Human Resources personnel, guards, professional and**

administrative employees, and supervisors as defined in the National Labor Relations Act, as amended.

3. The following definition will determine supervisors excluded from the certified bargaining unit:

"any individual having authority, in the interest of the employer, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees, or responsibly to direct them, or to adjust their grievances, or effectively to recommend such action, if in connection with the foregoing the exercise of such authority is not of a merely routine or clerical nature, but requires the use of independent judgment."

SECTION II--BARGAINING COMMITTEE

The Federation may designate a committee of eight (8) of its representatives and the Company may designate a committee of eight (8) of its representatives, for the purpose of considering, pursuant to the provisions of this Agreement, all matters relating thereto which said representatives of the Federation and of the Company, respectively, may deem to be generally applicable to the bargaining unit. Either party may at any time change said representatives, provided that neither party will be represented by more than eight (8) representatives.

SECTION III--COOPERATION

1. The Company and the Federation recognize that mutual respect and confidence will aid greatly in carrying out the provisions of this Agreement and will also go far toward bringing about the harmonious relations which both desire. The Company and the Federation further agree that collective bargaining can best succeed in a friendly atmosphere in which both parties bargain in good faith and with an honest desire to understand each other's point of view.

2. The Federation recognizes that it is the responsibility and right of the Company to maintain discipline and efficiency, and agrees that Management shall have the freedom of action necessary to discharge its responsibility for the successful operation of the Company. These responsibilities and rights of the Company do not in any way limit any other specific provision of this Agreement. The Federation and the Company agree to administer the provisions of this Agreement in good faith.

3. The Company agrees that it or its supervisors or other employees will not discriminate against any employee because of membership or activities in the Federation or the Affiliate.

4. The Federation and the Affiliate agrees that neither they, their officers, their members, nor persons employed directly or indirectly by them, will discriminate against any employee. The Federation and the Affiliate agrees not to solicit members, dues or funds during the working hours of employees involved.

5. a. The Federation, the Affiliate and the Company reaffirm their intention that the provisions of this Agreement and memos of understanding will continue to be applied without discrimination because of race, creed, color, sex, age, national origin, physical or mental handicap or disability, or because an employee is a disabled veteran or veteran of the Vietnam era, or because of citizenship status, except citizenship status which is otherwise required in order to comply with law, regulation or federal executive order, or required by Federal, State, or local government contract, or which the Attorney General of the United States determines to be essential for an employer to do business with an agency or department of the Federal, State, or local government.

The parties recognize and accept that any term of gender in this Agreement is intended to include and does include both feminine and masculine as appropriate.

b. Nothing in this Agreement or in a memo of understanding, shall operate or be construed to restrict the Company in any manner whatsoever in complying with its obligations under the Americans With Disabilities Act, except as provided in this subparagraph b. After the Company determines that a reasonable accommodation will be made for a qualified person with a disability as defined in the Act, and where such person is or will be a member of the bargaining unit, the Company will notify the Affiliate in advance of implementing the accommodation, and explain the reasons therefore to the extent permitted by the Act. It is understood and agreed that where alternative reasonable accommodations exist, the Company will, wherever possible, select the alternative which avoids, or minimizes, violation of the express terms of this Agreement or memos of understanding hereto. The Company's implementation of a reasonable accommodation may be made the subject of a grievance under Section XV-Settlement of Disputes, Paragraph 2. Grievance Procedure; provided, however, that except as may be authorized by the accommodated individual involved, the Company shall not be required to provide or reveal confidential information regarding such individual's disability.

6. The Company recognizes that it is the responsibility of the Federation and the Affiliate to represent the employees covered by this Agreement effectively and fairly.

SECTION IV--CONSIDERATION

This Agreement evidences the understanding reached through collective bargaining between the Company and the Federation. Both parties share the belief that publication of these provisions will tend to eliminate misunderstanding and promote accord, and the Federation and the Company will work in unison to that end. The Company will, upon execution of this Agreement provide a reasonable number of copies to be made available to interested persons upon request.

SECTION V--AGENCY SHOP AND CHECKOFF

A. Agency Shop

1. Employees Who Are Affiliate Members

All employees in any job in the unit covered by this Agreement, who were members as of the effective date of this agreement shall, as a condition of employment, remain members of the Affiliate in good standing insofar as the payment of periodic dues is concerned or if thereafter at any time such members resign, or otherwise fail to remain members of the Affiliate in good standing insofar as the payment of periodic dues, uniformly required, is concerned, they shall as a condition of employment pay to the Affiliate a service fee equivalent to the periodic dues required of members in good standing.

2. Employees Who Are Not Affiliate Members

a. All employees (i) who are hired or rehired after the effective date of this agreement in any job covered by the Agreement and (ii) who are either returned to the active roll from layoff, disability or leave of absence, or are transferred into the unit covered by this Agreement, and at the time of such hire, rehire, return, or transfer are not already members of the Affiliate, will be required, as a

condition of employment, beginning on the thirty-first (31st) day following their date of hire, rehire, return or transfer, either to become and/or remain members of the Affiliate in good standing insofar as the payment of periodic dues, uniformly required, is concerned, or in lieu of such membership, pay to the Affiliate a service fee equivalent to periodic dues uniformly required.

3. Procedure for Termination of Employment

a. The Company shall be obligated under this Section to terminate the employment of any employee by reason of his failure to obtain or to maintain membership in the Affiliate and for any employee who fails to obtain and/or maintain membership, his failure to pay service fees equivalent to dues, upon receipt of written request for such termination from the Affiliate except that the Company shall have the right to refuse such request if it has reasonable grounds for believing (i) that such membership is not available to the employee on the same terms and conditions generally applicable to other members, or (ii) that membership has been denied or terminated for reasons other than the failure of the employee to tender the periodic dues uniformly required as a condition of acquiring or retaining membership.

b. The Federation and the Affiliate agree to indemnify and save harmless the Company from any payment the Company may be required to make in favor of any employee whose employment is terminated pursuant to any such request.

4. Definitions

For the purpose of this Section the term "dues" shall mean that payment required in equal amounts from every member once during each pay period, as defined in this Section V, Paragraph B.4., "Membership Dues".

B. Checkoff

1. Dues/Service Fees Deduction Authorizations

For the duration of this Agreement, the Company shall deduct from the first pay of each pay period Affiliate dues or an equivalent service fee and promptly remit same to the Affiliate for those employees in the bargaining unit whose written and signed authorizations are received by the Company. Such authorizations shall be valid only if submitted on a form approved by the Company.

2. Membership Dues

Within the meaning of the dues deduction authorizations, membership dues will include only that regular payment required equally of all members which has been designated as membership dues pursuant to appropriate Federation and Affiliate constitutions and by-laws. All such authorizations will be in the same dollar and cents amount. Excluded specifically from such authorizations are fines, penalties, contributions, assessments, strike assessments, taxes of any kind, or any other type of payments, which will not be imposed on any member by the Federation or the Affiliate during the term of this Agreement.

3. Notice of Changes in Dues

The Affiliate shall notify Management by certified mail of any change in the sum of money to be deducted as dues.

4. Starting Deductions

Deductions will be commenced the next pay period after authorizations are received. The date of receipt will be recorded on the authorization by the Company and such record shall be conclusive for all parties concerned.

Collection of back dues or service fees owed at the time of starting deduction for any employee will be the responsibility of the Union and will not be the subject at payroll deduction.

5. Delinquencies

If an employee does not have sufficient earnings for payment of dues or service fees after other deductions, dues or service fees for that pay period will not be deducted by the Company.

6. Adjustment of Errors

Except where the Company has made a clerical error in the deduction for dues or service fees which will be adjusted promptly by the Company, any question as to the correctness of the amount deducted shall be settled between the employee and the Affiliate; and the Federation and the Affiliate shall jointly and severally indemnify the Company and save it harmless against any and all suits, claims, demands and liabilities that shall arise out of or by reason of any action that shall be taken by the Company for the purpose of complying with the provisions of this Section V or in reliance on any authorization form or information furnished to the Company under such provisions.

7. Reinstatements

Employees who return to the active payroll from sickness, leave of absence, or who are recalled from the Inactive Seniority List shall have dues or service fees deductions automatically reinstated upon return to work, providing their individual written and signed authorizations for the deduction are still in effect. When an employee is rehired in the same bargaining unit but not from the Inactive Seniority List, his deduction authorization (if in effect at time of separation) shall be reinstated only if he signs a request for continuation of

such deductions on the reverse side of the authorization form. In all cases, however, reinstatement of the dues or service fees deduction authorization will be made only if the authorization form previously signed is that which is currently in use.

8. Contact with the Union

One (1) employee in Human Resources will be designated to confer with an individual designated by the Affiliate and clear all questions regarding the detail of record and reconciliation of deduction of dues or service fees.

9. Report and Remittances

a. The Company will attach a substantiating list to each dues or service fees check sent to the Affiliate and upon request to the Federation.

b. Management will notify the Affiliate immediately upon receipt of a notice of revocation of dues or service fees authorization by an employee.

10. State & Federal Laws

This Section shall apply only to the extent that its provisions are consistent with applicable State and Federal laws.

SECTION VI--SALARIES

A. Salary Schedules

(1) Salaries will be paid according to a schedule based upon the classification system in the bargaining unit. The place on the schedule of each position will be in relation to other positions in the bargaining unit and in reference to the lowest and the highest paid positions.

- (2) Any employee will, unless otherwise mutually agreed upon, receive a salary rate within the established rate range and the salary paid will be based on merit.
- (3) All changes for any reason in an employee's position or rate after hiring, except separation, will be effective the first of a payroll period.
- (4) The wage agreement consists of **five (5) general base increases over the five (5)-year period of the agreement.**

March 1, 2015	3.00%
March 1, 2016	2.50%
March 1, 2017	3.00%
March 1, 2018	2.50%
March 1, 2019	3.00%

B. Position Description and Evaluation

- (1) The Federation and the Affiliate agree that the duties to be covered by a position, the preparation of position descriptions, and evaluation of new or changed positions, are functions of Management.
- (2) The Company agrees to notify the AWSE Affiliate representative and present it with any new or changed position descriptions and their evaluation at least fifteen (15) days prior to making them effective. However, such effective date may be extended by mutual agreement.
- (3) During the period prior to the effective date of any new or changed position, at the request of the Affiliate, the Company agrees to bargain with the Affiliate on (a) the proper description of the position, and (b) its evaluation.
- (4) In the event that the Company and Affiliate fail to reach agreement on the position description, or its

evaluation, or both, in the period prior to the effective date thereof, the Company shall have the right to make effective its most recent proposal, and the Affiliate shall have the right to process a grievance or grievances at the final step of the grievance procedure with respect thereto.

(5) The Company agrees to bargain with the Affiliate on the matters of proper position description and evaluation with respect to any existing position, and in the event of a failure to reach full agreement, the Affiliate shall have the right to process a grievance or grievances at the final step of the grievance procedure with respect thereto.

C. Salary Re-Rates

(1) Salary rate increases are based on merit, including the employee's capacity to handle the range of work of his position classification and the quality and quantity of work being performed. Any merit increase will be of such amount as to make his rate commensurate with his performance as related to these factors.

(2) (a) Salaried employees whose work is satisfactory will receive a merit increase above the minimum of the rate range of their then-current position not later than the first of the seventh month after employment.

(b) An employee upgraded to a higher class position, whose performance justifies it, will receive an increase to at least ten percent (10%) above the minimum rate of the new position not later than the first of the seventh month after upgrading.

(If a probationary employee is upgraded within the probationary period, the employee will receive not less than ten percent (10%) above the minimum of the rate range of the position to which initially hired not later than the first of the seventh month after employment.

(c) An employee whose rate before either a transfer to a higher class position or an upgrading to a higher class position is above the minimum of the new classification and whose work performance justifies it will receive a merit increase within the rate range not later than the first of the seventh month after upgrading.

Employees who are to be considered for and do not receive an increase under the provisions of subparagraph (c) above will be informed in writing of the reasons therefor not later than the first of the seventh month after upgrading. The appropriate Affiliate representative also will be so informed.

(d) When an employee is upgraded to a higher class position in the same occupation performing similar work, on similar type products, in the same department, he will receive an increase at the time of upgrading if his performance warrants an increase as described in subparagraph (1) of this paragraph D.

D. Night Turn Bonus

a. Employees working night turn will receive an extra compensation of ten percent (10%) of their earnings on night turn when the regular quitting time is after nine o'clock in the evening (9:00 P.M.) and up to and including nine o'clock (9:00 A.M.) of the following day.

b. However, employees hired after August 26, 1991 who have no record of prior EMERSON PROCESS MANAGEMENT POWER & WATER SOLUTIONS, INC. service will receive the lesser of (a) the ten percent (10%) extra compensation described above, or (b) an extra compensation of sixty cents (\$.60) if paid hourly, twenty-four dollars (\$24.00) per week if paid weekly salary, and one hundred and four dollars (\$104.00) if paid monthly salary for all work performed on such shifts until they have accumulated three (3) years of continuous service, after which they will receive the ten

percent (10%) extra compensation provided by this paragraph for work performed on such shifts.

c. Notwithstanding paragraphs a. and b. above, Management and the Affiliate may agree to negotiate a night turn adjustment which differs from the above provisions.

E. Reporting for Work

Employees who report to work at Management's request on regular furlough days and at times not regularly scheduled will be granted a minimum of four (4) hours of work or equivalent pay, subject to details in memos of understandings. If the employee has qualified for overtime in accordance with the overtime provisions of this Agreement, extra remuneration as provided in Section XI--Overtime will be paid for hours not worked.

NOTE: The foregoing provisions will not apply in the case of an emergency such as fire, flood, power failure, or work stoppage by employees in the plant.

F. Salary Reviews

(1) The salary review is an inspection of salary rates to establish the proper fulfillment of the provisions of paragraph D. of this Section.

(2) The effective date of any rate adjustments agreed upon at the rate review will be the first of the month following the period scheduled for the unit rate review.

(3) Salary reviews will be held annually unless, due to existing circumstances, it is thought advisable by the Affiliate and Management either to change or omit the scheduled review or delayed review process. Since rate schedules are based on work performed, Management should give thought to the correctness of the employee's

classification when preparing the review sheets. Unless modified by the Affiliate and Management the procedure for such reviews is as follows:

(a) At least four (4) copies of the review sheets prepared as of the month preceding the review, will be completed by the first of the month in which the review is scheduled and two (2) copies will be given to the designated Affiliate representative.

(b) Employees within a basic unit or sub-division thereof are to be listed by position, and then in alphabetical order within a position group. The position name, number and rate range will be entered on the sheet, above the names of employees in a given position.

(c) Sufficient information should be entered in the "remarks" column to explain any special cases or conditions.

(d) Not more than three (3) representatives of Management nor three (3) representatives of the Affiliate will review the sheets with Management's representatives. Not more than three (3) representatives of Management will participate in the review unless there is agreement to increase the number of Management representatives at such review. An officer or representative of the Federation may attend the review.

(e) All rate adjustments agreed upon at the review, including the new base rate and the effective date, will be entered on the review sheets before completion of the review.

(f) A list of the cases arising during the review on which further consideration is desired will be made up by Management within five (5) working days following the conclusion of the review. This list, after further consideration by Management, will be discussed by

designated representatives of Management and the Affiliate within one (1) month following the conclusion of the review, and Management will give its final reply in writing within fifteen (15) days following that discussion. Cases identified at the annual rate review as suitable for further consideration only after an additional six (6) months, will be placed on a delayed review list.

The Affiliate will endeavor to minimize the number of cases for which further consideration is requested. If any of these cases are not resolved by the parties, each individual case may be made subject to the grievance procedure only.

(g) The review sheets are to be numbered consecutively. The Management and the appropriate Affiliate representative will indicate that the review has been completed by signing the original review sheet containing their notations (if any) thereon, and Management will provide a reproduced copy of such signed original to the Affiliate officer or representative.

(h) The original or Master copy of the review sheets is to be sent to the Human Resources Department when the review is completed.

G. Information

(1) Information to the Federation and Affiliate

That portion of Company instructions contained in the Company's Policies and Procedures which covers (a) government orders and laws affecting employees and dealing with wages, hours and working conditions, and government interpretations of such orders and laws, or, (b) instructions on interpretations of this Agreement, will, upon issuance by the Company, be sent to the designated Affiliate representative and the Federation.

(2) Information to the Affiliate

(a) Management shall furnish the Affiliate involved with (a) copies of all general interpretations by Management of the information furnished under paragraph (1) above. The Affiliate will be furnished periodically with lists of employees transferred, hired, rehired, and released. The Affiliate will be advised by Management as to the names of their authorized representatives for the administration of this Agreement.

(b) The Affiliate will be advised of any change in the classification of an employee before the individual is notified. When the Affiliate representatives question the proposed change, the change will not be made effective for at least two (2) working days during which time the Affiliate representatives may present the reasons for their position. At the termination of the two (2) days period the classification may be made effective and a grievance may then be filed.

(c) The Affiliate will be furnished at least once annually, upon its request, a list of all employees in the bargaining unit, by order of seniority.

(3) Information to Management

Management of the Company is to be kept advised by the Affiliate as to the names of their authorized representatives.

(4) Information to Employees

Information will be given to an employee concerning his or her employment status at the time of employment, upon change in position, change in rate, transfer between departments and granting of a leave of absence. Notification of change in employment status will be prepared at the same time the supervisor initiates the Authorization for Change in Payroll, and will be given to

the employee and the Affiliate representative not later than the end of the pay period in which the change is made.

SECTION VII--HOURS OF WORK

1. The basic work week will be forty (40) hours based on eight (8) hours per day, five (5) days per week, Monday to Friday inclusive. An employee's work day is the twenty-four (24) hour period beginning with his assigned starting time of his work shift, and his day of rest starts at the same time on the day or days he is not scheduled to work. If the employee's shift assignment is changed on Monday, the work day immediately preceding such Monday shall end at the starting time of the newly assigned shift. The work week for all employees shall be seven (7) consecutive calendar days beginning with Monday, except that for employees on shifts which start less than eight (8) hours before Sunday midnight and extend into Monday, the work week shall be considered as beginning with the start of such shifts. Variations in hours of work and the schedules of hours of the several shifts are subject to change by mutual agreement.

2. Conditions may make desirable a basic work week different from the standard basic work week for all or a portion of the employees. Such variations will be a matter for negotiations. Unusual situations may require modification of the established work schedules in the unit which may warrant special wage payment provisions which will be negotiated.

3. In computing hours worked on late arrivals, early departures and for overtime in connection with attendance control, an employee will be credited with time worked from the start of the one-tenth (1/10) hour interval in which the recorded starting time falls, and to the end of the one-tenth (1/10) hour interval in which the

recorded time of departure falls. Where starting or stopping times are shown on the pass, entrance before and exit after the indicated time will not be credited. Elapsed hours will be computed in terms of hours and tenths of hours.

SECTION VIII--LEAVE OF ABSENCE

- 1. The term "Leave of Absence" applies to a continuous period of thirty (30) days or more away from work without pay where the intent is to reinstate the employee at the expiration of the leave, subject to the prevailing conditions at that time, his return to work within the period of the leave of absence, and qualification under the usual employment standards including a physical examination.**
- 2. An employee may request a physical examination before taking such leave of absence. Physical defects will be recorded and brought to the attention of the employee. Physical defects, so recorded, will be given consideration by the Medical Department in determination of medical standards for returning to work at the end of the leave of absence period.**
- 3. The request for a leave of absence will be considered on the basis of production requirements, a satisfactory performance record, the reason for the request, and the length of service of the employee.**
- 4. Where a request for leave of absence is made for a period of more than three (3) months, the leave will be granted for ninety (90) days and consideration may be given to an extension at the termination of the ninety (90) day period. In no case will the total period exceed twelve (12) months, except as outlined below.**

5. Upon written request of the Affiliate or the Federation, an employee elected to an office of the Federation or the Affiliate will be granted the usual leave of absence, without losing seniority, not to exceed one (1) year, unless an extension is granted. The determination as to whether such an extension will be granted will be reached through collective bargaining between the Federation or the Affiliate and Management, but in no case shall such leave or leaves of absence or any extension thereof total more than six (6) years. Such an employee, returning to his former position, will receive a rate commensurate with his rate immediately prior to his leave of absence.

SECTION IX--SENIORITY

1. Probation Period

A. A new employee shall be on a probation period until he has completed six (6) months of satisfactory employment.

B. The employee shall be considered on trial during this period.

C. Employees during this probation period will not be eligible for upgrading or transfer except by agreement between the supervisor and the Affiliate representative.

2. Seniority Credit

A. Seniority credit for all employees in the bargaining unit will be the same number of years, months and days the employee has accumulated as AN EMPLOYEE OF THE COMPANY ON OR AFTER NOVEMBER 16, 1998 AND Credited Service under the Emerson Pension Plan, plus (1) any periods the employee may have been employed in an Excluded Unit as that term is used in the Emerson Process Management Power & Water

Solutions, Inc. Pension Plan and (2) any additional periods of service credited as a result of any periods of layoff (up to a maximum of 12 months) as provided for in subsection 1.9.A(1)(h) of the Pension Plan. The provisions of any local supplements, practices or understandings in conflict with the preceding sentence are hereby modified accordingly and shall hereafter be administered in accordance with this paragraph.

B. Consistent with paragraph A., above, an employee on furlough is on the active roll and will accumulate seniority while on furlough. An employee laid off is not on the active roll, will not accumulate seniority while laid off, and is for all purposes considered as separated from the employ of the Company, but will have the right to be placed on the Inactive Seniority List and such other rights as are provided in this Section.

C. An effective seniority date for each employee will be established at the time of his re-employment or transfer to the bargaining unit.

3. Inactive Seniority List

A. The names of those laid off after November 16, 1998, except employees laid off during their probation period, will be placed on the Inactive Seniority List.

B. The names of employees who voluntarily quit, who are released, or who are discharged for cause will not be placed on the Inactive Seniority List.

C. When a job is available for a former employee on the Inactive Seniority List, he will be notified and the position will be held open for five (5) working days from the date of mailing of the notice. If the employee does not report within the five (5) day period his name will be removed from the Inactive Seniority List. If, however, within a further ten (10) working day period the employee reports and submits satisfactory evidence that

he was unable to report during the five (5) day period, his name will be returned to the Inactive Seniority List and he will be notified when work is again available. Where the person to be rehired is employed by another employer at the time he reports, arrangements will be made wherever possible to permit sufficient time to give necessary notification to such other employer.

D. Former employees will have their names removed from the Inactive Seniority List upon the occurrence of any of the following:

(1) Former employees currently on the Inactive Seniority List will remain on the ISL for a total of 60 months:

(2) Former employees placed on the Inactive Seniority List on or after February 26, 2006 will have their names removed as described below:

a. Less than one (1) year of accumulated length of service – no recall rights.

b. One (1) year or more of accumulated length of service -- 24 months following layoff.

(2) When he or she refuses to accept a job of the same or higher salary level as the job held at the time of his layoff and which he is able to perform with only such training as an employee with previous satisfactory experience on such job would require.

(3) When the former employee fails to report for work or otherwise fails to respond to notice of recall in accordance with the applicable procedure.

If, at the time of recall, the Company determines that a former employee is unable to be returned to the available job in question because of a physical or mental impairment, his name will remain on the inactive

seniority list for the applicable period specified in (1) above and he will remain subject to recall to jobs as may subsequently become available during that period for which he is qualified, in accordance with applicable seniority and recall procedures.

4. Return of Employees to Bargaining Unit

A. An employee who left a position classification which is within the bargaining unit, or a position classification which, if presently existing would be within the bargaining unit, to accept a supervisory position or other position classification not in a bargaining unit may be returned to the bargaining unit with the same seniority credit as when transferred out, plus seniority credit for the period of Company service out of the bargaining unit. For those employees promoted to supervision or transferred to a position classification not in the bargaining unit, local Management will retain the right to return them to the bargaining unit only for a period of one (1) year from the effective date of the promotion or transfer. Those employees in supervision and those employees who have been transferred to a position classification not in the bargaining unit who may be eligible to return to the bargaining unit, may be returned by Management at any time during the one (1) year period.

B. An employee returning from leave of absence or disability, or returning to the bargaining unit pursuant to paragraph A. above, will be placed by agreement with the Affiliate, or will replace the least senior employee in his former position classification unless such position no longer exists or is held by a more senior employee. If it is not possible to place the employee in accordance with the above, he will be placed in accordance with the disposition procedures set forth in paragraph 6. of this Section IX, as if he had been replaced in his most recent position in the bargaining unit.

5. Increase in Work Force Procedure--Upgrading and Transfer

A. Upgrading of employees is recognized as the fundamental principle in providing an efficient working force and to provide reasonable opportunities for promotion. In some instances, transfers between departments may be desirable. Upgrading will be made on the basis of the effective seniority date of the employee, as defined in paragraph 2. above, if the employee's occupational experience, education, and suitability indicate that he can acceptably do the job.

B. For the purposes of the application of this procedure, positions requiring occupational skill will be designated locally. The following sequence will be followed in filling positions within an occupational progression in classifications requiring occupational skills.

1. The position will be filled by the most senior employee as set forth in (a) or (b) below:

(a) An employee who formerly held the specific position in the department satisfactorily and as a result of a recent reduction in activity (within three years) has been downgraded or transferred to other work. An employee who rejects an opportunity to return will forfeit any rights to be recalled to any future position.

(b) A satisfactory employee in the next lower level in the occupational progression .

2. If the position is not filled by the application of paragraph B.1., above, then a satisfactory employee will be upgraded from successively lower levels in the occupational progression.

3. If the position is not filled by the application of paragraph B.2., then employees will be transferred to the position, provided they are qualified by occupational experience, education, and suitability.

4. If the position is not filled by the application of paragraph B.3., former employees on the Inactive Seniority List will be recalled provided they are qualified by occupational experience, education, and suitability.

C. Positions not requiring occupational skills will be filled from employees on the active roll on the basis of effective seniority date.

D. If the position not requiring occupational skill cannot be filled through upgrading, employees will be recalled from the Inactive Seniority List on the basis of seniority and qualifications.

E. Employees will not normally be considered for upgrading or transfer to a position other than within their occupational progression in their department within a period of six (6) months following hiring, rehiring, or transfer at their request.

6. Disposition Procedures

A. Although more specific procedures may be adopted by mutual consent, the following principles are a guide:

1. At a time of decrease in work load the least senior employees on the positions affected will be removed and will be considered to be up for disposition.

2. An employee who has been replaced is also considered to be up for disposition.

3. An employee up for disposition may replace the least senior employee in the same or next lower level in his occupational progression within the seniority unit.

4. a. An employee may replace another employee in another occupational progression provided he has satisfactorily held the position of the employee to be replaced, recognizing verified temporary assignments of a reasonable duration, if such replacement will result in a higher code for the employee than would a replacement in his own occupational progression

b. An employee may replace another employee in another occupational progression on a lower position level in the same occupation if such replacement will result in a higher code for the employee than would a replacement in his own occupational progression.

5. Employees who have exhausted their seniority rights within the established occupational progressions may replace employees in a common seniority pool within their seniority unit or bargaining unit on the basis of effective seniority date, provided their occupational experience, education, and suitability indicate that they can acceptably do the job. Positions considered to be in the pool will be negotiated.

6. Employees within the pool may at a time of decrease in force, replace the least senior employee in the same or lower position level in the pool, on the basis of effective seniority date, provided their occupational experience, education, and suitability indicate that they can acceptably do the job.

7. An employee upgraded who cannot fulfill the requirements of the position at any time within a six (6) months' period after upgrading will replace the least senior employee on the position which he previously held satisfactorily, provided he has sufficient seniority to make such replacement, or will be placed in accordance with paragraph 12. of this Section IX.

B. At the time of layoff, an employee on a personal leave of absence or on the disability roll will be laid off and his name will be added to the Inactive Seniority List when, because of his seniority status under the established seniority procedure, he would have been laid off if he were actively at work. Notice of such layoffs will be given to the Affiliate and to the employee involved at his last known address, but the usual notice periods outlined below in paragraph 7. shall not apply. Any objection to such a layoff must be made by filing a grievance within two (2) weeks following the giving of such notice to the Affiliate. Layoff pursuant to this provision shall not affect any right to benefits or coverage under the Insurance Plan to which the employee has already become entitled prior to the layoff, either for himself or his dependents, by reason of his disability or leave of absence. It shall be the obligation of such disabled employee to notify the Company of his availability for re-employment, and until such notification, the Company will have no obligation to offer such disabled employee re-employment. Such disabled employee on the Inactive Seniority List who is still disabled at the time he is recalled will be returned to the disability roll if he so requests at that time. The period on disability prior to layoff and the period during which he is returned to the disability roll will be considered as a single continuous period.

7. Notice Periods

A. Employees laid off because of lack of work shall receive the following advance notification:

- (1)** Over one (1) year of service--2 weeks
- (2)** Less than one (1) year of service--1 week

B. Employees released shall receive the following advance notification:

(1) Over one (1) year of service--2 weeks

(2) Less than one (1) year of service--without notice.

C. Employees discharged for cause need not be given advance notice.

D. In the event of a layoff or release, the Affiliate representative shall be notified before notice is given to the employee. In the case of discharge, the Affiliate representative will be notified with the reasons therefor within one (1) working day after the incident causing the discharge.

8. Furloughs

When furloughing of employees becomes necessary, the Affiliate representatives will receive such reasonable advance notice as is practicable under the circumstances. Furloughs are of three (3) types:

(a) **Regular Furloughs** are a number of days off per week or per month without pay given employees as a part of the program of sharing work in lieu of a reduction in force. Temporary reductions in activity are bridged through furloughs. When there is other than a temporary reduction in activity employees will be laid off to maintain a full work week. Before employees with long seniority are laid off the parties may negotiate a temporary modification of this procedure, including the use of furloughs, and the period such modification is to apply.

(b) **Emergency Furloughs** are periods off without pay resulting from material shortages, power failures, labor disturbances or other conditions where transfer of employees to provide work is not feasible. When such conditions are anticipated, the subject will be discussed with the Affiliate Negotiating Committee.

(c) Disciplinary Furloughs are time off without pay as a punishment for misconduct of an employee. Reasons for the disciplinary furlough will be given to the Affiliate representative.

9. Graduate Students and Trainees

It is recognized that practical work experience is necessary for the proper training of Graduate Students. Work assignments, not to exceed three (3) months each, may be made with the understanding that other employees will not be laid off or furloughed as a result of such assignments. The designated Affiliate representative will be notified. Further extensions may be made by mutual agreement with the Affiliate. Graduate Students will not be considered in the bargaining unit during their training period. Provisions covering other trainees will be determined by mutual agreement.

10. Seniority Preference

A. If their duties qualify them under the law, then at the written request of the Affiliate during their term of office, (1) Federation Officers, (2) Affiliate Officers, (3) Affiliate Plant and District Representatives, and (4) Affiliate Group Representatives will be given seniority preference during a reduction in force only to the extent necessary for each to retain a position in his particular unit of representation to which he is otherwise entitled under the seniority provisions of this Agreement.. The Federation bargaining units within the plant or district office will be considered as the unit of representation of Federation and Affiliate Officers. Where more than one (1) officer or representative may be affected in the same reduction in activity and their units of representation overlap, consideration shall be given in the order they are listed in the first sentence above. The written request of the Affiliate will establish the order of ranking of the Officers of the Affiliate.

B. A group of employees, not to exceed one percent (1%) of the current number of employees on the most recent rate review sheets with base rates of less than \$1411 per month (\$326 a week) plus five percent (5%) of the current number of employees on the most recent rate review sheets with base rates over \$1411 per month (\$326 a week) or two (2) employees, whichever is greater, in the bargaining unit will be given seniority preference as set forth below because of outstanding abilities in certain work or because of unusual ability for training purposes to fill positions either in the plant or in field locations.

1. Employees having outstanding abilities in certain work and employees selected because of unusual ability for training purposes to be listed must receive a salary of not less than \$1262 per month (\$292 a week).

2. The Affiliate will be given a list of the employees to receive seniority preference and such list will be kept up-to-date by Management. The list will include for outstanding employees the present position number, and for trainees the position for which the employee is to be trained. The list of employees in a given department of a division (engineering, accounting, manufacturing, etc.) or any other units as may be mutually agreed will not exceed ten percent (10%) of the employees or two (2), whichever is greater in the department. The lists of employees, and any changes therein, will be discussed with the Affiliate before being made effective and other essential information will be supplied. Objections may be presented through the grievance procedure.

3. Employees on this list may be upgraded or transferred to an open position for the purpose of specialized training or because of outstanding abilities in certain work.

4. An employee on the seniority preference list will be given seniority preference at the time of a reduction in

activity sufficient to enable him to retain his position so long as such work remains, but when the work no longer remains he will be given preference for another related position in the same salary level or successively lower levels if he has training for such a position. In such instance the ability, the purpose for which he is being retained or trained and the relative seniority of the employee on the list, will be considered before a decision is reached that he replace an employee of greater seniority. However, except by special agreement with the Affiliate, no employee will be given seniority preference during a reduction in force whose name has not been on the seniority preference list, as provided to the Affiliate, for a period of at least ninety (90) consecutive calendar days.

5. If the name of any employee being trained is removed from the seniority preference list because seniority preference is no longer required, the employee will be placed in accordance with seniority procedures agreed to between the parties. When an open job exists under these circumstances it will be filled in accordance with all applicable seniority provisions. However, the names of employees who have been trained and are on the position for which they have been trained may be removed from the seniority preference list, and they shall remain on their job thereafter with the same seniority status as though they had never been on such list. The names of outstanding employees upgraded or transferred to open positions may be similarly removed from the seniority preference list after they have been on such list for one (1) year.

6. The monthly and weekly salaries referred to in this paragraph B. are on the basis of a forty (40) hour weekly schedule--proportionately lower figures will apply where the weekly schedule is less than forty (40) hours.

C. Questions of conflict between seniority preference granted in paragraph A. and paragraph B. will be resolved by agreement between the Affiliate and Management.

D. Employees working on special assignments of limited time duration that would be materially affected by a replacement and employees performing specialized work may be temporarily retained on their job until the assignment is completed or, through training or other means, an adequate replacement can be made. These situations are to be resolved by mutual agreement.

11. Special Situations

Notwithstanding the provisions of the established seniority procedure, the Affiliate and Management may, in special situations, work out by negotiation, individual cases where the Affiliate and Management agree that such special situations exist.

SECTION X—MISCELLANEOUS PROCEDURES

1. Jury Duty

Salaried employees will be paid their regular salary while on jury duty but will be expected to report for their regular duties when temporarily excused from attendance at court. No salary will be paid during furloughs or days that would have been furloughs while on jury duty.

2. Security Regulations

The Company has certain obligations in its contracts covering government work which pertain to security. Therefore, if any government agency concerned with the Company's security regulations advises the Company that any employee of the Company covered by this Agreement is restricted from work on or access to

classified information or material, the Federation or its Affiliate will not, after having seen the order, present or prosecute a grievance because the Company restricts such employee from such work or from access to classified information or material, but shall not be precluded from prosecuting a grievance concerning any action of the Company which exceeds security requirements.

3. Military Service

Employees entering military service will be granted a military leave of absence. The leave of absence will cover a period of military service up to a maximum equal to that period of time during which re-employment is required under applicable Federal statutes and will be considered as continuous employment.

The employee must apply for re-employment within ninety (90) days from the date of honorable discharge (or the termination of the required period of military service). An employee so applying will be reinstated in his former position or a position in the bargaining unit which he left on the basis of his seniority, under the provisions of this Agreement, providing the employee complies with the following conditions:

- a. Application for reinstatement is made within the time period provided above.
- b. Official discharge papers are presented. Employees reporting, as provided for in the above provision, who are not qualified to perform the duties of their former position will be given special consideration, and Management will endeavor to place them on suitable jobs.

An employee so reinstated will be entitled to participate in insurance and other benefits on the same basis as other employees returning from leave of absence.

Vacation eligibility for employees returning from Military Leave of Absence will be re-established on the basis of the Credited Service of the employee on the date he returns to the active roll; however, vacation payment will not be granted until the employee has been on the active roll thirty (30) days following his return from Military Leave of Absence. In any event the employee will receive the vacation for which he is eligible in that calendar year.

4. Work Outside Continental Limits of the United States

Because of the special nature of their work, employees covered by this Agreement whose work is performed outside of the continental limits of the United States shall not be covered by Section--Overtime or by Section I--Overtime and Section III--Night Turn Bonus of Supplement II to this Agreement. Upon request of the Affiliate, any special salary payments to be made to such employees in substitution for overtime and/or night turn bonus will be a subject of mutual agreement at the time such employees are assigned work outside of the continental limits of the United States.

5. Surveys, Studies and Work Standards

a. Management will notify the Affiliate representative before a time study, including a survey, is started.

b. The Affiliate shall have the right to process grievances with respect to the reasonableness of any work standard or standards, now existing or established by Management in the future. In the event of a failure to resolve any such grievance in the grievance procedure, the matter of such reasonableness shall be subject to the arbitration procedures hereof. In proceedings involving such cases, the parties and the American Arbitration Association will seek skilled arbitrators with appropriate industrial engineering training and experience.

6. Annual Military Field Encampment

Employees required to attend annual military encampments to discharge their National Guard or Reserve obligations will be reimbursed in accordance with the following conditions:

- a. Reimbursement will be limited to a maximum period of seventeen (17) calendar days (not to exceed thirteen (13) working days, excluding holidays for which the employee receives payment) during any one calendar year.
- b. Reimbursement, if any, will be the difference between the employee's normal straight time earnings and the total amount he receives for service pay from the Federal or State Government. In calculating the amount of difference to be paid by the Company, only that portion of military pay corresponding to the employee's regularly scheduled work days will be used. Travel, quarters and subsistence allowances will not be included in determining the amount of compensation received by the employee from the Federal or State Government.
- c. The basis for establishing normal earnings will be the employee's regular salary in effect immediately preceding the encampment period.
- d. No reimbursement of salary shall be made for annual encampment duty during furlough days or on days that would have been furlough days.

7. Ready Reserve or National Guard Alerts

Employees required to participate in National Guard or Ready Reserve "alerts" taking place during their regular working hours shall be reimbursed for the difference, if any, between their regular straight time earnings and their military earnings (both calculated as provided in sub-Section 6., above) for such time lost from work

during their regularly scheduled working hours, up to a maximum of one hundred sixty (160) hours in any calendar year.

No reimbursement of salary shall be made for such Ready Reserve or National Guard alert duty during furlough days or on days that would have been furlough days.

8. Personal Automobile Mileage Expense Reimbursement

An employee authorized by the Company to use his personal automobile on Company business shall be reimbursed at the rate specified by current IRS guidelines.

SECTION XI--OVERTIME

A. Non-exempt Employees

1. Hours worked by non-exempt employees, except hours worked on Sunday, in excess of eight (8) hours but less than twelve (12) in any day or forty (40) hours in any week, will be paid at an overtime rate, i.e., the employee's salary converted to an hourly rate plus an additional payment for each hour so worked equal to one-half (1/2) the employee's average earned hourly rate for the payroll period involved.

2. Absent hours considered as involuntary will be considered as hours worked for determining overtime. Involuntary absences are defined as follows:

a. Funeral or death in the immediate family, (includes foster child or relatives living in the same household with the employee, the employee's spouse, or employee's legal domestic partner, mother, mother-in-law, father, father-in-law, brother, brother's spouse, spouse's brother, sister, sister's spouse, spouse's sister, child, son-in-law,

daughter-in-law, grandparent, grandparent-in-law, stepparent, stepbrother, stepsister, stepchild, or grandchild, who are not of the same household).

b. Jury duty; or attendance at a proceeding of a court or governmental agency at the request of the Company or in response to a subpoena served on the employee in a case to which neither he nor the Company is a party and in which he has no direct or indirect interest.

c. Injury or illness of the employee.

d. Furloughs for which deduction from pay is made except in case of disciplinary furlough.

e. Holidays and vacation days.

f. Union activities by elected representatives as contemplated in this agreement.

g. Direction to appear involuntarily before the draft board having jurisdiction where he resides relative to induction into the armed forces.

h. When Management grants an employee time off during the regularly scheduled work week in anticipation of unusual Saturday or Sunday overtime, such time off will be considered as excusable absence. Payment for time off granted in the above situation will be credited against overtime payments required under this Agreement for the Saturday or Sunday work. However, the number of hours for which such credit is taken shall not exceed the number of overtime hours worked.

i. For the purposes of correcting attendance records only, when an employee who has been voluntarily absent during the basic work week makes up the time by arrangement with the supervisor, without overtime compensation, the time voluntarily absent shall be

considered as time worked and the attendance records modified.

3. Hours actually worked by non-exempt employees in excess of twelve (12) hours in any day will be paid at an overtime rate, i.e., the employee's salary converted to an hourly rate plus an additional payment for each hour so worked equal to the employee's average earned hourly rate for the payroll period involved. In determining hours worked for purposes of this paragraph, paragraph A.2. above will not be applicable. Hours worked in excess of twelve (12) in any day that are not payable under this paragraph A.3. will be paid pursuant to the provisions of paragraph A.1. above if applicable.

4. Hours worked by non-exempt employees on Sunday after forty (40) straight-time hours (including involuntary absences) have been worked in the week will be paid at an overtime rate, i.e., the employee's salary converted to a hourly rate plus an additional payment for each hour so worked equal to the employee's average earned hourly rate for the payroll period involved.

5. Hours worked by non-exempt employees on observed holidays will be paid at an overtime rate, i.e., the employee's salary converted to an hourly rate plus an additional payment for each hour so worked equal to one-half (1/2) the employee's average earned hourly rate for the payroll period involved. Each payment is in addition to the employee's salary.

6. The above provisions apply to the standard basic work week. Special conditions may require exceptions. These questions will be resolved by mutual agreement.

7. The earned rate for overtime purposes will consist of straight-time earnings, including base rate, night turn bonus, and group leader remuneration.

8. Payment for overtime hours worked by non-exempt will be made in the month following the month in which the overtime hours were worked.

SECTION XII--HOLIDAYS

1.(a) There will be 10 observed holidays in a year, including New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving, the day after Thanksgiving, Christmas and two other days to be agreed upon before the beginning of each calendar year. If any of the above holidays fall on a Saturday or a Sunday, then the Company and Union will agree to alternative days for the observance before the beginning of the calendar year.

(b) In any calendar year in which one (1) or more of such holidays falls on Saturday, such holiday or holidays will not be an observed holiday in such year within the meaning of this Agreement, but another day or days between Monday and Friday, both inclusive, will be observed during such year in place of the Saturday holiday or holidays. Management shall be required to designate such alternative day or days before January 1 of such calendar year after the matter has been discussed between the Affiliate and Management.

(c) When the necessary arrangements can be made and it is satisfactory to the Affiliate and Management, another day may be annually substituted for Good Friday and/or Memorial Day.

(d) Management will, prior to January 1 of each calendar year designate a tenth holiday to be observed at that location during the following year. Such holiday will be designated by Management pursuant to the procedures for designating an alternate day when a scheduled holiday falls on Saturday as set forth in paragraph 1.(b), above.

2. Salaried employees who are on the active roll as of the last working day before an observed holiday will be paid for the holiday. Employees who are separated at any time on or before December 31 in any year shall not be entitled to holiday pay for the New Year's Day in the following year. An employee who is on strike shall not be paid for any observed holiday which occurs during such strike.

3. Basic hours on an observed holiday will be credited as time worked for salaried employees.

SECTION XIII--VACATIONS

1. The vacation periods of employees will be arranged so that they do not unreasonably interfere with the operation of the plant or office. Insofar as practical, the employee will be permitted to take a period satisfactory to him. Where more employees in the same position desire the same vacation period than can be permitted to be absent, preference will be based on seniority credit.

2. a. Management may schedule shutdowns of up to ten (10) days in any calendar year by giving the union notification prior to the beginning of a calendar year. These shutdowns will be considered as vacation days for all of the affected employees. The time of the year for shutdowns will be a matter for negotiations.

b. Employees entitled to vacation pay during a vacation shutdown, who are on the disability roll on the last working day prior to the vacation shutdown and are receiving Accident and Sickness Benefits under the Insurance Plan shall not be placed on vacation for the period of the scheduled shutdown unless the individual employee makes a request for said vacation period in writing prior to the shutdown. If such a request is made, Accident and Sickness Benefits will be suspended during the vacation shutdown. Under no circumstances, except where mandated by law, will an employee receive both

vacation and Accident and Sickness Benefits for the same period, and if necessary before the end of the calendar year the payment of Accident and Sickness Benefits to the employee will be suspended for the period of vacation remaining to the employee and he will receive vacation pay in lieu thereof. Vacation payment shall be at the rate effective at the time the employee became disabled plus any intervening keysheet changes.

3. It is the responsibility of Management to see that all employees take their allotted vacations.

4. When an established holiday or its observance falls on a normal work day within the vacation period of a salaried employee, an additional vacation day will be granted.

5. Where an employee is terminated from employment for any reason, payment for vacation not taken for the current year will be made if the employee has qualified for vacation. Employees who are laid off may elect to receive pay for unused vacation, to which they are entitled, at any time during the calendar year in which they are laid off.

6. The right to vacation with pay shall vest as follows:

a. Each employee who is on the active roll and who has completed at least thirty (30) days' continuous employment immediately preceding the close of business of the calendar year immediately prior to the beginning of the vacation year shall be entitled to that vacation in the vacation year for which he has qualified at such close of business, and

b. Each employee who is on the active roll and who has completed at least thirty (30) days' continuous employment at the close of business on his last working day immediately preceding the time of starting his vacation shall be entitled to such additional (or initial)

vacation for which he has qualified at such close of business.

7. For vacation purposes only, continuous employment is interrupted only when an employee's name is removed from the active roll, except that in case the removal is the result of disability, such removal does not interrupt continuous employment unless and until the employee's name has been removed from the active roll for two (2) years.

8. Salaried employees meeting the requirement of thirty (30) days continuous employment described in paragraph 6. above, will be granted vacations as follows:

a. One (1) year of seniority credit but less than six (6) years -- 2 weeks vacation.

b. Six (6) years of seniority credit but less than seven (7) years -- 2 weeks plus 1 day vacation.

c. Seven (7) years of seniority credit but less than fifteen (15) years -- 3 weeks vacation.

d. Fifteen (15) years of seniority credit but less than twenty (20) years -- 4 weeks vacation.

e. Twenty (20) years of seniority credit but less than thirty (30) years -- 5 weeks vacation.

f. Thirty (30) years or more of seniority credit -- 6 weeks vacation.

9. Employees otherwise eligible to receive vacation pay under this Section XIII may be paid one-half day's pay for a one-half day of vacation as defined in this Section XIII only where the terms and conditions of such one-half day's vacation payment has been agreed to by Management and the Affiliate in memo of understanding as provided by Section XVIII, Modification.

However, no memo of agreements shall change the total days of vacation pay entitlement or eligibility requirements as set forth in this Section XIII.

SECTION XIV--BULLETIN BOARDS

The Company will permit the use of bulletin boards for the purpose of posting Federation and Affiliate notices or other information of interest to Federation members. All such notices will be subject to Management's approval and arrangements made by Management for posting.

SECTION XV--SETTLEMENT OF DISPUTES

1. Responsibility

In no case will a strike or other organized or concerted interference with the work of employees (including sit down, stay ins, slow downs or any other stoppage of work which restricts or interferes with production) be authorized by the Federation before the Company has been given sixty (60) days notice.

A. The Federation may authorize the Affiliate to strike over an unsettled grievance in the event the grievance procedure has been exhausted, and a written request has been made for arbitration and denied in writing or a response agreeing to arbitrate is not made within fifteen (15) days after receipt of the request, and the Federation notifies the Company, in writing, that it does not intend to pursue legal action seeking to compel arbitration. The Federation will notify the Company in writing at least seven (7) days before it grants authorization to the Affiliate to strike. This notification will be considered valid for a period not to exceed the lesser of the remaining term of the Agreement in effect when such notice is given or one (1) year. The Federation agrees that, upon receipt of notice that a strike in violation of

this Agreement is in progress, or is about to begin, it and the Affiliate will immediately take all appropriate steps to terminate or prevent such strike.

B. Causing or taking part in any action or failure to act which is in violation of this Section is just cause for disciplinary action by the Company.

C. The foregoing provisions in paragraph A. of this Section XV shall not limit any rights expressly conferred on either party under Section XVIII of this Agreement.

2. Grievance Procedure

A. The Company agrees to bargain with the appropriate representatives of the Affiliate or the Federation regarding rates of pay, wages, hours of employment, or other conditions of employment. Matters deemed to be applicable to the bargaining unit and which are not grievances, as hereinafter defined, shall be subjects for negotiations between the bargaining committees of the Affiliate and Management.

B. The term grievance is defined to mean (a) any dispute as to the interpretation, application, or claimed violation by the Company of this Agreement, or any memo of understanding covering the bargaining unit (b) any subject that this Agreement provides shall become a grievance, or (c) questions involving discipline, release or discharge of employees in the bargaining unit.

C. Grievance Procedure

(1) It is the intention of this Agreement that Management and the Affiliate shall make every effort to settle all grievances at the lowest level possible.

(2) The immediate Affiliate representative and the immediate supervisor will handle grievances at the first step. There will not be more than three (3) steps in the

local grievance procedure and the number of steps, the maximum number of representatives of the Affiliate at the various steps, the designation of the Management and Affiliate representatives at the second and third steps, and any other details will be included in Memos of Understanding.

(3) The Affiliate representative will present the written grievance to the designated Management representative at each step. A meeting will be held within three (3) working days at the first step, seven (7) working days at the second step, and ten (10) at the third step, at a mutually convenient time to discuss the grievances. An answer will be given by the Management representative following the final meeting (if more than one (1) meeting is necessary), within a maximum of three (3) working days at the first step, seven (7) working days at the second step, and ten (10) working days at the third step.

(4) The above time limits (paragraph 3.) at each step may be extended by mutual agreement of the Management and Affiliate representatives designated for that step of the grievance procedure. If extension is not granted and the time is exceeded, the grievance may be advanced to the next step of the procedure.

(5) The answer, in writing, will be given to the designated Affiliate representative at each step. If the answer is satisfactory the Affiliate representative will so indicate on the grievance form and return one (1) copy to the Management representative answering the grievance. If the answer is unsatisfactory the Affiliate representative will so indicate on the form, attach the reason why he considers the answer unsatisfactory, and may forward it to the designated Management representative at the next step.

D. Appeal Grievance Procedure

(1) Should Management and the Affiliate fail to adjust a grievance arising under this Agreement or the memos of understanding, such grievance may be referred to the Emerson Process Management Power & Water Solutions, Inc. Human Resources Manager and the Federation. The Federation may submit to the Company any grievances referred to it by the Affiliate. A meeting to review the grievance will be scheduled within thirty (30) days from the date the grievance is received by the Company. On grievances alleging no just cause for discipline, release, or discharge, the Federation shall, not later than the time for such meeting, furnish the Company a written statement of its position, stating the facts and designating the provisions of this Agreement and/or the applicable memos of understanding on which it relies to support such position. As to all grievances, an answer, in writing, will be given within thirty (30) days following the appeal grievance meeting containing a similar statement of position, and the facts and provisions of this Agreement or memos of understanding relied upon to support such position. The foregoing time limits may be extended by mutual agreement. Failure of the Federation or Company to advance any argument or contract provision, orally or in writing, at any step of the grievance procedure, shall not prejudice either party at a later step of the grievance procedure or in any arbitration proceeding.

(2) If Management's final reply to a grievance of the Affiliate is unsatisfactory, the Affiliate shall not be considered as having fully exhausted the grievance procedure if it fails to refer such grievance to the appeal level. The Federation, however, may choose to take such grievance to the appeal level, in which case the Federation will so inform the Company in writing. When the Affiliate refers a grievance to the appeal level through the Federation, or if the Federation takes such grievance to the appeal level, which in either case must

be done within thirty (30) days from the date of Management's final answer, the grievance procedure shall be considered as having been fully exhausted only after the Federation advises the Company in writing that the Company's reply at the appeal level is unsatisfactory. The Affiliate will inform Management in writing when it refers a grievance to the appeal level.

E. Should the parties fail to settle any grievance after exhausting the grievance procedure then the provisions of Section XV-A -- Arbitration shall apply.

F. A reply to a grievance will be considered final at any level of the grievance procedure (local or appeal) and the grievance closed on the basis of the Company's last answer, if written notification to the contrary is not received within thirty (30) days of the date of such reply.

SECTION XV-A--ARBITRATION

1. Grievances, other than those concerning probationary employees, which remain unsettled after the grievance procedure has been exhausted pursuant to Section XV shall be arbitrable upon a valid request of either the Federation or the Company. In the arbitration of discipline and discharge grievances, the authority and jurisdiction of the arbitrator shall be limited to determining whether the Company's action was without just cause, and if so, what shall be the remedy.

2. Grievances involving any other disputes, including alleged violations of this Agreement or memos of understanding, shall be arbitrable.

3. A request for arbitration shall be valid only if it (a) is in writing, and (b) is made within thirty (30) days after the Company receives notice that its final reply at the appeal level is unsatisfactory. If no such request is made by either the Company or the Federation during such

thirty (30) day period, both parties shall be deemed to have waived their right to make such request.

4. Within fifteen (15) days after receipt of a valid request for arbitration, the receiving party will give its response thereto in writing, stating whether it believes the dispute to be arbitrable. When either party denies arbitrability, the American Arbitration Association shall have no authority to process the matter further in arbitration under paragraph 5 below until a final judgment of a Court has determined that the grievance upon which the arbitration has been requested raises an arbitrable issue or issues.

5. Where it is agreed that a dispute is to be arbitrated and where no arbitrator has otherwise been mutually chosen by the parties, either the Company or the Federation may, but only within fifteen (15) days from the date of the agreement to arbitrate, request the American Arbitration Association to submit a list of names from which an arbitrator may be chosen. The other party shall receive copies of all such correspondence sent to the Association. No arbitrator who has not been approved by both parties shall be appointed by the Association unless and until the parties have had submitted to them three (3) lists of arbitrators from the Association panels and have been unable to select a mutually satisfactory arbitrator therefrom.

6. No more than one (1) dispute or issue may be scheduled before any one (1) arbitrator in any one (1) case, except by mutual agreement of the parties; it being understood, however, that the grievances of all employees resulting from the same incident or series of incidents may be submitted to a single arbitrator in one (1) case.

7. All arbitration hearings hereunder shall be held at dates, times, and places mutually agreed upon by the parties, but in the event of failure to reach agreement

thereon, the disputed date, time, and/or place shall be determined by the arbitrator.

8. Except as provided in paragraph 13 of this Section, a transcript shall be made of the proceedings at every arbitration hearing, with the original to be furnished to the arbitrator and the cost thereof to be divided equally between the parties. The cost of additional copies of the record shall be paid by the party requesting them.

9. A copy of any document furnished to the arbitrator by either party shall also be furnished simultaneously to the other party. If no copy of a document furnished at the hearing is available, a copy will be made and furnished to the other party as soon as practicable.

10. Absent specific agreement of the parties as expressed in a Submission Agreement, an arbitrator shall have no authority or jurisdiction to hear any case or to review, revoke, modify, or enter any award with respect to any matter involving the interpretation or application of any pension, insurance, or other benefits plan referred to by or made a part of this Agreement, or with respect to the establishment, change, or administration of any benefit plan; or to make any award requiring payment to an employee for any period more than thirty (30) days prior to the filing of the grievance in question; or in the event of an award of overtime pay for monthly paid salaried employees, for any period more than two months prior to the month in which the grievance is filed; or to compel either party to produce new evidence (not already presented during the course of the grievance procedure) considered by such party to be confidential, irrelevant, or immaterial to the proceeding, or which is not available.

11. In the selection of an arbitrator and the conduct of any arbitration proceeding, the Voluntary Labor Arbitration Rules of the American Arbitration Association, as amended and in effect on ratification of

this agreement shall control, but only to the extent that they do not conflict with this Agreement or any Submission Agreement executed hereunder. No modification of such rules of the Association shall be controlling in any arbitration proceeding under this Agreement without mutual agreement in writing by the Company and the Federation, except that both parties will comply with the modifications to the extent that they involve the amount of the administrative fees of the Association.

12. The decision of an arbitrator in any arbitration hearing hereunder shall be final and binding upon the parties to this Agreement, the employee(s) involved in the grievance; provided, however that no arbitrator shall have any authority or jurisdiction to add to, detract from, or in any way alter or abridge the provisions of this Agreement, or any Submission Agreement executed under this Section.

13. Grievances filed on or after the effective date of this paragraph which are arbitrable under this Agreement and allege that an employee has been disciplined or discharged from the active rolls without just cause may be processed into arbitration from Step 3 of the grievance procedure; provided, however, that the party requesting arbitration does so in writing within thirty (30) calendar days after the date of the Company's final reply to the grievance. Both parties must agree that the dispute does not involve the interpretation of a contract provision or a procedural question. In the event there is no such agreement, the grievance may be advanced to the appeal level of the grievance procedure within thirty (30) days of the date of the determination that it is not to be processed under paragraph 13.

In arbitration hearings held under this paragraph 13. only, the parties agree that no transcript nor other formal record of the proceedings shall be required, and that no post-hearing briefs will be filed; either party may,

however, present oral or written summations. Hearings will be scheduled within sixty (60) days of the appointment of an arbitrator, unless the parties agree upon a subsequent date, and awards with only a brief written opinion shall be issued within two (2) weeks after the hearing is closed. No award issued under this procedure may be considered as establishing a precedent. All provisions of Section XV-A shall otherwise apply to arbitration under this paragraph.

SECTION XVI--PAYMENT FOR NEGOTIATING TIME

It is agreed that negotiating time will be kept to a minimum commensurate with good practice and in the interest of efficiency. Unless of such nature as to be termed urgent, negotiating time will be scheduled by Management and the Federation or Affiliate representatives in advance in such manner as to least interfere with regular work schedules.

The following procedure will apply:

A. Officers and other representatives of the Affiliate must give notification to and secure a time report from their respective supervisors when stopping work to conduct union business, whether or not with Management (including, without limitation, investigation of complaints that may lead to grievances, handling and adjustment of grievances and attendance at meetings of Union committees) and must return the report to the supervisors when again ready to start work.

B. Payment will be made by the Company at the representative's salary rate only for such time reports covering time spent in:

1. Investigation of complaints that may lead to grievances.

2. Handling and adjustment of grievances.
3. Attendance at meetings with Management within the employee's basic work week.
4. Attendance at meetings with Management outside the employee's basic work week where such attendance is not voluntary.
5. Meetings held in the plant during the regular working hours of the employee which are requested by Management.
6. Rate Reviews.

Time covered by the above reports (sub-paragraph B.) will be considered as hours worked for the purpose of determining overtime.

SECTION XVII--PERIODIC MEETINGS

A. The parties recognize that during the period in which this Agreement is in effect, problems of administration of this Agreement may arise which are not now anticipated by either party. They also recognize that, during such period, more mutually constructive and productive relationships are likely to exist between the Company and the Federation, and among both management and non-management employees, if both the Company and the Federation continue and enlarge their respective efforts to gain a better appreciation and understanding of each others' problems and objectives. They recognize that frequently what at first appear to be problems or areas of conflict and disagreement are actually the result of misunderstandings which are cleared away upon a complete and frank exchange of viewpoints and ideas. Finally, they believe that even though limitations are being placed upon formal collective bargaining negotiations during the extended period of this Agreement, a better atmosphere in which to achieve

improved day-by-day relations between the parties, which they both desire, can be created through meetings of the kind described below.

B. Upon the written request of either party, meetings will be held during the term of this Agreement between the bargaining committees. It is understood that such meetings will be held for the purpose of appraising and discussing the problems, if any, which may arise concerning administration, interpretation or application of this Agreement, or other matters which either party believes will contribute to improvement in the relations between them within the framework of this Agreement. It is understood that such meetings shall not be for the purpose of handling grievances or conducting continuing collective bargaining negotiations, nor for any other purpose which will in any way modify, add to or detract from the provisions of this Agreement. In agreeing to such meetings, the parties are providing concrete evidence of their sincere desire to encourage friendly, cooperative relationships between their respective representatives at all levels and with and between all employees covered by this Agreement, and to find ways to overcome difficulties, influences or attitudes which interfere with such relationships. The agreement to hold such meetings will also give assurance that the Company and Federation officials whose duties involve negotiation of this Agreement are neither anti-union nor anti-company, but are sincerely concerned with the best interest and well-being of the Company's business and of all employees covered by this Agreement.

C. Unless the parties otherwise mutually agree, such meetings shall be held at the Company's Headquarters within thirty (30) days after a request is received, shall not exceed one (1) working day's duration, and shall not be held oftener than once during each calendar quarter year. The parties recognize that discussions will be expedited and facilitated if the party requesting the

meeting includes in such request a description of the subject or subjects which it desires to discuss.

SECTION XVIII--MODIFICATION

1. This Agreement will not be changed, modified or varied except by a written instrument signed by duly authorized agents of the parties hereto, and any negotiations relating to proposed changes in such provisions will be carried on between representatives as outlined in Section II.

2. All agreements, other than agreements as to settlement of specific grievances, shall be in writing.

3. The parties acknowledge that during the negotiations which resulted in this Agreement each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that all agreements arrived at by the parties after the exercise of that right are set forth in this Agreement (except to the extent they are set forth in the Pension and Insurance Agreement between the Company and the Federation). Therefore, except as hereinafter specifically provided in this Section XVIII, the Company and the Federation, for the life of this Agreement, each voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated, to bargain collectively with respect to any subject or matter referred to or covered in this Agreement, or with respect to any subject or matters which were discussed during the negotiation of this Agreement.

4. If the parties do not reach agreement prior to **March 6, 2020**, with respect to any requested contractual changes or additions or salary adjustments or if the parties do not reach agreement prior to the end of any subsequent contract term, with respect to any requested contractual changes or additions or salary, the Federation

may strike after the beginning of the next succeeding contract term in support of any such requests made by it. Such strike shall not be in violation of Section XV or any other provision of this Agreement, but either party may, upon not less than one (1) day's written notice given to the other during such strike, thereupon terminate this Agreement and all of the supplements and local supplements thereto.

SECTION XIX--TERMINATION

1. This Agreement shall continue and remain in full force and effect for a succeeding contract term unless either party terminates this Agreement as of midnight on that last day of the current or succeeding contract term, by giving the other party written notice of such termination not more than sixty (60) days and not less than thirty (30) days before the termination date.
2. Upon termination of this Agreement, all memos of understanding will also be terminated

SECTION XX--PENSION AND INSURANCE

ARTICLE I

Section 1

The term "employees" as used herein means, unless otherwise clearly indicated, all employees of the bargaining unit which is covered by this Agreement, as herein provided.

Section 2

(a) The Company and the Federation agree that the following Emerson Process Management Power & Water Solutions, Inc. benefits, which are set forth in the

Summary Plan Descriptions, shall be put into force and effect by the Company for the employees in the bargaining unit covered by this Agreement subject to all other provisions of this Agreement. These benefits include: medical, dental, vision, life insurance (basic, supplemental and dependent), accidental death and dismemberment (basic, supplemental and family), disability, and an Employee Security and Protection Plan.

(b) The Company agrees to make available to the employees a Pension Plan (hereinafter called the "P&WS Pension Plan"), the provisions of which, are set forth in the Summary Plan Description.

(c) The Company agrees to make available to the employees a Personal Savings Plan (hereinafter called the "Savings Plan"), the provisions of which, are set forth in the Summary Plan Description

Section 3

The Company agrees that, during the term of this Agreement, as to employees covered by this Agreement it will not reduce the benefit levels agreed upon by the parties.

The Company reserves the right during the term of this Agreement, as to the employees covered by this Agreement, to modify, amend, discontinue, change, add to or terminate the Supplemental Life and/or Dependent Life Insurance Plans, the Additional Group Life Insurance Plan, the Supplemental AD&D Plan, and the Disability Plan so long as such action does not discriminate against employees covered by this Agreement. In the event of any such action affecting benefits of employees under any of these Plans, an appropriate adjustment shall be made in the rate of employee contributions.

ARTICLE II

(a) It is agreed that benefits under the medical, dental and vision plans shall not duplicate any benefits provided or required under state or federal laws, regardless of whether the benefits under such laws are larger or smaller than those provided by the P&WS plans.

(b) If any state or federal legislation is hereafter adopted which will provide benefits of the same type (although not necessarily of the same name or in the same amount) as one or more of the benefits provided by the P&WS Plans, or if any presently existing or future state or federal legislation providing such benefits may be hereafter amended, any benefit or benefits under the P&WS Plans which are similar or related to the benefits provided or affected by such legislation shall, at the written request of either the Company or the Federation, become a subject for collective bargaining, which shall be carried on, and completed if possible, sufficiently in advance of the effective date of the new or amendatory legislation to permit the working out in good time of the administrative details which may be involved. If either party requests collective bargaining, but no agreement is reached during negotiations, prior to the effective date of such legislation, the Company may terminate or modify any such benefits provided by the P&WS Plans with respect to employees in the state involved (or employees in the United States in the case of federal legislation). Written notice of such termination or modification of benefits shall be given to the Federation before it is announced generally to the affected employees. In the event of such termination or modification of benefits, an appropriate adjustment shall be made in the employees' contributions.

(c) By payment of its contributions to the premiums on any such insurance policy or policies under this agreement, including Life Insurance, Accidental Death and Dismemberment, Long-Term Disability, Vision, Insured Dental Plans, the Company shall discharge its full obligation hereunder, and shall be relieved of any and all liability to employees or their representatives.

(d) The Company agrees to furnish the Federation with information concerning any of the benefit plans upon request.

ARTICLE III EMPLOYEE SECURITY AND PROTECTION PLAN

The Employee Security and Protection Plan will not apply to employees hired after February 29, 2000.

Section 1 - Definitions

Whenever used in this Plan, masculine pronouns include both men and women unless the context indicates otherwise.

Whenever used in this Plan for the purposes of this Plan:

(a) Affiliated Entity means a subsidiary which is at least 50% owned by the Company or a partnership or a joint venture in which the Company is at least a 50% owner that has not been designated as an Employer.

(b) Automated Manufacturing Machine means a device for doing production which has programmable controllers (PC), numerical controls (NC), computer numerical controls (CNC) or direct numerical controls (DNC).

(c) Automated Office Machine means a computer-based device for doing office work related to processing information and includes words, data and image processors, electronic mail, business and engineering graphic devices, and similar equipment.

(d) Company means Emerson Process Management Power & Water Solutions, Inc. (PWS).

(e) Decrease in Work Force means a reduction in the number of Employees assigned to a group, section or other organization unit through Layoff or Permanent Job Separation.

(f) Eligible Employee means an Employee who has two (2) or more full years of service.

(g) Employee means a person who is in the service of the Company (except part-time or casual employees) who is represented by the Union.

(h) Excluded Unit means a group of employees who have been designated by the Company or as not eligible to participate in this Plan.

(i) Increase in Work Force means the recall, rehire or hire of an Employee to fill an open job in a group, section or other organization unit.

(j) Job Movement or Product-Line Relocation means the permanent discontinuance of the manufacturing of a product at the Company location provided that the product continues to be produced by the Company but at a different location. Layoffs due to adjustments in the workforce caused by changes in production requirements, manufacturing processes, sales volume, inventory levels, make or buy decisions, decisions to discontinue a product line, or any other reasons associated with the business shall not be a Job Movement or Product-Line Relocation.

(k) Layoff means the termination of the employment of an Employee with the Company through no fault of his own for lack of work for reasons associated with the business where the Company determines there is a reasonable expectation of recall within one year.

(l) Closedown means the permanent cessation of all activities and operations by the Company (except for that work necessary to protect the property, i.e., plant guard service, power house operations) at 200 Beta Drive, Pittsburgh, Pa. 15238.

(m) Closedown Date means the date on which the permanent cessation of all activities and operations by the Company occurs.

(n) Permanent Job Separation means the termination of the Employment of an Employee with the Company through no fault of his/her own for lack of work for Reasons Associated With the Business for whom the Company determines there is no reasonable expectation of recall. In no event does a Permanent Job Separation occur if the Employee is offered continued employment by the Company, or a successor employer which is not an Affiliated Entity. An Employee who is on Layoff status shall not be deemed a Permanent Job Separation provided, however, that if such an Employee continues on Layoff for one year without an offer of employment by the Company or Affiliated Entity, a Permanent Job Separation shall be deemed to occur one year from the original date of Layoff.

(o) Plan means the P&WS Employee Security and Protection Plan, as herein set forth.

(p) Plan Administrator means P&WS.

(q) Reasons Associated With the Business means reasons such as changed customer ability and willingness to buy as reflected in adjusted production requirements,

changed manufacturing processes, product discontinuance or plant closing.

(r) Robot means a programmable, multifunction manipulator designed to move materials, parts, tools or specialized devices through variable programmed motions for the performance of a variety of tasks.

(s) Transfer of Work means the discontinuance of ongoing work at the Company coupled with the assignment of the same work to another employer, if such assignment of work would directly cause a decrease in the number of employees performing the same work at the Company location.

(t) A Week's Pay for a salaried employee who is paid bi-monthly shall be the Employee's normal straight time bi-monthly salary including any applicable night turn bonus and group leader remuneration for the last two weeks worked by the Employee multiplied by 24 and divided by 52.

Section 2 - Closedown or Sale

(a) The Company will not announce or engage in a Closedown during the term of this Agreement unless all Bargaining Unit Employees affected by such Closedown who are eligible for such benefits, are offered Permanent Job Separation Benefits as set forth in Section 5 of this Plan.

(b) The Company will not sell any facility during the term of this Agreement unless the successor employer:

1. Recognizes the Union as the representative of the Employees at 200 Beta Drive; and

2. Agrees to provide comparable wages and benefits to all Employees in the unit who are offered continued employment by the successor.

Section 3 - Notice Provisions

(a) Closedown

1. The Company will give the Union notice of a decision to effect a Closedown as soon after such a decision as practical.

2. Such notice shall be given at least six (6) months in advance of the Closedown date unless, because of conditions over which the Company has no control, it is unable to do so.

3. Such notice shall include:

(i) The anticipated Closedown Date; and

(ii) The date when termination of represented Employees because of the Closedown is expected to begin.

(b) Job Movement or Product-Line Relocation

1. The Company will give the Union notice of a decision to effect a Job Movement or Product-Line Relocation as soon after such decision as practical.

2. Such notice shall be given at least six (6) months in advance of the date on which the Job Movement or Product-Line Relocation will be completed, unless because of conditions over which the Company has no control, it is unable to do so.

3. Such notice shall include:

(i) Identification of the Job Movement or Product-Line Relocation that is to be made; and

(ii) The anticipated date on which the Job Movement or Product-Line Relocation will begin.

(c) Transfer of Work or Installation of Robots, Automated Manufacturing Machines or Automated Office Machines.

1. The Company will give the Union involved notice of a decision to Transfer Work or to begin use of a Robot, or an Automated Manufacturing Machine, or an Automated Office Machine in a work area as soon after such decision as practical.

2. Such notice shall be given at least sixty (60) days before a Transfer of Work or before use of a Robot, an Automated Manufacturing Machine, or an Automated Office Machine begins, unless because of conditions over which the Company has no control, it is unable to do so.

3. Such notice shall include:

(i) A description of the work to be transferred or the function of the device;

(ii) The expected decrease in the number of represented Employees as a direct consequence of the Transfer of Work or use of the device; and

(iii) The anticipated date of the Transfer of Work and use of the device for production.

Section 4 - Layoff Income and Benefits

(a) Eligibility

1. An Eligible Employee will receive layoff income and benefits in accordance with Option 1 or 2 listed below in Subsection 4(c) from a total maximum sum available to him which is defined in Subsection 4(b). An Eligible Employee will receive layoff income and benefits if he:

(i) Is not on disability or leave of absence;

(ii) Is Laid Off;

(iii) Has not been recalled to work; and

(iv) Is determined by the Company not to be eligible for Permanent Job Separation benefits because a reasonable expectation of recall exists.

2. Notwithstanding Subsection 4(a)1, above, when an Eligible Employee who in accordance with the applicable Decrease in Work Force procedure would be placed in a salary code or labor grade the maximum keysheet rate for which is more than ten percent (10%) lower than the maximum keysheet rate for the salary code or labor grade of record in which the Employee was assigned on the day six months prior to the placement in question, the Employee may elect to be Laid Off. Such employee who otherwise qualifies as an Eligible Employee will not affect his eligibility by his election of Layoff. For purposes of this Subsection 4(a)2, whenever an incentive labor grade is involved in percentage determinations, the maximum rate(s) used shall be the maximum daywork keysheet rate at the same labor grade level.

3. Notwithstanding Subsection 4(a)1, above, a laid-off Eligible Employee who in accordance with the Increase

in Work Force procedure is recalled to work, for placement in a salary code or labor grade the maximum keysheet rate for which is more than ten percent (10%) lower than the maximum keysheet rate for the salary code or labor grade in which the Employee was assigned on the day six months prior to his Layoff, the Employee may waive recall. Such waiver shall not affect his status on the inactive seniority list nor any eligibility he may have to benefits under this Plan. For purposes of this Subsection 4(a)3, wherever an incentive labor grade is involved in percentage determinations, the maximum rate(s) used shall be the maximum daywork keysheet rate at the same labor grade level.

4. In making the percentage determination in Subsections 4(a)2 and 4(a)3, above:

(i) If there has been an intervening pay schedule rate adjustment, such increase shall be added to the prior maximum pay schedule rate for purposes of making the above percentage determinations, and

(ii) If the Employee was not on active roll as of the prior six months' date, the salary code or labor grade applicable when the Employee first subsequently returned to the active roll shall be used.

(b) Total Maximum Sum

The total maximum sum available to an Eligible Employee shall be equal to one (1) Week's Pay for each of the Employee's full years of service except to the extent that such sum shall be affected by prior Layoffs and rehires in accordance with the provisions of Subsections 4(d) hereof. However, in no event shall the total maximum sum available to an Eligible Employee equal less than four (4) Week's Pay.

(c) Options

1. Lump Sum Payment up to Sixty (60) Days

Within sixty (60) days after a Layoff which in management's opinion will exceed six (6) months in duration, an Eligible Employee may request payment of and receive his total maximum sum in a lump sum payment, in which case he will permanently sever his relationship with the Company and relinquish recall rights and service credits for any purpose (except such rights as may exist under the P&WS Pension Plan and the Savings Plan) including the calculation of any Permanent Job Separation benefits. Vacation pay and any other sums due will also be paid in a lump sum payment.

2. Income Extension

An Eligible Employee who has not elected Option 1 above will be eligible to apply for weekly benefits in such amounts and upon such conditions as set forth in this subsection 4(c)2.

(i) Prior to the exhaustion of entitlements to federal and state unemployment compensation benefits, the employee will be paid a weekly benefit in an amount (if any) which, when added to the total federal and state unemployment compensation benefits received for that week, equals sixty percent (60%) of his Week's Pay, provided, however, that payment shall be made only if the Employee has applied for and received unemployment compensation benefits for that week and only if the employee has provided the Employer with satisfactory proof of the total of such benefits received for the week.

(ii) After exhaustion of his entitlements to federal and state unemployment compensation benefits, the Employee will be paid a weekly benefit in an amount equal to sixty percent (60%) of his Week's Pay.

(iii) Weekly benefits as defined in this Subsection will be paid upon application by an Eligible Employee until the total maximum sum available to him has been exhausted in accordance with the provisions of the Plan, or until twelve (12) months have elapsed from the date of his Layoff, subject to the following provisions:

a. No payment will be made for any week which would have been a waiting week under any applicable state or federal unemployment compensation law or similar legislation.

b. If an Eligible Employee becomes eligible for additional unemployment compensation benefits after weekly payments have commenced, payments will be adjusted in accordance with Subsection 4(c)2(i) above.

c. No payment will be made for any week in which an Employee is entitled to receive weekly accident and sickness benefits from the Company, or to receive benefits under any state or federal worker's compensation law, occupational disease law, or similar legislation, or to receive benefits under any state or federal temporary disability benefits law or similar legislation. If any such benefits are awarded retroactively, the Employee will reimburse the Company for all weekly benefits received for the same time period under the Plan.

d. No payment will be made for any week in which an Employee is entitled to receive weekly retraining allowances under any applicable state or federal legislation. If any such benefits are awarded retroactively, the Employee will reimburse the Company for all weekly benefits received for the same time period under the Plan.

e. Payments made under this Option 2 will not affect service credit or recall rights.

f. If an Eligible Employee who satisfies the requirements for an Early Retirement Pension or a Normal Retirement Pension under the P&WS Pension Plan at the time of Layoff or while on Layoff, retires prior to exhaustion of the total maximum sum available to him, no further payments from the total maximum sum will be thereafter paid.

g. Payments under this option are also subject to the provision that while receiving such payments the Employee must in fact be still unemployed and certify to this fact in writing on a form provided by the Company.

(d) Repayment and Rebuilding

1. If the Employee elects to receive a lump sum payment pursuant to the option described in Subsection 4(c)1 above, service credits and recall rights which were lost may be restored upon subsequent rehire only if the Employee repays in full the lump sum payment received under such option. Arrangements to make repayment must be made within sixty (60) days of rehire, at which time the Employee may either make repayment in full, or arrange with local management for repayment in installments which will extend no longer than one (1) year after rehire.

2. Repayment is not required upon subsequent rehire by an Employee who elects Option 2 described in

Subsection 4(c)2 above. If the total maximum sum available to an Employee under Option 2 has been reduced by payments received under Option 2, then, upon his return to work following a Layoff, the total maximum sum available will be fully restored at the time he is placed on the payroll.

Section 5 - Permanent Job Separation Benefits

(a) General

- 1. Whenever the Company decides that a Permanent Job Separation will occur, the Company shall give notice of its decision to the local Union and the Employees affected.**
- 2. Each Employee whose employment is terminated as a result of a Permanent Job Separation shall be given at least two (2) weeks advanced notice of the specific date of his separation.**

(b) Eligibility

- 1. An Eligible Employee at the time of a Permanent Job Separation shall be eligible for those Permanent Job Separation benefits in effect on the date of separation.**
- 2. An Eligible Employee who at the time of his termination of employment was classified as a Layoff, shall be eligible for Permanent Job Separation benefits effective one year after Layoff if the Employee has not been recalled to employment or employed by an Employer or an Affiliated Entity.**

(c) Special Conditions

- 1. An Employee who is eligible for Permanent Job Separation benefits shall be entitled to the benefits for which he is eligible as set forth in this Section 5 as well as the full vacation allowance for which the Employee**

might have qualified in the calendar year in which he is separated, provided that the Employee, after being given notice of a Permanent Job Separation, continues regularly at work for the Company until the specific date of his separation. If the Employee fails to continue regularly at work until the specific date of his scheduled separation due to verified personal illness or leave of absence, no Permanent Job Separation benefits will be paid to such an Employee unless and until he is available to return to work. An Employee on the disability roll is automatically separated from the Employer after two (2) continuous years on disability roll from his last day worked and is not eligible for Permanent Job Separation benefits. An Employee separated while on the disability roll is not eligible for Permanent Job Separation benefits unless he is available to return to work within two (2) years from his last day worked.

2. An Employee eligible for Permanent Job Separation benefits may request that the date of scheduled separation be advanced so that he can accept other employment. Local management will attempt to honor this request.

3. An Employee, otherwise eligible for Permanent Job Separation Benefits, will not affect his eligibility for such benefits by electing not to accept a job placement, if such election is exercised in accordance with the same limitations set forth for layoff income and benefits in Section 4(a)2 and 4(a)3.

(d) Permanent Separation Amount

1. A total permanent separation amount available to an Employee eligible for Permanent Job Separation benefits on or after January 1, 1996 will be computed in the following manner, subject to the reductions set forth in Subsection 5(d)2 below:

(i) One week's pay for each full year of service up to and including five (5) years of service, with a minimum of four (4) week's pay; plus

(ii) One and one-half (1 1/2) week's pay for each full year of service over five (5) years of service up to a maximum of fifty (50) weeks; less

(iii) Any amounts paid to the Employee under Section 4, Layoff Income and Benefits, of this Plan during the preceding twelve (12) month period.

(e) Payment of Permanent Separation Amount
The permanent separation amount computed in Subsection 5(d) above, for an Employee eligible for Permanent Job Separation benefits will be provided to the Employee in monthly payments equal to fifty percent (50%) of his monthly pay immediately preceding separation. Such payments will start at the end of the first full month of separation and continue until the permanent separation amount available to the Employee is exhausted.

(f) Recall or Re-Employment

1. An Employee who is receiving or has already received Permanent Job Separation benefits will retain any recall rights to which he may be entitled by policy at the Company

2. In the event an Employee who is receiving Permanent Job Separation benefits is re-employed by the Company, all Permanent Job Separation benefits will cease; however, at the time of re-employment, eligibility for full Permanent Job Separation benefits, if available, will be re-established.

3. In the event an Employee who has received all Permanent Job Separation benefits to which he may be entitled is re-employed by the Company or by an Affiliated Entity, all Permanent Job Separation benefits if available will be re-established in full one year after re-employment.

(g) Training and Outplacement Assistance

To assist Employees who are eligible for Permanent Job Separation benefits to find new jobs and learn new skills, management will establish a training and outplacement assistance program following notice of a Permanent Job Separation. The training and outplacement assistance program will include education, retraining, and job placement assistance.

1. Education and Retraining

(i) An Employee who is eligible for Permanent Job Separation benefits may receive education and retraining aid for courses approved by the Company which contribute to or enhance the Employee's ability to obtain other employment provided that the Employee begins the approved course within two years following the Permanent Job Separation. Approved courses will normally be given at schools which are accredited by recognized regional or state accrediting agencies and may include:

- Occupational or vocational skill development;
- Fundamental reading or numerical skill improvement;
- High school diploma or equivalency achievement;
and
- College level career oriented courses.

(ii) An Employee will be reimbursed up to a maximum of five thousand dollars (\$5,000) for authorized expenses which are incurred within four (4) years following a Permanent Job Separation provided a passing grade is

received in the course and the training begins within two years of their separation date. However, if an Employee is employed by another employer at 75% or more of his hourly rate at the time of the Permanent Job Separation, no further authorization will be made by the administrator on or after the date of such employment.

(iii) Authorized expenses include verified tuition, registration and other compulsory fees, costs of necessary books, and other required supplies but excluding computer hardware and software. However, if tuition or other authorized expenses are covered by government benefits, other employers, or scholarships, the reimbursement by the Company will not apply to that portion covered by such other plan. For courses which are not accredited by a recognized regional or state accredited agency, reimbursement will be made based upon similar courses offered that are locally accredited or credited as determined by the administrator.

(iv) An Employee who elects to receive benefits under the P&WS Educational Opportunity Program in lieu of benefits under this Subsection 5(g) will not be eligible for education and retraining aid.

2. Outplacement Assistance

(i) Job placement assistance will include job counseling as well as job information services. Examples of such services are counseling in job search and interviewing techniques, identification and assessment of skills, and employment application and resume preparation as well as providing Employees information on placement opportunities.

(ii) Management may also use the expertise and resources of public and private agencies in providing these services.

(h) Other

An Employee who is eligible for Permanent Job Separation benefits will receive pay in lieu of vacation for any vacation days not used on the day of separation.

Section 6 - Transfer of Work; Robotics; Automated Manufacturing or Office Machines

A non-exempt salaried Employee whose job is directly eliminated by a Transfer of Work, the introduction of a Robot or the introduction of an Automated Manufacturing or Office Machine and who is entitled to transfer or displace to another job shall be paid on any job to which transferred in the facility at a rate not less than the regular salary received on the job eliminated for up to 52 weeks immediately following the transfer.

Section 7 - Special Retirement Bonus

An employee age fifty-eight (58) or over with thirty (30) or more years of credited service or age sixty (60) or over with ten (10) or more years of credited service who satisfies the following conditions and retires will receive a special seven thousand five hundred dollars (\$7,500) retirement bonus:

1. Available only to non-exempt salaried Employees;
2. Employee must be in a job classification in which a Permanent Job Separation occurs;
3. Bonus is not available in case of a Closedown;
4. Employee must be replaced by qualified active employee;
5. Number of Employees accepted for bonus arrangement will not exceed number of Employees

affected by Permanent Job Separation. Selection will be made based upon seniority;

6. Application for participation must be made within 15 days of the announcement of the Permanent Job Separation;

7. Available for period from **March 7, 2015** through **March 6, 2020.**

Section 8 – Limitations Section

(a) The provisions of this Plan shall not be applicable where the Company decides to close a plant, relocate product lines, move work or lay off an Employee because of the Company's inability to secure production, or carry on its operations, as a consequence of a strike, slowdown or other interference with or interruption of work participated in by employees in the Company's plant, service shop or other facility. However, the operation of this Section 8 shall not affect the rights or benefits already provided hereunder to an Employee Laid Off or Permanently Separated for lack of work, prior to and not in anticipation of the commencement of any such strike, interference or interruption.

(b) An Employee shall not be eligible for any benefits under the provisions of this Plan where the Company has sold or transferred operations to a successor employer and such successor employer offers continued employment to the Employee. Continued employment means employment continued from the Employer to the successor employer without a break in employment.

(c) The Company reserves the right to amend or terminate the Plan at any time. There is not consideration paid by the Employee for benefits and the benefits provided by the Plan are not vested.

Section 9 - Review Procedure

(a) An Employee or former Employee whose application for benefits under this Plan is denied, in whole or in part, will be notified in writing. The notification will include the specific reasons for denial, the Plan provisions involved, and the procedure for requesting a review of the denied claim.

(b) A request for a review of a denied claim shall be made in writing to the Plan Administrator, PWS. The Plan document contains detailed procedures for such appeals.

ARTICLE IV

Section 1

The Company, through an Educational Opportunity Program, will refund tuition and compulsory fees up to a maximum amount of two thousand dollars (\$2,000.00) per calendar year to eligible non-exempt salaried employees and to eligible former employees who successfully complete a training course which relates to maintaining or improving employee skill in performing his job or contributes to the career development of the employee within the Company.

Section 2

An employee, to be eligible to participate in the Educational Opportunity Program, must meet the following conditions:

(a) He must have six (6) months or more credited service prior to the completion of any training course for which refund is requested;

(b) He must obtain from a designated Company representative advance written approval of his participation in the training course; and

(c) He must provide evidence that he completed the training course satisfactorily.

Section 3

An eligible former employee is a non-exempt salaried employee who is not on disability or leave of absence, who has been laid off through no fault of his own for lack of work occasioned by reasons associated with the business (such as changed customer ability and willingness to buy as reflected in adjusted production requirements, changed manufacturing processes, product discontinuance or plant closing) and meets the conditions set forth in Section 2, above. In addition, an eligible former employee in order to participate in the Educational Opportunity Program must begin the training course within one (1) year after his layoff.

Section 4

In addition to the refund of tuition and compulsory fees as set forth in Section 1, above, an eligible former employee who has at least two (2) years of service and who is participating in a training course under the Educational Opportunity Program, but who is not eligible to receive unemployment compensation benefits, will receive a weekly training allowance equal to fifty percent (50%) of his "Week's Pay" as defined in the Employee Security and Protection Plan. This weekly training allowance will continue until the Total Maximum Sum available to the eligible former employee under the Employee Security and Protection Plan has been exhausted, but for a maximum period of not less than eight (8) weeks; provided, however, that this allowance will be paid to the eligible former employee weekly only so long as he remains in the training course. The weekly training allowance will be charged against the Total Maximum Sum as defined in the Employee Security and Protection Plan, which may be due to the eligible former employee under the Plan.

Date effective March 6, 2015

**EMERSON PROCESS MANAGEMENT
POWER & WATER SOLUTIONS, INC.**

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Robert Yeager, President

Emerson Process Management

Power & Water Solutions, Inc.

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