

Agreement
for a
Collective Bargaining Agreement
Between
GERDAU AMERISTEEL
St Paul, Minnesota
AND
THE UNITED STEEL WORKERS
Local Union 7263
August 1, 2015 - July 31, 2019

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PREAMBLE	3
Memorandum of Understanding	4
COLLECTIVE BARGAINING AGREEMENT	5
ARTICLE 1 - RECOGNITION	5
ARTICLE 2 – RESPONSIBILITIES OF THE PARTIES and	6
ARTICLE 3 - MANAGEMENT'S RIGHTS	7
ARTICLE 4 - UNION MEMBERSHIP	8
ARTICLE 5 - CHECK-OFF	9
ARTICLE 6 - HOURS OF WORK	10
ARTICLE 7 - OVERTIME AND FILLING THE 21ST TURN	13
ARTICLE 8 - CONTRACTING OUT OF WORK	17
ARTICLE 9 – SENIORITY	18
ARTICLE 10 – WAGES	28
ARTICLE 11 – HOLIDAYS	31
ARTICLE 12 – VACATIONS	32
ARTICLE 13 – LEAVES OF ABSENCE	36
ARTICLE 14 - NO STRIKE AND NO LOCKOUT	38
ARTICLE 15 - GRIEVANCE PROCEDURE	39
ARTICLE 16 – EXPEDITED ARBITRATION PROCEDURE	41
ARTICLE 17 – RULES AND DISCIPLINE	43
ARTICLE 18 - SAFETY AND HEALTH	45
ARTICLE 19 - SEVERANCE ALLOWANCE	48
ARTICLE 20 – GENERAL PROVISIONS	50
ARTICLE 21 – LOCAL WORKING CONDITIONS	56
ARTICLE 22 – SAVING AND SEPARABILITY CLAUSE	57
ARTICLE 23 – DURATION AND TERMINATION DATE	57

PREAMBLE

The Company and the Union recognize that efficiency and productivity of the operation are critical to the success of the business. Having bargained a collective agreement, the Parties hereto recognize that a component of our joint responsibilities include adherence to the terms of our contract, the terms of which include this Memorandum of Understanding.

Therefore the Company and the Union agree and recognize that improvement in performance and methods are pivotal to realizing the full operational and efficiency objectives. As an instrument of insuring cooperation and encouragement of all employees to safeguard and promote these important objectives, the scheduled Labor – Management meetings will have, as a regular feature, time set aside sufficient to pursue and discuss either Party's concerns, suggestions and evaluation of any workplace initiative.

Memorandum of Understanding

This Memorandum of Understanding is intended as an introduction to the Article 1 of the following Collective Bargaining Agreement. As such, it shall be a supplement to the P&M Agreement and will pertain only to the current employees of the former Technical Unit consisting of Mechanical, Metallurgical, and Chemical Laboratory Technicians, as well as Layout Draftsmen employed at the facility located at 1678 Red Rock Road, St. Paul, MN.

In all other respects, beginning on the first day of this Agreement, the Technical Unit will be covered under the same terms of the Production and Maintenance Collective Bargaining Agreement. Additionally, any employees who entered the Technical Unit after October 1, 1997, entered the Unit under those same provisions and conditions of the P&M Agreement.

Pension Agreement Between Gerdau Ameristeel and Technical Unit of Local 7263

The employees covered by this Memorandum of Agreement will be covered by the Gerdau Ameristeel plan, and the benefit for the employees covered by this memorandum is the employee's years of service times the \$59.00 multiplier benefit. Furthermore, their current retirement and long term disability benefit will be grandfathered for the life of this Agreement.

COLLECTIVE BARGAINING AGREEMENT

THIS AGREEMENT is made and entered into by and between GERDAU AMERISTEEL CORPORATION, hereinafter referred to as the "Company," and THE UNITED STEEL WORKERS, on behalf of its affiliated Local Union 7263, hereinafter collectively referred to as the "Union."

In detailing terms and conditions of employment of employees covered by this Agreement, as well as the rights of covered employees and the Parties, the purpose of this Agreement is to promote an orderly and harmonious relationship between the Company, the Union and the employees.

ARTICLE 1 – RECOGNITION

- 1.1 Recognition of Bargaining Agent.** The Company recognizes the Union as the sole and exclusive collective bargaining agent for all bargaining unit employees, as described in Paragraph 1.2 below, at its St. Paul Mill, located at 1678 Red Rock Road, St. Paul, Minnesota 55119, including any bargaining unit employees/jobs relocated to any facility at, or contiguous to, the present St. Paul Mill site. Nothing contained herein would cause this recognition clause to apply to an acquired Company or new operation.
- 1.2 Description of the Bargaining Unit.** The Company recognizes the Union as the sole and exclusive collective bargaining agent for all production and maintenance employees, as defined by the National Labor Relations Board's certification dated March 6, 1968; and further, includes the former members of the Office and Technical Unit #8673, as defined by the National Labor Relations Board's certification dated September 27, 1977. All such employees are referred to whenever the term "employee" is used in this Agreement. Excluded from the bargaining unit are all other office clerical, administrative, technical employees, and all supervisors and guards, as defined by the National Labor Relations Act (hereinafter referred to as the "Act").
- 1.3** Persons whose regular jobs are not in the bargaining unit will not work on any job for which rates are established by this Agreement, except for the following purposes:

 - A. Bona fide training of employees.
 - B. Protection of life and property under emergency conditions.
 - C. Development of new equipment and metallurgical techniques.
 - D. Training of management personnel for managerial duties.

- E. When no bargaining unit employees are available and when all other provisions have been exhausted.
- 1.4 No employee will under any condition be deprived of work or pay because of substitution by excluded personnel. However, it shall not be construed that melters, casters, and mill supervisors who make occasional adjustments of machinery or materials or who take measurements necessary for evaluation of operations or equipment, or to ensure safety of employees or equipment, are depriving an employee of work.
- 1.5 The Company will, with the employee's consent, designate in writing a number of hourly employees to be used as replacements, for salaried personnel. This number will not exceed four (4%) percent of the working members of the bargaining unit at any time. If an employee is scheduled as a temporary supervisor for more than fifteen (15) consecutive days, he/she shall go to the bottom of the overtime list. No employee shall work as a temporary supervisor more than 1000 hours in a rolling twelve (12) month period. The Company will give the Union a monthly report listing the temporary supervisors and the number of days each has worked as a temporary supervisor in a rolling twelve (12) month period. An employee who works as a temporary supervisor in excess of 1000 hours, in a rolling twelve (12) month period shall become a salaried employee subject to the provisions of Article 9.2I. Such Temporary Supervisors will not have the authority to discipline a member of the bargaining unit. Temporary Supervisors will not work in the bargaining unit during the twenty-four (24) hour period beginning with the time he/she starts to work as a Temporary Supervisor. No employee will be called by either party in arbitration to testify as witness regarding any events involving discipline which occurred while the employee was assigned as a Temporary Supervisor.

ARTICLE 2 – RESPONSIBILITIES OF THE PARTIES and CIVIL RIGHTS (NON-DISCRIMINATION)

- 2.1 **Rights and Responsibilities.** Each of the parties hereto acknowledges the rights and responsibilities of the other party and agrees to discharge its responsibilities under this Agreement.
- 2.2 **No Discrimination.** In addition to the responsibilities that may be provided elsewhere in this Agreement, the following shall be observed.
- A. The policy of the Company, the Union and its local is not to discriminate against any employee on account of race, creed, color, sex, sexual orientation, age, national origin, disability, veteran status, genetic information, union membership or activity, or any other classification protected by applicable law.

- B. There shall be no Union activity on Company time which will interfere with or impede production or maintenance.

2.3 Joint Committee On Civil Rights. A Joint Committee on Civil Rights shall be established. The term "Civil Rights" for purposes of this Article means discrimination based on race, creed, color, sex, age, national origin, disability, veteran status, union membership or activity. Therefore, the business of the Committee will be limited to addressing concerns of possible discrimination on account of the factors specified above in Paragraph 2.2A. The Union representation on the Committee shall be no more than four (4) members of the Union, including the local Union President and Chairman of the Grievance Committee. The Company members shall be the Human Resource Manager or designate, and one other department manager or the General Manager, if available.

- A. The Company and Union members shall meet after a request is made by either party in writing, specifying the nature of the concern. A written agenda will be produced beforehand and approved by both parties. Such meeting will be scheduled and conducted at the earliest agreed upon date.
- B. The Joint Committee shall review the issues involved in the Civil Rights matter and advise the Company and the Union of them. However, the Committee shall have no jurisdiction over initiating or processing of complaints or grievances. This provision shall not affect any existing right to initiate a complaint or grievance, nor does it enlarge the time limits for initiating and processing complaints or grievances.

ARTICLE 3 – MANAGEMENT'S RIGHTS

3.1 The Company retains the sole and exclusive right to manage the business and direct the workforce. All the rights, powers, functions and authorities of the Company which are not specifically relinquished or modified by specific provisions of this Agreement, are retained by the Company, and are exercisable without prior notification to or consultation with the Union unless otherwise specified herein, including, but not limited to: the right to hire, to promote and demote, to transfer, to make or enforce rules consistent with this Agreement, to suspend, discipline or discharge for just cause and to relieve employees from duty because of lack of work or for other legitimate reasons, the right to plan, direct, and control plant operations, the right to determine its products, methods of production, its processes and procedures, and the right to introduce new or improved production methods or facilities, and to change existing production methods or facilities, provided nothing contained herein shall be used for the purpose of discrimination.

3.2 The Company, in exercising its rights, shall do so in accordance with the terms of this Agreement.

ARTICLE 4 – UNION MEMBERSHIP

- 4.1 The provisions of this Article shall be effective in accordance and consistent with applicable provisions of federal and state law.
- 4.2 All employees covered by this Agreement who are members of the Union in good standing on the effective date of this Agreement shall maintain their membership in good standing as a condition of employment for the duration of this Agreement. All employees who are not members of the Union in good standing and all employees hired on or after the effective date of this Agreement shall become members of the Union within 30 calendar days following the effective date of this Agreement or date of employment, whichever is the later, and thereafter shall maintain Union membership in good standing as a condition of employment for the duration of this Agreement. For the purpose of this Agreement the term “good standing” is defined to refer only and be limited to the payment of Union membership dues and initiation fees. For the purpose of this Section, an employee shall not be deemed to have lost his membership in the Union in good standing until the International Treasurer of the Union shall have determined that the membership of such employee in the Union is not in good standing and shall have given the Company a notice in writing of the fact.
- 4.3 If the above paragraph may not lawfully be enforced in the State of Minnesota, the following provisions to the extent that they are lawful, shall apply: Each employee covered by this Agreement who fails to acquire or maintain membership in the Union, shall be required as a condition of employment, beginning on the 31st day following the beginning of such employment or the effective date of this Agreement, whichever is later, to pay to the Union each month a service charge as a contribution toward the administration of this Agreement, and the representation of such employee. The service charge for the first month shall be in an amount equal to the Union’s regular and usual initiation fee and monthly dues and any general and uniform assessment, and for each month thereafter in an amount equal to the regular and usual monthly dues and any general and uniform assessment.
- 4.4 In order to promote harmonious relations between the parties, the Company shall give each new employee a copy of this Agreement on the employee’s starting date. The Company shall also make available to all such employees application cards, furnished by the Union, for membership in the Union and for authorization of dues check-off. The Company shall furnish the Local Union Financial Secretary each month with a list of all such employees hired or recalled within the preceding thirty (30) days.
- 4.5 **Summer Student Workers.** Summer help/students who are hired between May 1 and July 1 who have registered or applied for entrance to school for the fall

quarter/semester must sign an agreement that their employment will not last longer than October 1, and waiving any claim for employment in the future, unless an agreement is made prior to this date to change their status from student to permanent employee. Summer workers will be paid holiday pay after serving the probationary period.

Note: Summer students will not be utilized in the mill if there are employees currently on layoff.

- 4.6 Orientation Program.** A Union officer agreed to by the Company shall have the option to participate in the orientation program for all new hires into the Bargaining Unit before starting work; provided however, that the absence or unavailability of a Union officer at a scheduled orientation meeting shall not prevent the Company from conducting the orientation. The Company will endeavor to give the union at least three (3) days notice of the orientation. An orientation meeting will not exceed one (1) hour.

ARTICLE 5 – CHECK-OFF

- 5.1 Check-off.** The Company will deduct from an employee's pay monthly dues, assessments and initiation fees each as designated by the International Treasurer of the Union as membership dues in the Union, on the basis of individually signed voluntary check-off authorization cards and remit same each month to the International Treasurer, at an address supplied by the Union.
- 5.2 Weekly Deductions.** The Company will deduct the foregoing authorized amounts on a weekly per pay basis. When an employee quits, is discharged, or is laid off, any of the foregoing amounts due for either the preceding or current week will be deducted from the last pay payable.
- 5.3 Insufficient Earnings.** In case of earnings insufficient to cover deduction of dues, the dues shall be deducted from the next pay in which there are sufficient earnings.
- 5.4 Notification of Non-Transmission.** The Union will be notified of the reason for non-transmission of dues in case of layoff, discharge, resignation, leave of absence, sick leave, retirement, death or insufficient earnings.
- 5.5 Indemnity.** The Union shall indemnify and save the Company harmless against any and all claims, demands, suits, or other forms of liability that shall arise out of or by reason of action taken or not taken by the Company for the purpose of complying with any of the provisions of Article 5 - Check-Off, or in reliance on any list, notice or assignment furnished under any of such provisions.

ARTICLE 6 – HOURS OF WORK

- 6.1 Purpose.** This Article defines the hours of work and shall not be construed as a guarantee of hours of work per day, per week, or per year.
- 6.2 Work Day.** The work day shall be a twenty-four (24) hour period commencing with the start of the employee's scheduled shift. The standard work day schedule shall be eight (8) consecutive hours of work within a twenty-four (24) hour period.
- 6.3 Payroll Week.** The payroll week shall be seven (7) consecutive days beginning at the start of the night shift on Monday.
- 6.4 Work Week.** The normal work week schedule shall consist of five (5) consecutive work days within a payroll week, except that this will not apply to employees working on a seven day continuous operation. A work pattern of less than five (5) days shall not be considered as deviating from the normal work pattern, providing the work days are consecutive.
- 6.5 Shift Definitions and Schedules.** The determination of the daily and weekly work schedules shall be made by the Company; however, all employees shall be scheduled on the basis of the normal plant work week except where (a) deviations from the normal plant work week are necessary because of breakdowns or other matters beyond control of management. or (b) schedules deviating from the normal work week are established by agreement between plant management and the grievance committee.
- A. **Day Shift** - All hours worked on any shift which starts between the hours of 6:00 a.m. and 8:00 a.m. shall be considered a day shift.
 - B. **Afternoon Shift** - All hours worked on any shift which starts between 2:00 p.m. and 4:00 p.m. shall be considered an afternoon shift.
 - C. **Night Shift** - All hours worked on any shift which starts between 10:00 p.m. and 12:00 a.m. shall be considered a night shift.

Note: Departmental shift start times that occur within the time windows shown above will be established by mutual agreement.

- 6.6 Shift Rotation.** Shifts will rotate weekly according to schedule rotation.
- 6.7 Schedules.** Schedules showing the employee's workdays, sequence and job shall be posted or otherwise made known to the employees in accordance with

prevailing practices, but not later than 2:00 p.m., Thursday of the week immediately prior to the week preceding the calendar week in which the schedule becomes effective unless otherwise provided by local agreement. Schedules are subject to change until 2.00 p.m., Tuesday preceding the calendar week in which the schedule becomes effective. Employees are responsible to check their work schedules. Any communicated change after 2:00 p.m. Tuesday is subject to the overtime provision of this Article. If the Company is unable to contact the employee by 2:00 p.m., Tuesday, his or her schedule will not be changed.

- A. Should changes be made in posted schedules after 2:00 p.m. on Tuesday other than for personal reasons of the employee, the first eight (8) hours worked by the employee as a result of such change that do not coincide with the employee's original posted schedule, shall be paid at the overtime rate of time and one-half unless other overtime provisions would require a higher rate.
- B. Should the Company deem it necessary to install a new schedule rotation or special schedule, the Company and the Grievance Committee will meet to discuss the change and to agree upon a mutually satisfactory schedule rotation or special schedules, if possible. Should agreement not be reached, the Company shall install its proposed schedule subject to the other provisions of this Article.

6.8 Meal Periods. Employees will be allowed twenty (20) minutes paid time off the job during which they shall be permitted to have lunch. If an employee does not have the opportunity to take his meal period between the fourth and fifth hour of his/her shift, he/she shall so notify his/her supervisor. His/her supervisor shall make arrangements for the employee to take his/her meal period between the fifth and sixth hour of the shift. If his/her supervisor has not arranged for a meal period between the fifth and sixth hour, the employee shall take his/her meal period beginning at the sixth hour of the shift.

6.9 Break Periods. The Company will allow employees break periods without loss of pay consistent with good operating conditions.

6.10 Report-In Pay. An employee who reports for work at the scheduled or directed time unless notified not to report on the previous day shall be paid, in the event no work is available, four (4) hours report-in pay at his standard hourly rate plus shift differential, provided, however, that this shall not apply to employees absent on such previous day without giving notice to the personnel department, nor shall it apply in cases of shut-down necessitated by emergencies beyond control of the Company.

6.11 Allowed Time. When an employee who starts to work is released from duty (other than for disciplinary or personal reasons of the employee) prior to the end of his/her scheduled shift, he/she shall be paid for a full six (6) hours or for all

hours worked, whichever is greater, at his/her standard hourly rate plus shift differential. Hours in scheduled education, safety, quality, training meetings, etc., will be counted toward the six (6) hours allowed time.

6.12 Relief. No employee shall leave his job until properly relieved at the work station. Work station is defined as the immediate and logical vicinity of the work or job to be performed. In the Maintenance Department this is further defined as the respective shop area except when there is an ongoing breakdown, relief will be at the job site.

6.13 Alternative Work Schedules. Notwithstanding any other provision of this Agreement, the Company and the Union agree that in order to meet production and efficiency needs, it may be necessary to consider changes to the work week and/or the work hours and/or to establish alternative work schedules (including but not limited to the establishing of ten (10) or twelve (12) hour shifts). The Company and the Union agree to the following procedure:

- A. The Company will provide the Union with an alternative work schedule proposal which will identify the departments affected.
- B. The Company and the Union will meet in order to seek mutual agreement regarding the proposal. If the Company and the Union agree to an acceptable alternative work schedule procedure, the employees in the affected departments will be given the opportunity to vote on accepting or rejecting the proposal by a majority vote.
- C. The voting procedure shall be agreed between the Company and the Union. A majority of more than 60% of those affected employees voting will be required to accept the alternative work schedule. Failing acceptance under this procedure, the provisions of Paragraphs 6.2, 6.4 and 6.5 shall continue to apply. In the case of a rejection, the Parties may agree to make further attempts to resolve the issues causing the failure of the proposal. Thereafter, a subsequent vote may be taken.
- D. If accepted, the alternative work schedule shall be implemented in accordance with the terms of the proposal. If at any time in the future, for reasons of efficiency, production and/or operational requirements, a return to the normal work schedule (under Paragraphs 6.2, 6.4 and 6.5) in the affected department(s) is required, at least thirty (30) calendar days written notice will be provided. Any subsequent or any additional work schedule proposal shall be subject to the terms of this procedure.
- E. **Pay for Alternative Work Schedules.** Pay for Alternative Work Schedules will be negotiated by the parties.

ARTICLE 7 – OVERTIME AND FILLING THE 21ST TURN

- 7.1 Purpose.** This Article is intended to provide a basis for computing overtime and shall not be construed as a guarantee of hours per day, per week or per year.
- 7.2** Overtime work may be required of employees from time to time. Employees required to work overtime beyond their normal shift will be notified at least two (2) hours prior to the end of his shift, except in cases of emergency involving bodily injury, loss and/or damage to material or equipment, or immediate loss of production.
- 7.3** The regular rate of pay, as the term is used in this Article, shall mean the standard hourly wage rate for the job performed as set forth in Article 10 and Appendix 1 of this Agreement, plus shift differential where applicable.
- 7.4** Except as determined under Paragraph 6.13 (Alternative Work Schedules) **Overtime** at the rate of one and one half (1½) times the regular rate of pay shall be paid for:
- A. Hours worked in excess of eight (8) but less than twelve (12) in a work day.
 - B. Hours worked in excess of forty (40) hours in a work week.
 - C. Hours worked on the sixth or seventh work day in a work week during which the employee was scheduled and worked five days.
- 7.5** Overtime at the rate of two (2) times the regular rate of pay shall be paid for:
- A. Hours worked in excess of twelve (12) straight time and/or overtime hours within any twenty-four (24) hour period.
 - B. Hours worked in excess of eight (8) on the sixth and seventh day when the employee has already worked five other days in the payroll week.
 - C. Any hours which are counted as overtime hours under this section in one twenty-four (24) hour period or which would be so counted under this section if not otherwise paid for at overtime rates shall not be counted as hours worked in any twenty-four (24) hour period, but shall be counted only in that period which yields the highest overtime payment.

- 7.6 Pay on Holidays Worked.** All hours worked on a holiday will be paid at two and three quarters ($2\frac{3}{4}$) times the regular rate of pay.
- 7.7** Holidays listed in Article 11 and not worked shall be counted as days worked in computing overtime for the 6th and 7th worked day in a work week.
- 7.8 Discipline.** No employee shall be disciplined for refusing to work overtime after having worked ten (10) consecutive hours in a twenty-four (24) hour period, or after being required to work four (4) hours within a week. Exception will be Paragraph 7.13. Any application of this provision to an alternative work schedule agreed to by the parties pursuant to Paragraph 6.13, shall be part of the “proposal” discussions in consideration of such alternative work schedule.
- 7.9 Hours Limit.** No employee shall be permitted to work more than sixteen (16) consecutive hours and/or 16 hours in any twenty-four (24) hour period.
- 7.10 Recall Pay.** An employee who has completed his/her regular shift and who has punched out and who is recalled for emergency work shall be paid not less than the equivalent of four (4) hours pay at one and one-half ($1\frac{1}{2}$) times his/her regular rate of pay on recall up to the starting time of his/her schedule shift.
- 7.11 Meal Allowance. (Unscheduled or Unknown Overtime)** If an employee is requested to work overtime after the termination of his regular shift, he/she shall be furnished a vending voucher equivalent to \$3.00 upon the completion of two (2) hours of such overtime. If an employee is requested to work twelve (12) consecutive hours and accepts such work, the employee will be furnished vending vouchers equivalent to \$6.00 to be received at a time that is conducive with good operations, according to prevailing practices. Meal allowances will not be allowed to accumulate.
- 7.12 Distribution of Overtime.** It is the intent of both parties that overtime be distributed equitably amongst employees. To achieve this objective, management will distribute overtime within each department as equitably and reasonably as possible amongst employees.
- A. The Company shall maintain an overtime list in each department for every sequence in the department. Each list shall be used to fill overtime vacancies and shall be updated on a weekly basis. Prior to maintenance shutdowns, the Union and the Company agree to designate the overtime list(s) to be used to request such overtime, with adequate notice.
 - B. Overtime shall be shared within each sequence according to the posted weekly overtime list. The overtime list will show overtime hours worked/refused for the week and employees total hours.
 - C. If it is known twenty-four (24) hours prior to the beginning of a shift that

overtime will be required, the Company will offer it to the employee on the top of the overtime list who is qualified and available to fill the vacancy.

- D. The weekly master overtime list will be updated on Tuesday of each week from the previous week's payroll period using both overtime hours worked and/or refused. Known overtime requirements more than 24 hours in advance will be distributed in 2 manners:
1. Requirements will be posted at the predetermined plant locations on Monday of each week using the current master overtime list.
 2. Known overtime, more than 24 hours in advance but not posted, will be handled using the current overtime list, offering the overtime to the highest qualified, available employee.

Monday's overtime requirement postings will be taken down on Wednesday of the same week and will be applied for the Monday through Sunday period of the calendar week in which the schedule becomes effective. The overtime will be awarded via the posted department schedules or by verbal contact with the employees involved. Additional overtime requirements may be posted as necessary provided that adequate time is available for the employee to sign the postings. An employee's failure to sign-up for posted overtime will be considered a refusal and may be charged accordingly. No employee shall be charged for refusals after having been charged eight (8) hours of overtime in a normal workday, or the number of hours applicable to a mutually agreed to alternative work schedule.

If it is not known twenty-four (24) hours prior to the beginning of that shift that overtime will be required, the Company will offer it to the employee working the shift preceding the overtime who is on the top of the overtime list and who is qualified and available to fill the vacancy.

When a full shift of overtime is needed, it will be offered in hour units equal to the number of hours for the regular or alternative shift.

- E. All overtime hours worked will be charged. Overtime hours refused out of your sequence will not be charged.
- F. An employee awarded a bid in a sequence shall be added to the bottom of the overtime list with the highest amount of hours on the list.
- G. An overtime list for laborers shall be maintained in each department. This shall be used after the sequence list has been exhausted. Laborers will not move to the sequence overtime list when scheduled in the sequence. The rules for filling known vacancies per Paragraph 7.12C shall apply.

- H. After the regular and laborer overtime lists have been exhausted, qualified employees in other areas will be eligible for the overtime.
- I. If an employee is absent from his sequence for more than three (3) payroll weeks, he/she shall be charged with the number of hours worked or refused by the employee who had the greatest amount of hours worked and refused during that period exceeding the three (3) payroll weeks. This will not apply for vacations.
- J. Overtime for training, safety and informational meetings can occur before or after a shift. When scheduled, attendance is required.
- K. Documented and verified union business hours will not be charged.
- L. If an employee has been deprived of overtime for any reason, like hours will be made available within fourteen (14) days from the time it is made known and agreed to with management. Such like hours will not be charged on the overtime list.

7.13 Filling the 21st Turn.

- A. The twenty-first (21st) turn shall be filled in accordance with the overtime procedure in Paragraph 7.12 A, B, C, G and H. The Company shall fill the twenty-first (21st) turn from the current overtime list created on Tuesday of the preceding week of which the twenty-first (21st) turn will be worked. If the Company is unable to fill the twenty-first (21st) turn from the overtime list, the Company has the right to fill the remaining vacancies by using the on-coming and preceding shifts, not to exceed four (4) hours from each. The employees that will work on the twenty-first (21st) turn will be put on the weekly schedule.
- B. Employees who work the twenty-first (21st) turn from the preceding and on-coming shifts shall do so in descending order of seniority. After the initial use of this procedure, it shall be done on a rotational basis.
- C. It is understood by both parties that the procedures outlined in this Paragraph must fill all 21 turns on all weeks during the length of the contract while using the two (2) Saturday(s) off schedule rotation. If the procedure in this paragraph fails to fill all 21 turns during the length of the contract, the Company will meet with the Union to discuss the issues and attempt to resolve the problems. If the parties are unable to reach a satisfactory agreement, the procedure will revert to scheduling the current twenty-first (21st) turn as a sixth (6th) eight (8) hour day in the schedule rotation.

7.14 Non-duplication. Payment of overtime rates shall not be duplicated for same hours worked, but the higher of the applicable rates shall be used.

- A. Hours compensated for at overtime rates shall not be counted further for any purpose in determining overtime liability under the same or any other provisions provided, however, that a holiday, whether worked or not shall be counted for purposes of computing overtime liability under the provisions of paragraph 7.4 c.
- B. Notwithstanding the other provisions of this Agreement, hours paid for but not worked shall not be counted in determining overtime liability.

7.15 On January 1st of each year, the number of the hours on the overtime list for each employee will be zeroed out and the employees will be placed on the overtime list in order of their seniority date.

ARTICLE 8 – CONTRACTING OUT OF WORK

8.1 Should conditions arise where it becomes necessary to contract out bargaining unit work, the Company has the right to use any outside help available providing the bargaining unit employees currently working lose no regular time as a result of the use of such work. The Company will notify the Union in advance of the work and the reasons for such contracting unless such notice would be impractical due to circumstances and reasons.

8.2 The Company agrees that the bargaining unit employees will staff existing and new Maintenance and Production jobs and equipment. The Company will attempt to use laid off or displaced (because of layoff) employees instead of contracting out bargaining unit work if laid-off or displaced employees are available, capable, and qualified to perform such work in the required time frame, and no significant equipment or facilities have to be obtained.

8.3 The Union recognizes the Company's right to contract out new construction, major reconstruction, and major installation of production facilities, so that work is performed to original designer's specification, and equipment. Any additional work to be contracted out will be of a temporary nature, or emergency, that could not be reasonably done by bargaining unit employees in the required time frame. If an emergency occurs, Union notification and an explanation of work contracted out will be made as soon as possible.

8.4 The Union will be given notice by the Company when the Company believes it should have significant items of work performed in the plant by outside contractors. Should the Union believe discussion to be necessary, they shall so request in writing to the Human Resource Manager within three (3) days after notification by the Company. Plant management shall thereby meet with representatives of the Local Union and the International Union if desired by the

Local Union. At such meeting, the parties will make every effort to reach a mutually satisfactory agreement. Should a discussion be held and the matter not be resolved, the Company may continue with the contracted out work, but the matter may be settled by the Union filing under the grievance and arbitration procedure on behalf of the affected employees.

- 8.5** The “notice” in Paragraph 8.1 above is subject to the Letter of Understanding at Appendix 3.

ARTICLE 9 – SENIORITY

- 9.1 Definition.** The term "seniority" is defined as continuous service in the bargaining unit beginning with the most recent date of hire. An employee does not acquire seniority under this Article or Agreement until completion of the applicable probationary period pursuant to 9.3 below.
- 9.2 Breaks in Service.** Continuous service shall be broken by:
- A. Voluntary quit.
 - B. Discharge, provided that if the employee is rehired within six (6) months, the break in continuous service shall be removed.
 - C. Absence from work for three (3) consecutive workdays without notifying the Company, except in the case of proven emergency.
 - 1. Absence due to a worker's compensation injury or illness shall not break continuous service, provided such individual is returned to work within thirty (30) days after the expiration of the worker's compensation benefits or the settlement of the claim.
 - 2. Absence in excess of three (3) years due to a work related injury will result in the termination of insurance benefits (health, dental, life).
 - D. Failure to report to work following an approved personal or medical leave of absence in accordance with 13.6.
 - E. Failure to report for work from a layoff
 - 1. Within seven (7) calendar days after the receipt of written notice of recall from layoff sent to him/her by Certified Mail (Restricted Delivery) at his/her last address on record with the Company. An employee upon request shall be extended seven (7) additional days to return from layoff if he/she has accepted other employment. Other provisions of this paragraph notwithstanding, if the employee fails to maintain his correct address with the Company, failure to

report for work within ten (10) days of the Company mailing notice of recall to the employee's last address on record will break the employee's continuous service, or

2. Within three (3) calendar days after recall from layoff when notified of a definite recall date prior to the start of the layoff.
- F. Failure to report to work from a military leave of absence within ninety (90) days after being discharged from active duty, unless extended by the provisions of USERRA.
 - G. Retirement
 - H. On a layoff in excess of five (5) years.
 - I. Accepting a job with the Company excluded from the bargaining unit provided he/she holds such a job in excess of thirty (30) calendar days.

9.3 Probationary Period.

- A. When an applicant is initially hired or re-hired following a break in service, to fill a regular assignment with the Company, that person will be required to work a probationary period of ninety (90) calendar days. Until the employee has successfully completed the probationary period, he/she shall be subject to discipline and discharge at the sole discretion of the Company, and shall not have access to the grievance and arbitration procedures regarding such discipline and/or discharge.
- B. Probationary employee eligibility for benefits is set out under the particular benefit provision of this Agreement.
- C. At the time of a reduction in force, probationary employees will be reduced first and would not have any layoff or recall rights.

9.4 Use of Seniority. Seniority shall be recognized for purposes of promotions, layoffs, reduction of forces and recall from layoffs, provided the employee has the qualifications, the satisfactory ability and physical fitness to perform the work.

9.5 Disputes Regarding Qualifications. Should differences arise between the Company and the Union as to whether an applicant to a job is qualified for promotion, the employee shall be given a trial on the job not to exceed thirty (30) working days. The Company may elect to shorten the thirty (30) day period if it determines that the employee cannot qualify within the trial period.

9.6 Sequences.

- A. **Multiple Promotional Sequences.** Where groups of jobs have logical work relationships such as supervisory setups, common operating equipment and/or geographical locations, the jobs shall be combined in "multiple promotional sequences."
 - B. **Single Promotional Sequences.** Jobs which bear no logical work relationships such as supervisory setups, common operating equipment and/or geographical locations, shall be set up separately and shall be known as "single promotional sequences." In addition, jobs identified as single promotional sequences shall, for purposes of filling temporary vacancies in multiple promotional sequences, be considered labor pool group jobs if moving into the multiple promotional sequence would result in higher earnings.
 - C. Promotional sequences shall be established in such manner that each sequence step will provide opportunity for employee to become qualified and to prepare themselves to perform the requirements of jobs higher in the sequence. The arrangement of jobs within a multiple promotional sequence shall be in ascending order of regular rate of pay on the jobs included therein and any permanent change in such earnings shall be the basis for realignment of jobs within the sequence. Where regular rates of pay are equal, the job generally regarded as most closely related to the next higher job shall be the higher in the sequence arrangement.
 - D. **Permanent Sequence Changes/New Jobs.** Where a permanent change in the relationship of jobs in a sequence takes place, where new jobs are installed, or where either the Union or the Company desires a change, the Company shall meet with the Union to revise or develop the sequence under the principles set forth above. Should there be no agreement between the Company and the Union on the new or changed sequence, the revised or new diagram proposed by the Company shall be put into effect. The Union may at any time within thirty (30) days after the proposed sequence is installed submit a grievance claiming that the sequence was not developed in accordance with the principles described above. Should changes be made in the sequences, the established seniority rights of the employees involved shall be protected if they are deemed qualified. For the purpose of promotion or demotion, the progression sequences shown in the appendices shall be in effect.
- 9.7 Filling of Vacancies.** Where it is necessary to fill vacancies on jobs within multiple promotional sequences or on a single promotional sequence, determination shall first be made as to the type of vacancy which exists in accordance with the following definitions:
- A. **Permanent Vacancies.** Permanent vacancies occur when the previous occupant's seniority is broken because of the application of other sections

of this Article (see 9.2 above), where the previous occupant was promoted on a permanent basis, where a new or additional job is created, or where the previous occupant enters the Armed Forces, subject to the provisions of USERRA.

- B. **Temporary Vacancies.** Temporary vacancies are any vacancies other than permanent vacancies.
- C. **Promotions Criteria.** In filling permanent and temporary vacancies more than one step above the labor pool, the following factors shall be used in determining which employee from a subordinate step in a sequence shall be promoted to fill a vacancy:
1. Employees who are on the subordinate step on a permanent basis will promote ahead of an employee who is on the same step as the result of filling a temporary vacancy.
 2. No employee shall be eligible for promotion unless he/she has worked a minimum of 1040 hours on the job from which he/she is being promoted if the vacancy is grade C through E, and 2080 hours if the vacancy is grade F through J. If none of the employees on the subordinate step have the required number of hours, the employee with the greatest number of hours worked on the subordinate step will be promoted; provided however, that if no employee has a minimum of 700 hours on the job from which he/she is being promoted, the most qualified will be promoted. If an employee has worked on a job more than once as a result of leaving a sequence and returning later, only the hours worked during the recent period will be counted.
 3. An employee may elect not to promote to fill a vacancy; however, if no employee on a subordinate step wants to promote, the permanent employee who is qualified and has the least continuous service shall be required to promote. If there are no permanent employees on the subordinate step, the temporary employee who is qualified and has the least continuous service shall be required to promote.
 4. **Disputes as to qualifications.** If there is a difference of opinion as to the qualification of an employee to be added to the qualified list to move up to another job, a meeting will be held within two (2) days with the department superintendent and the union to resolve the issue. In the interim two (2) day period, the employee will not perform the job in question.
 5. **Permanent Vacancies Selection and Bidding Procedures.**

- (A) A permanent vacancy in a job more than one step above the labor pool shall be filled by promoting the senior qualified employee from the subordinate step in the sequence.
 - (B) A permanent vacancy in the bottom step of a multiple promotional sequence or in a single promotional sequence shall be posted on the "Job Bid Notices" bulletin board for five (5) working days. The posting notice shall specify the job title, the rate of pay, rotating or steady shift, and the number of vacancies to be filled. Posting of "Job Bid Notices" shall not be required for increases in sequence operations which require additional personnel for thirteen weeks or less. Such vacancies will be filled as temporary vacancies.
 - (C) Employees from the plant who wish to apply for the vacant job shall do so in writing on forms provided by the Company. The Company shall promptly thereafter select from among the job applicants the successful bidder in accordance with the other provisions of this Article. When a successful bidder does not accept a bid, it will count against his two bids in a twelve (12) month period, beginning with awarding of the first bid. When a successful bidder does accept the bid, he/she may elect during the first eight (8) working days after he/she begins working on the job to return to the job he/she held prior to the bidding. During the eight (8) day period the vacancy created by the successful bidder will be filled as a temporary vacancy. Prior to the completion of the eight (8) day period described above either the successful bidder or management may decide that the successful bidder will not remain on the new job permanently. If management decides to remove the bidder, it must be for sufficient reason. In such a case, the successful bidder will return to his previous job as soon as practical. Likewise, the successful bidder and management may agree prior to the completion of the eight (8) day period that the successful bidder will remain on the job permanently. The time limit for an employee entering the technical unit or trade position will be sixty (60) calendar days. Employees will be limited to two (2) successful bids in a twelve (12) month period, beginning with awarding of the first bid. Note: Upon ratification of the contract each employee will be given one additional bid to be used within 12 months from the date of ratification.
- (1) The Company will post on the bulletin board the successful bidder on each posting which shall include all

employees and seniority numbers who bid on the job.

- (2) An employee who is on vacation or who returns from workers compensation within one year of the date of his departure may apply for permanent job postings which occurred during his absence. The employee must apply within seven (7) days after his return to work.
 - (3) An employee who returns from workers compensation or vacation may apply for temporary job postings which occurred within 30 days prior to the date of his return. The employee must apply within seven (7) days after his return to work.
 - (4) An employee who returns from military leave in accordance with the guidelines outlined in USERRA may apply for permanent job postings which occurred during the prior one year from the date of his/her return. Employees will have 31 calendar days to place their bids.
 - (5) The Chairman of the Union's Grievance Committee shall be promptly advised by the Company in writing as to who the successful applicant is in all cases.
- (D) If a new multiple promotional sequence is established, the job(s) will be posted. If the job(s) is further expanded after ninety (90) calendar days, there will be a new bid posting.
 - (E) When the Company determines the need to add employees to the apprentice program it shall post openings by following the same procedure as above for permanent vacancies, except that the posted notice shall remain on the bulletin board for ten (10) working days.
 - (F) Successful bidders will be released to their new position within thirty (30) working days after the closing of such posting.
6. When a temporary vacancy exists, management will use the following method to fill the vacancy.
- (A) A temporary vacancy in a multiple promotional sequence expected to last seven (7) weeks or longer is filled by promoting the employee from the subordinate step in the sequence from all shifts who has the greatest continuous service. If the senior qualified employee from the subordinate step elects not to fill the vacancy, the next most

senior qualified employee in the subordinate step will be asked to fill the vacancy and so-on until the vacancy is filled. If none of the qualified employees in the subordinate step agree to fill the vacancy, it will be assigned to the junior qualified employee in the subordinate step. This same procedure will be used on each step of the sequence until only the bottom step(s) of the sequences remain(s) to be filled. The resulting vacancy(ies) will be filled by promoting the qualified laborer(s) in the area up in the sequence, applying the senior may - junior must concept.

- (B) A temporary vacancy in a multiple promotional sequence expected to last less than seven (7) weeks is filled by promoting the senior qualified employee from the subordinate step of the sequence on the shift where the vacancy exists. If the senior qualified employee from the subordinate step elects not to fill the vacancy, the next most senior qualified employee in the subordinate step will be asked to fill the vacancy and so on until the vacancy is filled. If none of the qualified employees in the subordinate step agree to fill the vacancy, it will be assigned to the junior qualified employee in the subordinate step. This same procedure is used on each step of the sequence until only the bottom step(s) of the sequences remain(s) to be filled. The resulting vacancy(ies) will be filled by promoting the qualified laborer(s) on shift up in the sequence applying the senior may - junior must concept. When any additional personnel are needed in that sequence, or when it is necessary to replace a laborer who might be promoted into the sequence, the vacancy will be filled on an overtime basis from among employees in the sequence, in accordance with the provisions governing voluntary overtime.
- (C) A temporary vacancy in a single promotional sequence expected to last more than seven (7) weeks shall be filled by a temporary bid posting. The bid posting shall be awarded to the senior employee as in Paragraph 9.5 above. Such a bid posting shall not exceed twenty-six (26) weeks in duration unless by mutual agreement between the Union and Company. A temporary vacancy in a single promotional production sequence may be filled by a qualified laborer, not to exceed 26 weeks.
- (D) A temporary vacancy in a single promotional sequence which is expected to be less than one week shall be filled on an overtime basis from the sequence overtime list, unless a

qualified laborer is available. If the vacancy cannot be filled in this manner, the vacancy is filled by asking the senior qualified employee in the area on shift with the experience or knowledge to fill the vacancy. If the most senior qualified employee elects not to fill the vacancy, the next most senior experienced employee in the area on shift will be asked and so on until the vacancy is filled. If no qualified employee in the area on shift agrees to fill the vacancy it will be assigned to the junior qualified employee in the area on shift.

On vacancies of one (1) to seven (7) weeks, the vacancy is filled by asking the senior employee on the qualified list in the area. If the qualified employee(s) in the area on the list refuses to fill the vacancy, it will be offered to others on the list by seniority and so on until the job is filled by the junior employee on the qualified list in the area. Under no circumstance shall an overtime liability be shifted from one sequence to another sequence to fill this single step vacancy.

- (E) When the work available in a sequence and/or department is reduced for a period not to exceed thirteen weeks in any calendar year, the employee in the sequence and/or department affected by the reduction may be reassigned temporarily (not more than thirteen weeks in total) but on no less than a scheduled weekly basis, to other vacancies in the plant. Such assignments shall be made on a seniority basis of the affected employees, senior qualified employees receiving first choice of available jobs.

Upon completion of such assignments, the employees will return to their original sequence job, if operating. This provision may be exercised as often as needed, on a scheduled weekly basis, so long as the thirteen week limitation in each calendar year is not exceeded in any sequence and/or department. Pay rate for an employee removed from his permanent sequence job will be his permanent rate or the rate of the job performed, whichever is higher.

9.8 If the Company determines not to fill a vacancy, the following shall apply:

- A. No unfilled production vacancy shall be allowed to continue for more than two (2) consecutive work days on any shift in a sequence. Absences related to leaves of absences, including those related to union business, have no limitations.

- B. Only one (1) vacancy per shift per sequence may be left unfilled and that vacancy shall be at the bottom step of the sequence.
- C. Under no circumstance shall failure to fill a vacancy be allowed to create or provide an unsafe condition for any other employee.
- D. When the Company determines not to fill a vacancy, such work will not be performed by supervisory personnel.
- E. In the event there is a disagreement over any part of this Article, the Union reserves the right to file a grievance in the 3rd Step and the time limits shall be strictly adhered to.

9.9 Laborers can be reassigned to fill other vacancies that they are qualified to fill on the same shift. If qualified laborers are not available, then the sequential overtime list will be utilized. The resulting vacancy(ies) will be filled if possible.

9.10 Nothing in this Article shall prevent plant management and the Grievance Committee from mutually agreeing to fill an equal or lower job in a multiple promotional sequence or in a single promotional sequence with a senior employee.

9.11 Plant management and the Grievance Committee may mutually agree to provide training for employees disabled in the plant and to reassign them to jobs for which they are qualified on the basis of such seniority arrangement as they may determine. Employees, so placed, will be subject to an independent medical review on an annual basis to decide whether or not such placement is still warranted.

9.12 Super Seniority. Super-seniority shall apply to a total of not more than ten (10) local union officers including grievance committee persons who, notwithstanding their position on their seniority roster, shall have preferential seniority in case of layoff or recall, providing there is work available which they can perform. The employees to whom super-seniority will apply will be designated to the Company in writing.

9.13 Reduced Work Weeks, Layoffs and Recalls.

- A. When the level of work in a sequence and/or department is reduced and less manpower is needed, the Company shall have the right to implement a reduced work week in any sequence and/or department in which there is such a reduction in work. The maximum number of reduced work weeks in any calendar year in any department and/or sequence shall be thirteen (13). Upon mutual agreement between the Company and the Union, the reduced work weeks can be increased to twenty six (26) weeks. The Company agrees to schedule all employees who are not on layoff, or on

leave under the contract, a minimum of thirty-two (32) hours per week. The Union acknowledges that the Company retains the right to layoff at anytime and that the thirty-two (32) hours of work guarantee is based on hours paid that include holiday and vacation pay (excluding overtime premiums that may apply) as part of the thirty-two (32) hours of work guarantee. For example, if an employee works any hours during the week, the Company will either work the employee thirty-two (32) hours, pay him/her for thirty-two (32) hours, or use a combination of work and pay to get to the thirty-two (32) hours of work minimum. Should there be a need to reduce work hours to 32 hours for an extended duration of time, the company will apply for the Minnesota Work Share Program. Investigation into such programs will not preclude or delay the company's movement to a 32 hour work week.

1. Employees affected by reduced work weeks shall be credited with the number of hours that is the difference between forty and the number of hours scheduled for purposes of vacation eligibility. In addition, the Company will pay the regular hourly pension contribution for the same additional number of hours.
2. In addition, as an alternative to a reduced work week, employees may be reassigned per 9.7 C6 (E).

B. Layoffs. In the event a reduction of force is required, it shall be accomplished in the following manner:

1. Determine the number of employees to be reduced from each sequence.
2. The number of employees determined above shall be reduced from the sequence in reverse order of continuous service.
3. **Temporary Reduction.** If the reduction in force is of a temporary nature, employees affected by the sequential reduction in force shall displace the junior employees in the plant who shall be placed on layoff status.
 - (a) A temporary reduction will not exceed thirteen (13) weeks total in any calendar year, unless mutually agreed to be increased to twenty six (26) weeks by both the company and the union.
 - (b) When the temporary reduction of force is over, those employees removed from the sequence shall return to those jobs held before the reduction. Employees returning from temporary layoff shall return to the jobs held prior to layoff,

except where such return would result in the continued layoff of a senior employee.

4. **Permanent Layoff.** If the reduction is permanent in nature, or is expected to last more than thirteen (13) weeks in any one calendar year (unless mutually agreed to be increased to twenty six (26) weeks by both the company and the union) then if there are any other employees anywhere in the bargaining unit who have less continuous service than those affected by the sequential reduction in force, those employees with less continuous service shall be reduced from these jobs and placed in a lay-off pool in order to provide work for the employees with more continuous service. This action will be taken provided the employees with more continuous service are qualified to perform the required work within a reasonable period of time.
5. The Company will then determine the number of employees to be laid off from the Company. Probationary employees will be laid off first. Additional employees shall be laid off from the layoff pool in reverse order of continuous service.
6. **Recall.** When the Company determines that the work forces are to be increased, it shall first post all new jobs and vacancies throughout the plant in accordance with and as provided in Paragraph 9.7. All jobs that cannot be filled by the posting procedure shall then be filled by recalling laid off employees in order of continuous service.

9.14 Each June 1 throughout the term of this contract, the Company shall give the Union an up-to-date seniority list of all employees in chronological order showing their last hire date, for the Union to post on the Union bulletin board. The seniority rights of individual employees will not be prejudiced by errors in such lists. Any employee who believes that there is an error may request a correction, and if the correction is not made, he/she may file a grievance. The Chairman of the Grievance Committee and the Recording Secretary of the Local Union shall be furnished copies of the seniority list at the same time.

ARTICLE 10 – WAGES

10.1 Standard Hourly Wage Rates. The Standard Hourly Wage Rates for the respective job grades are set out in Appendix 1.

10.2 Description and Classification of New or Changed Jobs

- A. When and if from time to time the Company, at its discretion, establishes a new job, or changes the job content (requirements of the job as to training,

skills, responsibility, effort and working conditions), a new job description and classification for the new, or changed job shall be established in accordance with the following procedures:

1. Management will develop a description and classification of the job.
2. The proposed description and classification will be presented to the Plant Grievance Committee for discussion. If the parties agree, the description and Job Grade will be effective upon implementation. If the parties do not agree to the new job's description or job grade, Management shall install the proposed description and job grade. The Grievance Committee shall be exclusively responsible for the filing of grievances and may at any time within thirty (30) days from the date of installation file a grievance with the plant human resources manager contesting the description and/or job grade. Thereafter, such grievances shall be referred by their respective parties to their Third Step Representatives for further consideration. In the event the Third Step Representatives are unable to agree on the description and job grade within thirty (30) days, they shall prepare and mutually sign a stipulation setting forth the specific facts or positions which are in dispute, a copy of which shall be sent to the designated representatives of management and the international Union.
3. The arbitrator shall base his/her decision on the requirements of the new, or changed job and how those requirements compare to the requirements for the existing jobs at the plant.
4. In the event the parties fail to agree as provided, and no request for review or arbitration is made within the time provided, the description and job grade as prepared by the Company shall be deemed to be approved.
5. In the event Management does not develop a description and define a job grade for a new, or changed job, the Grievance Committee may, if initiated promptly, process a complaint under the complaint and grievance procedure of this Agreement requesting a job description and job grade be developed and installed. The resulting description and job grade shall be effective as of the date when the new job was established or the change or changes installed.

10.3 Temporary Work Assignments. An employee directed by the Company to work in an occupation paying a higher rate or rates than the rate of the occupation for which he/she was scheduled or notified to report shall be paid the rate or rates of the occupation assigned for the hours worked. When an employee scheduled or notified to report for work in an occupation is directed by the Company, either at

the start of or during a turn, to work for all or part of that turn in an occupation paying less than the rate or rates of the occupation upon which he/she was scheduled or notified to report, he/she shall receive the rate or rates of the occupation on which he/she was scheduled or notified to report while performing such lower rated work, except where such employee would have otherwise been demoted or laid off from the job for which he/she was scheduled or notified to report, in which cases the employee shall receive the rate or rates of the occupation assigned.

- 10.4 Wage-Rate Inequity Complaints or Grievances.** No basis shall exist for an employee to allege that a wage-rate inequity exists and no complaint or grievance on behalf of an employee alleging a wage-rate inequity shall be initiated or processed during the term of this Agreement.
- 10.5 Correction of Errors.** Notwithstanding any provisions of this Article, errors in application of rates of pay shall be corrected.
- 10.6 Red Circle Rates.**
- A. For purposes of this Agreement, the term red circle rate shall mean that any employee hired prior to March 7, 2007 who has a rate that is higher than the new progression rate for his job will maintain his current rate and remain "red-circled" until the new progression rate for his job is greater than his "red-circled" rate, or the employee moves into a job with a rate higher than his "red-circled" rate.
 - B. In the event of an involuntary layoff, if an employee hired prior to March 7, 2007 is called back, he/she will be placed under the "red-circled" rate in effect for that job. If an employee is involuntarily moved down due to a reduction in the workforce or discontinued job to a job that compensates with a "red-circled" rate, he/she will be compensated by the "red-circled" rate of the job to which the employee is moved.
 - C. If a current employee hired prior to March 7, 2007 bids within his rate group he will not be paid less than the red circled rates for any job, so long as those red circled rates are applicable for that particular job in the rate group. If a current employee hired prior to March 7, 2007 with a "red-circled" rate bids out of his rate group and down, he will be paid the rate of the new classification.
 - D. If an employee hired prior to March 7, 2007 promotes in his job sequence to a higher level job, the employee will receive either the new progression rate or his "red-circled" rate, whichever is higher.
 - E. An employee hired prior to March 7, 2007 who is disqualified during one of the trial periods set forth in Paragraph 9.7 C 5(C) of this Agreement shall

retain his/her "red-circled" rate and shall be returned to his/her former job. An employee hired prior to March 7, 2007 who is disqualified because he/she is unable to do the job through no fault of his/her own shall retain his/her "red-circled" rate. Any other disqualification which results in redeployment to another job, the employee will receive either his/her current red-circled rate, or the red-circled rate of the new job, whichever is lower.

10.7 Shift Differential Pay

- A. For hours worked on the afternoon shift there shall be paid a premium rate of thirty-five (35) cents per hour. For hours worked on the night shift there shall be paid a premium rate of fifty (50) cents per hour.
- B. If an employee works during hours which extend over more than one (1) shift, the appropriate shift differential will be paid for the hours actually worked on each shift.
- C. Shift differential shall be included in the calculation of overtime compensation. Shift differential shall be paid for reporting time or allowed time when the hours for which payment is made would have called for a shift differential if worked.

10.8 Notwithstanding the specific provisions of Appendix 1, it is understood and agreed that the wage rates for all Job Grades will become negotiable upon the expiration of this Agreement.

10.9 Sunday Premium

- A. All hours worked by an employee on Sunday (Saturday 11:00 p.m. to Sunday 11:00 p.m.) which are not paid for on an overtime basis, shall be paid at the rate of one-and-one-half ($1\frac{1}{2}$) times the employee's standard hourly rate.
- B. When an employee is required to work on a Sunday which is either the sixth or seventh day of his/her scheduled work week, he/she shall be paid at the rate of one-and-three-quarters ($1\frac{3}{4}$) times the employee's standard hourly rate for the hours worked.

ARTICLE 11 – HOLIDAYS

11.1 An eligible employee who does not work on a holiday listed below (including those on their day off) shall be paid an amount equal to the total of his/her standard hourly rate times the number of hours in his/her regular daily schedule: Holiday pay shall not be construed as having anything to do with overtime or pay except as noted in Paragraph 7.6.

New Year's Day	Thanksgiving Day
Easter Sunday	Day following Thanksgiving Day
Memorial Day (Monday)	December 24
Fourth of July	Christmas Day
Labor Day	New Year's Eve Day

- 11.2** During the term of the labor agreement, bargaining unit employees will have a total of eleven (11) holidays per year.

The eleventh holiday, which is a personal day, must be scheduled in advance utilizing the same scheduling procedure for single days of vacation. A newly hired employee must be hired by September 1st to be eligible for the eleventh holiday in that year.

- 11.3** An eligible employee is one who has served his probationary period prior to the date of the holiday. This employee will have worked his last scheduled workday before the holiday and his first scheduled work day following the holiday, unless he has failed to report or perform work because of confirmed sickness or because of death in the immediate family as defined in 13.10, or because of similar good cause.

Employees who have been away from work due to an on the job injury or illness and who return to work will be paid for all holidays which occur during the six month (183 day) period immediately preceding their return to work. This will replace all other practices or correspondence on this issue.

- 11.4** Holidays will be observed on the dates as listed above. Holidays will be observed from 7:00 A.M. on the day of the holiday to 7:00 A.M. of the day following the holiday.
- 11.5** In computing the employee's overtime pay, if he/she is paid for the holiday, then the holiday shall be considered as a day worked whether worked or not and regardless of whether it is scheduled as a day of work or of rest.
- 11.6** When a holiday occurs during an eligible employee's scheduled vacation, he/she shall be paid for the un-worked holiday in addition to his vacation pay without regard to the provisions of Paragraph 11.3 above.

ARTICLE 12 – VACATIONS

- 12.1 Purpose.** The purpose of this Article is to provide vacation with pay for the employees covered by this Agreement in recognition of regular and continuous service under the conditions set forth below.

- 12.2 Eligibility.**

- A. Vacations shall be scheduled and based on the calendar year.
- B. (1) An eligible employee who has attained the years of continuous service indicated in the following table in any calendar year during the continuation of this Agreement shall receive a vacation corresponding to such years of continuous service as shown in the following table:

<u>Years of Service</u>	<u>Weeks of Vacation</u>
1 to 3	2 weeks
4 to 12	3 weeks
13 to 24	4 weeks
25 Plus	5 weeks

- (2) Notwithstanding any other provisions of this Agreement, employees hired after March 7, 2007 will not be eligible to earn a fifth (5th) week of vacation.
- C. In the case where the employee will be eligible for his/her respective first or additional weeks of vacation because of completing the appropriate amount of continuous service, the employee will be entitled to take that additional week after passing his employment anniversary.
- D. In order to be eligible for a vacation as described above, an employee must have worked a minimum of 1,200 hours in the calendar year preceding the vacation year. The exception is for first year employees, who must work a minimum of 1,200 hours in their first year of service to receive one (1) week vacation within the same calendar year. At the Company's discretion this first year vacation may be carried over into the first quarter of the next year. This will only apply to employees who receive their one (1) week after November 1st.
- E. An employee with at least one year of continuous service on January 1, who in any year shall be ineligible for a vacation by reason of the provisions of this section as a result of absence on account of layoff or illness shall receive two (2) weeks vacation with pay in such year if he/she shall have worked a minimum of 1,200 hours in the twelve (12) consecutive calendar months next preceding such vacation.
- F. Any period of absence of an employee due to a compensable disability in the vacation year in which he/she incurred such disability, or while in military service in the year of his/her reinstatement of employment or by union officers and committee persons attending meetings with the

Company or by a Union member while in the pay of the Local Union shall be counted as hours worked for purposes of calculating vacation eligibility.

12.3 Vacation Pay.

- A. Each week of vacation pay granted under this Section shall be computed on the basis of an employee's average number of hours worked per week during the thirteen (13) full payroll weeks preceding the week prior to the start of the employee's vacation, multiplied by the employee's average standard hourly rate of earnings per hour for said period; provided, however, that in no event shall each week of vacation pay be less than forty hours. In addition, for each week of vacation employee will be paid a bonus of:
 - 1. \$65.00 for each week of vacation in April, May, September and October.
 - 2. \$90.00 for each week in January, February, March, November and December excluding Thanksgiving, Christmas and New Year's weeks.
- B. Working time lost by Union Officers and committee persons attending meetings with the Company shall be included in computing the employee's average number of hours worked per week during the thirteen (13) week period used in this calculation. The Union shall furnish the Company a monthly record of such lost time.
- C. An Employee who quits or is discharged before he/she has been granted a vacation as provided in this Article, shall be paid vacation allowance at the time of such quit or discharge, limited to the vacation for which he/she was eligible at the time and would have been granted during the current year had he/she continued to work for the Company.

12.4 Vacation Schedules.

- A. Vacation allotments will be scheduled on the basis of plant seniority within each sequence. Vacations will, so far as practicable, be granted at times most desired by employees (longer service employees being given preference as to choice); but final right to allot vacation periods and to change such allotments is exclusively reserved to the Company in order to insure orderly operation of the plant.
- B. A vacation granted to an employee must be taken each year and shall not accumulate from one (1) year to another except when allowed in 12.2D.

- C. Should the need arise to schedule vacations for eligible employees during a shutdown period instead of in accordance with the previously established vacation schedules for that year, the following shall apply:
1. The Company shall give affected employees thirty (30) calendar days notice when planning a shutdown.
 2. In the absence of such notice, an affected employee shall have the option to take his/her vacation during the shutdown period or take his/her vacation at his/her previously scheduled time.
- D. In no case will an employee be required to take more than one (1) week shutdown vacation in a year unless the employee has a full week of unscheduled vacation time available. This unscheduled vacation time will not be subject to the provision stated in 12.4 C 1 above.
- E. Vacations shall be scheduled during complete calendar weeks beginning on Monday and ending on Sunday except by mutual agreement of Company and Union. A one (1) week's vacation shall consist of seven (7) consecutive days, a two (2) week's vacation of fourteen (14) consecutive days and a three (3) week's vacation of twenty-one (21) consecutive days, provided however, that considering the orderly operation of the plant and with the consent of the employee, the two (2) week's vacation may be scheduled in two periods of seven (7) consecutive days each and the three (3) week's vacation may be scheduled in two periods, one of seven (7) consecutive days and one of fourteen (14) consecutive days or in three (3) periods of seven (7) consecutive days each.
- F. Employees with more than three (3) weeks of regular vacation shall schedule those additional weeks after all employees have expressed their preference by seniority for their initial 1-3 weeks of vacation.
- G. Senior employees will not schedule their fifth (5th) week of vacation until the junior employees have scheduled their third (3rd) and fourth (4th)
- H. Notice to employees requesting them to make application for the following year's vacation shall be posted by November 1 of the current vacation year. Any employee who does not have a vacation request in by December 1 cannot exercise preference on the basis of seniority over a junior employee. All vacation schedules shall be completed and employees notified thereof prior to January 1, of the vacation year.

12.5 Short Term Vacation. Employees may use five (5) days of their vacation in one (1) day increments in accordance with provisions of Paragraph 12.4 of this Agreement. **Note: The company will consider requests for additional single days of vacation.** Vacation requests must be given at least one (1) week in

advance. Each vacation day will be eight (8) times the average hourly earnings for the week in which the vacation is taken. No bonus or fraction thereof will be paid for fractional vacation. All single days of vacation must be used prior to granting LOA's. This does not apply to LOA's requested for Union business.

ARTICLE 13 – LEAVES OF ABSENCE

- 13.1 Purpose.** The provisions of this Article are for the purpose of maintaining uninterrupted seniority rating during authorized periods of leave of absence and for no other purpose.
- 13.2** Leaves of absence may be granted to an employee by the Company for a period not to exceed sixty (60) calendar days without prejudice to his seniority rights provided the employee applied for such leave in writing and gives valid reasons for such request.
- 13.3** Exceptions to the sixty (60) days limitation provided in Paragraph 13.2 above are as follows:
- A. An employee who takes employment elsewhere during an approved leave of absence shall be considered as having voluntarily quit unless local management and the Grievance Committee give permission based upon exceptional conditions related to the circumstances under which the leave was originally granted.
 - B. An employee elected or appointed to a full-time Union office may be granted leave of absence for a term not to exceed two (2) years. This period may be extended for an additional two (2) years under the company's sole discretion. Not more than two (2) employees from the plant may at any one time be on a leave of absence granted under the provisions of this subsection.
- 13.4 Extensions.** Subject to any specific contract provision otherwise; the extension of a leave of absence is within the sole discretion of management.
- 13.5** Local management will confirm in writing all leaves of absence granted or denied and will give copies to the Local Union. Management will respond within seventy-two (72) hours of receipt of a leave of absence request, provided management personnel who can approve are available to review.
- 13.6** If an employee fails to report for work within three (3) working days following expiration of an authorized leave of absence and does not give a satisfactory explanation for not reporting, he/she shall be considered as having voluntarily quit.
- 13.7 FMLA Leave.** The Company will follow the provisions of the Family and Medical

Leave Act as specified by law. Employees in need of written information or verbal consultation will receive such by contacting a representative of the Human Resources Department. Employees may be accompanied by a local official of the Union if the employee requests such attendance.

13.8 Jury Duty. A full time regular employee who is called for jury service or subpoenaed as a witness shall be excused from work for the days on which he/she serves. Service, as used herein, includes required reporting for jury or witness duty when summoned, whether or not he/she is used. When subpoenaed by other than the Company, the employee will not be reimbursed if the employee, the Company, or the Union is a party in the case, or the employee has any direct interest or financial interest in the case.

- A. **Jury Duty Pay.** A full time regular employee shall receive, for each day of service on which he/she otherwise would have worked, the difference between the payment he/she receives for such service in excess of five dollars (\$5.00) and the amount calculated by the Company in accordance with the following formula: Such pay shall be based on the number of days such employee would have worked had he/she not been performing such service (plus any holiday in such period which he/she would not have worked), and the pay for each such day shall be the employee's standard hourly rate times his/her regularly scheduled hours.
- B. The employee will present proof that he/she did serve or report as a juror or was subpoenaed, and reported as a witness and the amount of pay, if any, received therefore.

13.9 Military Service.

- A. **Re-employment Rights.** The Company shall accord to each employee who applies for re-employment after conclusion of his military service with the United States such reemployment rights as he/she shall be entitled to under the then existing statutes.
- B. **Military Encampment Allowance.** An employee with one or more years of continuous service who is required to attend an annual training encampment or cruises of the United States Armed Forces, Reserve or National Guard shall be paid, for a period not to exceed two weeks in any calendar year, the difference between the amount paid by the Government and the amount of straight time pay he/she would have earned for the days he/she would have worked had he/she not been attending such encampment during such two weeks (plus any Holidays in such two weeks which he/she would not have worked plus any scheduled overtime he/she would have worked). If the period of such encampment exceeds two weeks in any calendar year, the period on which such pay shall be based, shall be the first two weeks he/she would have worked during such

period.

13.10 Funeral Leave.

A. Bereavement Period

1. **Five (5) days.** When death occurs to a full time regular employee's legal spouse, mother, father, son and/or daughter an employee will be excused for five (5) consecutive calendar days provided that one such calendar day shall be the day of the funeral or memorial service and it is established that the employee attended the funeral or memorial service.
2. **Three (3) days.** When death occurs to a full time regular employee's grandparent, father-in-law, mother-in-law, grandchild, brother, son-in-law, daughter-in-law, or sister (including stepfather, stepmother, stepchildren, stepbrother, stepsister, when they have lived with the employee in an immediate family relationship) will be excused for three (3) consecutive calendar days provided that one such calendar day shall be the day of the funeral or memorial service and it is established that the employee attended the funeral or memorial service.
3. Request for bereavement leave must be made to the departmental management.

- B. **Bereavement Pay.** The full time regular employee shall receive bereavement pay in an amount equal to their standard hourly rate times the number of hours he/she otherwise would have been scheduled to work and did not because they were on bereavement leave. An employee will not receive funeral pay when it duplicates pay received for time not worked for any other reason. Days lost in accordance with the provisions of this Article will be counted as days worked for purposes of calculating overtime.

ARTICLE 14 – NO STRIKE AND NO LOCKOUT

14.1 No Strike. The Union agrees that during the term of this Agreement, there shall be no strikes, slowdowns, sit-downs, sympathy strikes, picketing, stoppage of work or any other form of interference with the business, employee, or customers of the Company. No employee shall participate in any such activities, and any employees violating the above shall be subject to discipline up to and including discharge. No officer or representative of the Union shall authorize, instigate, aid or condone any such activities.

14.2 No Lockout. The Company agrees that so long as this Agreement is in effect

there shall be no lockouts. The Company's decision to close down the St. Paul, Minnesota Mill, or any part thereof, or the curtailing of any of its operations, for business reasons shall not be construed to be a lockout.

ARTICLE 15 – GRIEVANCE PROCEDURE

- 15.1 Purpose.** The purpose of this Article is (1) to provide the opportunity for discussion of any request or complaint, and (2) to establish procedures for the processing and settlement of grievances as defined below.
- 15.2 Grievance Defined.** The term “grievance” as used in this Agreement is limited to a complaint or request of an employee which involves the interpretation or application of, or compliance with, the provisions of this Agreement.
- 15.3 Grievance Steps.** Grievances are to be processed in the following manner:
- Step 1.** Any employee who believes that he/she has a justifiable request or complaint shall discuss the matter with his/her supervisor in an attempt to settle same. The matter discussed shall be reduced to writing by the employee on an “Employees Complaint” form. During the discussion with his/her supervisor the employee may elect to have a grievance committee person present. The request or complaint will be answered by the supervisor within twenty-four (24) hours after presentation. The Company and the Union agree that the “Employee Complaint” form as written will not be used as evidence in any arbitration proceedings.
- Step 2.** Should the request or complaint fail to be settled in Step 1, A Grievance Committee Person may elect to submit the request or complaint to the Department Superintendent within ten (10) working days following the Step 1 answer. A meeting will be scheduled to take place within five (5) working days from the date of appeal between no more than two (2) members of the Grievance Committee as selected by the Union, the employee, the Department Superintendent, and one (1) other from the department, if desired. The Superintendent will reply in writing to the Chairperson of the Grievance Committee or his/her designee seven (7) working days from the date of the meeting.
- Step 3.** If the request or complaint is not settled in Step 2, it shall be reduced to writing, designated as a grievance, and submitted by the Chairperson of the Grievance Committee to Step 3 within ten (10) working days of the Step 2 answer. Within ten (10) working days after the appeal is made, a meeting shall be held between the Personnel Manager and/or his/her representative, the Chairperson of the Grievance Committee, plus two (2) other members of the Committee, and any witnesses when needed. In this step the Local Union may call in the Representative of the International Union, The Company will reply in writing to the Chairperson of the

Grievance Committee and the Representative of the International Union within ten (10) working days following the Step 3 meeting.

Step 4. If a grievance cannot be settled in Step 3, then at the request of either party (if by the Union by the representative of the International) may within twenty (20) calendar days from the issuance of the decision rendered in Step 3, a neutral and disinterested third party satisfactory to both sides shall be selected by the parties. In the event that the Union and the Company cannot agree upon an arbitrator within ten (10) days after the Representative of the International Union and the Company had disagreed, then the parties shall request the Federal Mediation and Conciliation Service to submit a panel of seven (7) qualified regional arbitrators. Both the Union and the Company each will have the right to reject up to one (1) panel as unacceptable and insist on a new panel for arbitration. Within thirty (30) days of receipt of the panel, a representative of the Company and the Representative of the International Union shall alternately strike names from the panel until one remains who shall be the arbitrator.

- 15.4 Arbitration.** The arbitrator to which any grievance shall be submitted in accordance with the provisions of this Article shall only have jurisdiction and authority to interpret, apply or determine compliance with the provisions relating to wages, hours of work, and other conditions of employment as set forth in this Agreement, insofar as shall be necessary to the determination of such grievance, but he/she shall not have the jurisdiction or authority to add to, subtract from, modify or amend in any way the terms, conditions and rights set out in this Agreement, or in any way substitute his/her judgment for that of the Company in matters which are solely management's functions, rights and prerogatives under this Agreement. Said arbitrator so appointed shall decide the dispute and the decision shall be final and binding upon the Union and the Company and any employee affected.
- 15.5** The proposals made by each party with respect to changes in the labor agreements and discussions had with respect thereto shall not be used, or referred to, in any way during or in connection with the arbitration of any grievance arising under the provisions of such agreement. This shall not limit in any respect the right of either party to express at the arbitration hearing its position or its intent or interpretation with regard to the meaning of any provisions of the labor agreement.
- 15.6** The expenses and fees of the arbitrator shall be paid equally by the Company and the Union unless otherwise agreed upon. The matter shall be heard by such arbitrator as soon as possible after his/her appointment and shall be determined by him/her as soon as possible after the close of the hearing. If a grievance is settled after selection of an arbitration date, both parties will split the cost of the cancellation.

- 15.7** Failure of the Union to file an appeal to the next step within the time limits provided shall result in the grievance being settled on the basis of the Company's answer in the previous step. Failure of the Company to answer within the time limits provided shall result in the grievance being settled in accordance with the request in the grievance. A grievance other than a grievance concerning a suspension and/or discharge must be filed within thirty (30) calendar days from the date of occurrence or re-occurrence of the incident in order to be considered by the Company under this grievance procedure. In the case of a suspension a grievance must be filed within seventy-two (72) hours of the employee's return from the suspension. In the case of a discharge a grievance must be filed within seven (7) calendar days of the termination. Time limits in any and all steps of the grievance procedure may be extended by mutual written agreement.
- 15.8** When a grievance is settled and if any monies are involved payment of such monies shall be expedited. If such monies are not paid within fourteen (14) calendar days, the matter of payment will be referred to the 3rd step of the grievance procedure for expedited payment.
- 15.9** Notwithstanding any other provisions of this Agreement, the grievance committee members and Local Union President may visit departments other than their own at all reasonable times for the purpose of transacting the legitimate business of the committee after receiving permission from the Department to be visited and from their own Department Head or designated representative. Permission shall not be unreasonably withheld.
- 15.10** A representative of the International Union shall have access to the plant, subject to the established plant rules, at reasonable times to investigate grievances with which he/she is concerned.
- 15.11** Grievance Committee members shall be afforded such time off without pay as may be required in order to attend scheduled grievance meetings. Meetings off-site must be requested and approved in advance. Grievance meetings between the Union and Department Superintendents will be held at least twice monthly on mutually designated days, once in the first fifteen (15) days, and once in the last half of the month.
- 15.12** Officers and grievance committee members will be designated in writing by the Local Union to the Company.
- 15.13** Grievances which meet the necessary qualifications may be arbitrated under the provisions of the expedited arbitration procedure.

ARTICLE 16 – EXPEDITED ARBITRATION PROCEDURE

- 16.1** This expedited arbitration procedure is designed to provide prompt and efficient

handling of routine cases. This procedure will be considered for use when agreed to, in writing, by the Company's Human Resource Manager and the Union International Representative. Such agreement shall specify the individuals responsible for making appeals to arbitration as provided herein; these individuals are hereinafter referred to as the Union Designee and the Company Designee. Both Management and the Union reserve the right not to pursue the expedited arbitration procedure.

- 16.2** When agreed to for use, a panel of 5 regional arbitrators shall be designated by the parties. When the panel is ready to function, the procedure may be utilized. A number sufficient to insure the intended operation of procedure shall be selected. After the panel is established, should any member terminate his/her association with the panel, the Union and the Company shall meet to select a replacement. The expenses and fees of the panel shall be borne equally by the Company and the Union.
- 16.3** The expedited arbitration procedure shall be implemented with due regard to the following suggested guidelines:
- A. Upon receipt of the Step 3 answer as provided in Paragraph 15.3 of the Agreement, the Union Designee and the Company Designee may agree, in writing, to appeal the grievance to an arbitrator under this expedited arbitration procedure.
 - B. The appeal must be made within ten (10) calendar days of the receipt of the Step 3 answer. As soon as the Union Designee and the Company Designee agree to appeal a grievance under this procedure, they shall notify the designated Arbitrator. The designated Arbitrator is that member of the panel who, pursuant to a rotation system, is scheduled for the next arbitration hearing. Immediately upon such notification, the designated Arbitrator shall arrange a place and date for the hearing to take place, not more than ten (10) days thereafter. If the designated Arbitrator is not available to conduct a hearing within the ten (10) days, the next panel members in rotation shall be notified until an available Arbitrator is obtained.
 - C. The hearing shall be conducted in accordance with the following:
 - 1. The hearing shall be informal.
 - 2. No briefs shall be filed or transcripts made.
 - 3. There shall be no formal evidence rules.
 - 4. Each party's case shall be presented by a previously designated representative.
 - 5. The Arbitrator shall have the obligation of assuring that all necessary facts and considerations are brought before him/her by the representatives of the parties. In all respects, he/she shall assure that the hearing is a fair one.

6. If the Arbitrator or the parties conclude at the hearing that the issues involved are of such a complexity or significance as to require further considerations by the parties, the case shall be referred to Step 4, and it shall be processed as though appealed on such date.
- D. The Arbitrator may issue a bench decision at the hearing but in any event he/she shall render his/her decision within 48 hours after conclusion of the hearing. His/her decision shall be based on the record developed by the parties before and at the hearing and shall include a brief written explanation on the basis for his conclusion. These decisions will not be cited as a precedent in any discussion of grievances at any step of the grievance or arbitration procedure. The authority of the Arbitrator shall be the same as those provided in Paragraph 15.4.
- E. Any grievance appealed to this expedited arbitration must be confined to issues which do not involve novel problems and which have limited contractual significance or complexity.

ARTICLE 17 – RULES AND DISCIPLINE

- 17.1** The Company retains the right to make and revise reasonable rules and procedures governing the conduct, including attendance, of its employees in order to ensure the safe and efficient operation of its operations. The Company will notify the Union of new rules and procedures affecting employee conduct, including attendance, two (2) weeks prior to the effective date of the new rule or procedure, and at the Union's request, will discuss such rules and procedures with the designated Union Representative(s).
- 17.2 Suspension and Discharge.** The Company agrees that an employee shall not be discharged or suspended without just cause or without the right to appeal, with the exception of probationary employees. If an employee believes that he/she has been unjustly suspended or discharged, the employee may file a grievance in accordance with Paragraph 15.7. Such grievance shall be processed in accordance with the grievance procedure of Article 15 commencing with Step 2. Any employee who is considered by the Company to warrant discharge will receive a hearing with his Department Superintendent prior to such discharge. The employee may elect to be represented at the hearing by any Union officer and/or member of the grievance committee.
- 17.3 Disciplinary Hearing.** In cases of progressive discipline a hearing between a representative of the Grievance Committee and Department Superintendent or representative will be held before a suspension shall take place. The Company agrees to notify the Union twenty-four (24) hours prior to such suspension or discharge meeting. This is not applicable to gross misconduct cases. Failure to notify the Union will not affect the merits of the case in this or subsequent

hearings. No misconduct notice shall be used in any disciplinary or discharge hearing more than eighteen months after issue, except for cases of gross misconduct which resulted in suspension.

- 17.4 Written Suspension or Discharge Notice.** In each case when any employee is suspended or discharged, he/she shall be given a written notice by the Company advising him/her of the reason. The chairperson of the grievance committee shall promptly be given a copy of any suspension or discharge notice.
- 17.5 Reinstatement.** If a suspension or discharge should be revoked by the Company or not sustained in arbitration proceedings, the Company will reinstate the employee and pay full compensation at the employee's regular rate of pay for time lost, except that a lesser settlement may be agreed to by the employee, grievance committee and local management, or as ordered by the Arbitrator.

ARTICLE 18 – SAFETY AND HEALTH

- 18.1 Objective and Obligations of Parties.** The Company and Union will cooperate in the continuing objective to eliminate accidents and health hazards. The Company shall continue to make provisions for the safety and health of its employees at the plant during the hours of their employment. The Company, the Union and the employees recognize their obligations and/or rights under existing federal and state laws with respect to safety and health matters.
- 18.2 Safety Committee.** A joint safety committee shall be established in the plant. The joint safety committee shall consist of the Union and Company Co-Chairpersons, six Company representatives, six Union representatives, and any other persons agreed upon by the Co-Chairpersons. The purpose of this committee shall be to review safety practices, procedures and conditions in the plant and to recommend changes where such changes are deemed advisable. The Union and the Company shall designate their respective Co-Chairperson and shall certify each other in writing such Co-Chairperson and committee members. The committee shall hold monthly meetings at times determined by the Co-Chairperson who may also agree to hold special meetings, preferably outside of regular working hours. Each Co-Chairperson shall submit a personal agenda to the other Co-Chairperson at least five days prior to the monthly meeting. The Company Co-Chairperson shall provide each member of the committee with minutes of the monthly meeting. Prior to such monthly meetings the Co-Chairpersons or their designees shall engage in an inspection of mutually selected areas of the plant. At the conclusion of the inspection, a written report shall be prepared by the Company and shall include any conditions and practices observed during the inspection which may warrant further attention or consideration. Copies shall be furnished to the committee.
- 18.3 Protective Devices.** Protective devices, wearing apparel and other equipment necessary to properly protect employees from injury shall be provided by the Company in accordance with practices now prevailing in the plant or as such practices may be improved from time to time by the Company.
- A. Goggles, face shield, respirators, special purpose gloves, hearing protection, fire resistant, water resistant, or acid resistant clothing when necessary and required shall be provided by the Company without cost to the employee.
 - B. The Company will provide each employee with ANSI approved steel toed safety boots in accordance with the OSHA regulations. Payment of each allowance will require written documentation from the employee that new safety boots have been purchased for his/her use at work.

- C. The Company will provide at its own expense durable treated, flame resistant cotton protective apparel or its equivalent (referred to herein as green clothing) in accordance with the following objectives:
1. Green clothing shall be issued by the Company for safety reasons to employees on jobs where they are regularly exposed to burns; the list of such jobs shall be established by the Company and reviewed with the joint safety committee. Employees so designated will be required to wear the green clothing.
 2. Employees will be required to turn in to the Company their worn-out or damaged green clothing as a prerequisite for receiving replacements. Replacements provided at Company expense will be limited to a maximum of four green protective garments per year (four trousers and four jackets). Any green protective garment which has been destroyed or severely damaged due to a single incident resulting from such exposure will be replaced at Company expense without regard to the maximum limitations stated herein. Employees who exceed this maximum shall purchase the required green clothing which the Company will make available at its cost.
 3. Each employee shall be responsible for maintaining and laundering his green clothing. The Company may assess an employee a fair charge to cover loss or willful destruction of safety equipment which has been issued to the employee at Company expense.
- 18.4** Proper heating and ventilating systems, washing facilities and sanitary drinking water shall be installed and maintained where needed.
- 18.5 Working Alone.** Employees assigned to work in areas where hot metal is being handled or in other hazardous areas shall not be required to work alone beyond the call or observation of other persons employed by the Company.
- 18.6 Unsafe Conditions.** An employee who believes that he/she is working under conditions which are unsafe or unhealthy beyond the normal hazards inherent in his/her job shall notify his/her supervisor who shall make an immediate investigation. If the supervisor agrees that an unsafe condition exists, he/she will either correct the condition or grant the employee relief from the job. If the Supervisor does not find that an unsafe condition exists, he/she shall so inform the employee and give him/her the reasons for his/her decision. If the employee is not satisfied with the results of the investigation, an immediate meeting will be arranged with the Department Superintendent, or his/her designated alternates, and the Union and Company Safety Committee Co-chairpersons, or their designated alternates. If the matter is not resolved during the meeting, and the employee continues to feel that an unsafe practice or condition exists, such employee is expected to file an unsafe act or condition report. The employee will

receive a response within the time frame specified for such reports and the matter will be reviewed by the safety committee co-chairpersons. If the matter cannot be resolved to the mutual satisfaction of the parties, the Union will file a grievance in Step III contending the existence of an unsafe condition and requesting that if an unsafe condition exists, that the matter be corrected. The Step III Meeting and answer will be expedited. If the Union elects to arbitrate the grievance, both parties will make every effort to bring about a quick settlement.

In reference to the above, an employee has the right to relief from the job without loss of his/her right to return to such job, and at Management's discretion assignment to such other employment as may be available in the plant provided, however, that no employee other than communicating the facts relative to the safety of the job, shall take any steps to prevent another employee from working on the job. Should either the Management or the Arbitrator conclude that an unsafe condition within the meaning of this Section existed and should the employee not have been assigned to other available equal or higher rated work, he shall be paid for the earnings he otherwise would have received. An employee contesting an unsafe condition will not suffer any loss of earnings until the completion of the meeting with his/her Superintendent and Safety Committee Co-chairpersons.

No employee who in good faith exercises his/her rights under this Section will be disciplined.

- 18.7** The Employer will provide the Local Union with prompt notification of any accident or incident at the St. Paul Mill resulting, or could have resulted, in a fatality or serious injury. The notification will include: the date of the accident or incident, fatality, serious injury or illness; the workplace location of the accident or incident, fatality, serious injury or illness; and, if known, the cause of the accident or incident, fatality, serious injury or illness. When it becomes available, the Employer will provide the Local Union President and JHSC Union Co-Chairperson with a copy of any accident or incident report prepared by the Employer or the JHSC pursuant to that fatality, serious injury or illness.

In the event of an accident which resulted in a disabling injury or death or accident which could have resulted in a disabling injury or death and requires a fact-finding investigation, the JHSC will investigate such accident. The Company will, after any such investigation, provide the Local Union President and JHSC Union Co-Chairperson with a report documenting the nature of the injury, the circumstances of the accident, and any recommendations available at that time. Note: The Company will consider any recommendations the Local Union President and JHSC Union Co-Chairperson may wish to make regarding the report. In such cases, when requested by the Union Co-Chairperson, the Company Co-Chairperson of the safety committee or his/her designated representative will review the report with the Local Union President and/or Union Co-Chairperson. Also, in such cases, the Company Co-Chairperson of the safety

committee or his/her designated representative, when requested by the Union Co-Chairperson, will visit the scene of the accident with the Union Co-Chairperson or in his/her absence, his/her designated substitute.

An employee who is unable to return to his or her assigned job for the balance of the shift as a result of an occupational injury or illness will be paid any earnings lost on that shift.

- 18.8 First Aid.** The Company will provide first aid facilities at the plant to the extent necessary to provide adequate first aid for mill employees. A registered nurse, licensed practical nurse or EMT qualified individual will be provided by the Company to administer first aid.
- 18.9** It is intended that, consistent with the foregoing functions of the Safety and Health Committee, the International Union, Local Union, Union Safety Committee and its officers, employees and agents shall not be liable for any work-connected injuries disabilities, or diseases which may be incurred by employees.
- 18.10** All employees shall be instructed on the Lockout Procedure. When a violation is identified, it shall be reported and submitted in writing to the Safety Committee Co-Chairpersons and the Department Superintendent.

ARTICLE 19 – SEVERANCE ALLOWANCE

- 19.1 Conditions of Allowance.** Where in the sole judgment of the Company, it decides to close permanently the plant or discontinue permanently a department of the plant or substantial portion thereof and terminate the employment of individuals, an employee whose employment is terminated either directly or indirectly as a result thereof because he/she was not entitled to other employment with the Company under the provisions of Article 9 - Seniority, of this Agreement and Paragraph 19.2 below shall be entitled to a severance allowance in accordance with and subject to the following provisions.
- 19.2 Eligibility.** Such an employee to be eligible for severance allowance shall have accumulated three (3) or more years of continuous Company service as computed in accordance with Article 9 - Seniority, of this Agreement.
- A. In lieu of severance allowance, the Company may offer an eligible employee a job, in at least the same job class for which he is qualified.
- B. As an exception to Paragraph 19.2A above, an employee otherwise eligible for severance allowance who is entitled under Article 9 - Seniority, to a job in at least the same job class in another part of the plant shall not be entitled to severance allowance whether he/she accepts or rejects the transfer. If such transfer results directly in the permanent displacement of some other employee, the latter shall be eligible for severance allowance

provided he otherwise qualifies under the terms of this Article.

19.3 Scale of Allowance. An eligible individual shall receive severance allowance based upon the following weeks for the corresponding continuous Company service:

- A. 1 week for each year of continuous service starting with year 1 through 9.
- B. 12 weeks for 10 years or more of continuous service.

Weekly allowance = 40 hours x standard hourly rate.

19.4 Non-duplication of Allowance. An eligible individual shall receive allowance equal for the same severance, whether the other obligation arises by reason of contract, law or otherwise. If an individual is or shall become entitled to any discharge, liquidation, severance, or dismissal allowance or payment of similar kind by reason of any law of the United States of America or any of the states, districts, or territories thereof subject to its jurisdiction, the total amount of such payments shall be deducted from the severance allowance to which the individual may be entitled under this Article, or any payment made by the Company under this Section may be offset against such payments. Statutory unemployment compensation payments shall be excluded from the non-duplication provisions of this Paragraph.

19.5 Election Concerning Layoff Status. Notwithstanding any other provision of this Agreement, an employee who would otherwise have been terminated in accordance with the applicable provisions of the Agreement and under the circumstances specified in Paragraph 19.1 at such time, may elect to be placed upon layoff status for an additional thirty (30) days or to continue on layoff status for an additional thirty (30) days if he/she had already been on layoff status. At the end of such thirty (30) day period he/she may elect to continue on layoff status or to be terminated and receive severance allowance if he/she is eligible to any such allowance under the provisions of this Article; provided however, if he/she elects to continue on layoff status after the thirty (30) day period specified above, and is unable to secure employment with the Company within an additional thirty (30) day period, at the conclusion of such additional thirty (30) day he/she may elect to be terminated and receive severance allowance if he/she is eligible for such allowances.

19.6 Payment of Allowance. Payment shall be made in a lump sum as soon as possible but no later than two (2) weeks after termination. Acceptance of severance allowance shall terminate employment and continuous service for all purposes under this Agreement.

ARTICLE 20 – GENERAL PROVISIONS

20.1 Bulletin Boards.

- A. The Company shall provide and install for use by the Union, bulletin boards in agreed upon places in the plant for the purpose of posting Union notices, copies of this Agreement and official papers. All such matters must be posted only upon authority of officially designated representatives of the Union. Postings by the Union on the Company's premise will be limited to the designated bulletin boards.
- B. The bulletin boards provided by the Company will not be used by the Union or its officers or members for posting material of a nature that is untruthful, or critical of, harmful to or derogatory about management personnel, employees, agents, suppliers, or customers. In addition, the bulletin boards will not be used to post messages in support of or against city, county, state or federal government political officials, parties or candidates.
- C. If a posting under this policy is deemed improper or false by the Company, the designated Company representative may protest the posting to the designated Union representative. The posting will be removed at the Company's request for up to twenty-four (24) hours to permit the Company and the Union to resolve the issue. Absent agreement within such twenty-four (24) hour period, the union may again post the material in question.
- D. The Local Union President or designee and a designated Company Official will have the keys to the bulletin boards. This provision will not be abused by the Company.

20.2 Janitorial Services. During the term of this Agreement, the Company will provide janitorial service for the main locker room area on a daily basis including Saturday and Sunday. For those days that the plant is not in operation, the Company and the Union will meet to discuss and to mutually agree to the janitorial services required for the level and nature of work planned for the plant during the shutdown period.

20.3 Drug/Alcohol Program. The Union and Company will cooperate to make Gerdau Ameristeel, St. Paul, an alcohol and drug-free workplace.

- A. The Union acknowledges that under no circumstances should any employee of Gerdau Ameristeel, St. Paul, at anytime be allowed to be at work or on the premises while under the influence of alcohol or any non-prescribed drugs, referred to as controlled substances or “mood-altering substances.”

- B. The Union will cooperate in joining with the Company in promoting an educational program towards informing employees of the dangers involved with these substances.
- C. The Union emphasizes the importance of cooperating with the Company in securing treatment and counseling for employees.
- D. This effort will be taken in order to provide a safe, efficient, profitable workplace for all employees.
- E. Union participation in this program shall not be construed to waive any legal or contractual rights to representation of any employee.
- F. This provision does not limit the Company's right to implement or modify Company policy concerning drugs and alcohol in the workplace.

20.4 Successorship.

- A. If the Company sells, conveys, assigns or otherwise transfers (sells) the plant, or an organizationally distinct operation thereof, subject to this Agreement to any other party (Purchaser) and the Purchaser intends to operate the same or substantially similar business at the same location within one (1) year of the sale, the purchase and sale agreement will require the Purchaser to:
 - 1. Extend offers of employment only to members of the Company's collective bargaining unit until the Purchaser has a full complement of the employees it needs (as determined by the Purchaser) to perform work previously performed by the Company's collective bargaining unit, or until the Purchaser has extended offers of employment to all members of the Company's collective bargaining unit, whichever occurs sooner.
 - 2. Recognizes the Union as the collective bargaining representative of the unit that performed bargaining unit work for the Company.
- B. The Company further agrees that if it sells the plant, or an organizationally distinct operation thereof, subject to this Agreement, and the Purchaser intends to operate the same or substantially similar business at the same location within one (1) year of the sale, the Company shall engage in reasonable, good faith efforts in an attempt to persuade the Purchaser to assume this Agreement, provided, however, that nothing herein shall obligate the Company to find a purchaser willing to assume this Agreement, and provided further that the Company's obligations under this Section B shall be fully satisfied if it has engaged in such reasonable good faith efforts, even if unsuccessful, or in the event the Purchaser, although unwilling to assume this Agreement, shall have entered into an agreement

with the Union establishing the terms and conditions of employment to be effective as of the closing date of the sale.

- C. In the event the Company sells the plant, or an organizationally distinct operation thereof, subject to this Agreement, and the Company is unsuccessful in finding a purchaser who is willing to assume this Agreement, and in the further event the Purchaser does not enter into an Agreement with the Union establishing the terms and conditions of the employment to be effective as of the closing date, the purchase and sale agreement shall require the Purchaser to maintain the existing negotiated wage and benefit levels, or their substantial equivalent, for the remaining terms of this Agreement, or until the Purchaser and the Union enter into a collective bargaining agreement, whichever occurs sooner.

20.5 Food Vending. The Company and the Union will work together to resolve any concerns regarding food vending services, and employee access to adequate refrigeration for employee lunches.

20.6 Apprenticeship Committee.

- A. When the Company determines the need, management and the Union have committed to work together in offering an Apprenticeship Program to the St. Paul workforce. Management and the Union believe such a program can be beneficial for the purpose of developing well-trained craftsmen for the St. Paul facility.
- B. The intent of the Apprenticeship Program will be to provide developmental opportunities to selected internal candidates. To this end, a Joint Apprenticeship Committee will be formed to establish the objectives and to handle the duties associated with the program. The Joint Apprenticeship Committee will consist of six members employed at the plant, three (3) from the management staff and three (3) from the local Union.
- C. No current craftsman will be bumped from his/her regular shift when an apprentice is moved from area to area for training purposes. Any issue of dispute regarding the program or the processes associated with it, will be discussed and resolved by the Joint Committee. A set of written procedures will be used to provide guidance to the Joint Committee for the administration of the Apprenticeship Program.

20.7 Workforce Training and Testing. Notwithstanding any other provision of this article or current Agreement, the Company will work in conjunction with the Union in reviewing skills, testing and training requirements for all employees. In doing so, the Company reserves the right to determine the above. This understanding is a continuation of the Company's commitment to train the workforce in performing their work safely and efficiently. The company shall pay for any state mandated training or licensing that is required for the employee to perform his current job. The Human Resources department will confirm such training is required.

20.8 Maintenance Tasks by Production Employees.

- A. The Company and the Union recognize that certain routine maintenance tasks do not require essential trade and craft skills. The attached list constitutes agreed-to tasks that production employees may perform. A Joint Committee of the Company and the Union will be formed to study additional tasks and propose changes in those practices that can be performed safely by production employees.
- B. In the event of a dispute over a particular practice, the grievance procedure will be used to decide if the disputed practice erodes the essential nature of the craft or requires essential trade/craft skills. Arbitrations will be handled under the time limits and procedures of the grievance procedure.
- C. No changes in the work practices instituted by this Committee or through this grievance procedure will be used as a basis for the elimination of jobs.
- D. Specific Tasks by Department:

Rolling Mill

- 1. Lubricate all mill equipment currently being lubricated by mill personnel.
- 2. Change hydraulic lines and fittings on the mill stands.
- 3. Replace torches and torch tips; repair/replace hoses.
- 4. Assist as maintenance laborers on breakdowns and down-days.
- 5. Minor reheat furnace repairs.
- 6. Lube roll end spindle coupling box when stand is changed.
- 7. Position existing conveyor plates.
- 8. Lube scrap, transfer table and cradle chains.
- 9. Replace/repair mill stand window liners, sole plates, head screws.
- 10. Repair/replace wear plates on sled.
- 11. Replace looper rollers and looper air hoses.
- 12. Maintain/repair shop grease systems.

13. Replace power washer nozzles, hoses and swivels.
14. Drill and tap as needed.
15. Install/remove/replace bar guides “wings” on conveyors.
16. Complete routine equipment checks and inspections:
 - Monitor equipment performance (senses)
 - Detect and identify abnormalities
 - Perform cleaning and lubrication tasks
 - Discuss equipment condition issues with maintenance personnel
17. Clean, inspect and replace air conditioner filters in pulpits and crane cabs.

Shipping

1. Crane Operators –
 - a. Change light bulbs and fluorescent tubes in crane cabs.
 - b. Change bulbs for status lights.
 - c. Complete routine equipment checks and inspections;
 - Monitor equipment performance (senses)
 - Detect and identify abnormalities
 - Perform cleaning and lubrication tasks
 - Discuss Equipment condition issues with maintenance personnel
 - d. Clean, inspect and replace air conditioner filters in pulpits and crane cabs.
2. Shipping Crews –
 - a. Replace air hose and glad hands on spotting tractor.
 - b. Replace torches and torch tips; repair/replace hoses.
 - c. Change light bulbs and fluorescent tubes.
 - d. Complete routine equipment checks and inspections;
 - Monitor equipment performance (senses)
 - Detect and identify abnormalities
 - Perform cleaning and lubrication tasks
 - Discuss Equipment condition issues with maintenance personnel
 - e. Clean, inspect and replace air conditioner filters in pulpits and crane cabs.
3. Dywidag Crews –
 - a. Replace pins and springs on tail stock.
 - b. Move tail stock according to length of bar being stretched.
 - c. Tighten safety guards on conveyors.
 - d. Change light bulbs and fluorescent tubes.
 - e. Complete routine equipment checks and inspections;
 - Monitor equipment performance (senses)
 - Detect and identify abnormalities
 - Perform cleaning and lubrication tasks

- Discuss Equipment condition issues with maintenance personnel
- f. Clean, inspect and replace air conditioner filters in pulpits and crane cabs.

Raw Materials

1. Bolt and unbolt shredder hood after plug-ups and hammer changes.
2. Bolt and unbolt clean-out doors on conveyors, hoppers, etc.
3. Repair water, gas and oxygen hoses; replace torches and torch tips.
4. Assist in replacement of lifting cables and fair lead cables on mobile cranes.
5. Change light bulbs and fluorescent tubes.
6. Assist Maintenance in all breakdowns and outages.
7. Adjust conveyor wipers and replace wiper material.
8. Replace explosion panels & hatches, cut plywood replacement panels.
9. Complete routine equipment checks and inspections;
 - Monitor equipment performance (senses)
 - Detect and identify abnormalities
 - Perform cleaning and lubrication tasks
 - Discuss Equipment condition issues with maintenance personnel
10. Clean, inspect and replace air conditioner filters in pulpits and crane cabs.

Melt Shop

1. Cut lance pipe on power hacksaw (not hacksaw in machine shop).
2. Grease automatic torches.
3. Move mold tube oil in/out of building.
4. Assist as maintenance laborers on breakdowns and down-days.
5. Replace torches and torch tips; repair/replace hoses.
6. Change light bulbs and fluorescent tubes.
7. Assist M & H Repairmen in changing furnace roofs.
8. Make tundish plugs (drill press located on 3rd floor).
9. Replace and secure existing safety guards (not to include fabricating new guards).
10. Miscellaneous hose and small pipe repairs (water & air, 1 ½ inch and less).
11. Replace ladle slidegate cylinders.
12. Complete routine equipment checks and inspections;
 - Monitor equipment performance (senses)
 - Detect and identify abnormalities

- Perform cleaning and lubrication tasks
 - Discuss Equipment condition issues with maintenance personnel
13. Clean, inspect and replace air conditioner filters in pulpits and crane cabs.

Quality Assurance and Technology

1. Production –
 - a. Replace torches and torch tips; repair/replace hoses.
 - b. Change light bulbs and fluorescent tubes.
 - c. Complete routine equipment checks and inspections:
 - Monitor equipment performance (senses)
 - Detect and identify abnormalities
 - Perform cleaning and lubrication tasks
 - Discuss equipment condition issues with maintenance personnel
 - d. Clean, inspect and replace air conditioner filters in pulpits and crane cabs.
- 20.9 All employees will be enrolled in direct deposit by January 1, 2011 subject to their right to opt out in writing pursuant to Minnesota Statute.

ARTICLE 21 – LOCAL WORKING CONDITIONS

- 21.1** The term "Local Working Conditions" as used herein is defined to mean specific practices or customs which reflect detailed application of the subject matter within the scope of wages, hours of work, or other conditions of employment. Local working conditions include written agreements, which existed prior to the effective date of this Agreement. It is understood that local working conditions established by mutual agreement must be reduced to writing and signed by the International Representative for the Union, the Personnel Manager and the General Manager.
- 21.2** In no case shall local working conditions be effective to deprive any employee of rights under this Agreement. Should any employee believe that a local working condition is depriving him/her of the benefits of this Agreement, he/she shall have recourse to the grievance procedure, and arbitration, if necessary, to determine if the local working condition should be changed or eliminated.
- 21.3** Should there be any local working conditions in effect which provide benefits that are in excess of or in addition to the benefits established by this Agreement they shall remain in effect for the term of this Agreement except as they are changed or eliminated by mutual agreement or in accordance with Paragraph 21.4 below.

- 21.4** The Company shall have the right to change or eliminate any local working condition if, as a result of action taken by Management, the basis for the existence of the local working condition is changed or eliminated, thereby making it unnecessary to continue such local working condition. Prior to changing or eliminating a local working condition, the Company will meet with the Union Committee to discuss the matter and to reach a mutually satisfactory agreement if possible. Should agreement not be reached, the Company shall change or eliminate the local working condition subject to the grievance procedure.
- 21.5** The waiver of any breach of any of the provisions or terms of this Agreement by either party does not constitute a precedent for any future waiver of such breach, nor does it preclude enforcement of the precise terms of the Agreement against any such breach in the future by either party. Nor shall the exercise by Management of its discretionary authority consistent with this Agreement constitute the establishment of a binding practice or a local working condition.

ARTICLE 22 – SAVING AND SEPARABILITY CLAUSE

- 22.1** It is assumed by the parties hereto that each provision of this contract is in conformity with all applicable laws of the United States and the State of Minnesota. Should it later be determined that it would be a violation of any legally effective Government or State Order or Statute to comply with any provision of this Agreement the parties hereto agree to re-negotiate any such provision or provisions of this Agreement for the purpose of making them conform to such Governmental or State Order or Statute so long as they shall remain legally effective, and the other provisions of this Agreement shall not be affected thereby.

ARTICLE 23 – DURATION AND TERMINATION DATE

- 23.1** This Agreement shall continue in effect from August 1, 2015 to and including July 31, 2019, and unless either party notifies the other party in writing of its desire to amend or terminate the said Agreement, it will continue in effect from year to year thereafter. Notice of Amendment or Termination may only be given during a period of not more than sixty (60) and not less than thirty (30) days prior to the termination date of this Agreement, or any succeeding anniversary date.
- 23.2** All Appendices attached to and made part of this Agreement shall terminate on the same date and under the same condition as the Agreement unless specifically stated otherwise in a particular Appendix.
- 23.3** The parties will meet within thirty (30) days after the giving of notice by either party for the purpose of entering into negotiations.

Rogério Turatti, Vice President / General Manager

Negotiating Committee

Kenneth Schappert, People Manager

Jamie Schmidt, Human Resources Manager

Brenda Sweeney, Human Resources Generalist

Dennis Riley, General Supervisor Rolling Operations

Pete Waskul, Melt Shop Routine Facilitator

United Steel Workers of America

Leo W. Gerard, International President

Stan Johnson, International Secretary-Treasurer

Thomas M. Conway, International Vice President (Admin)

Fred Redmond, International Vice President (Human Affairs)

Emil Ramirez, Director District 11

Shane Carlin, Collective Bargaining Services

Brian Ecker, Staff District 11

Negotiating Committee

Jason George, President, USW Local Union 7263

Chuck Nippoldt, Vice President, USW Local 7263

Bob Krippner, Treasurer, USW Local 7263

Raymond Angerman, Negotiating Committee, USW Local 7263

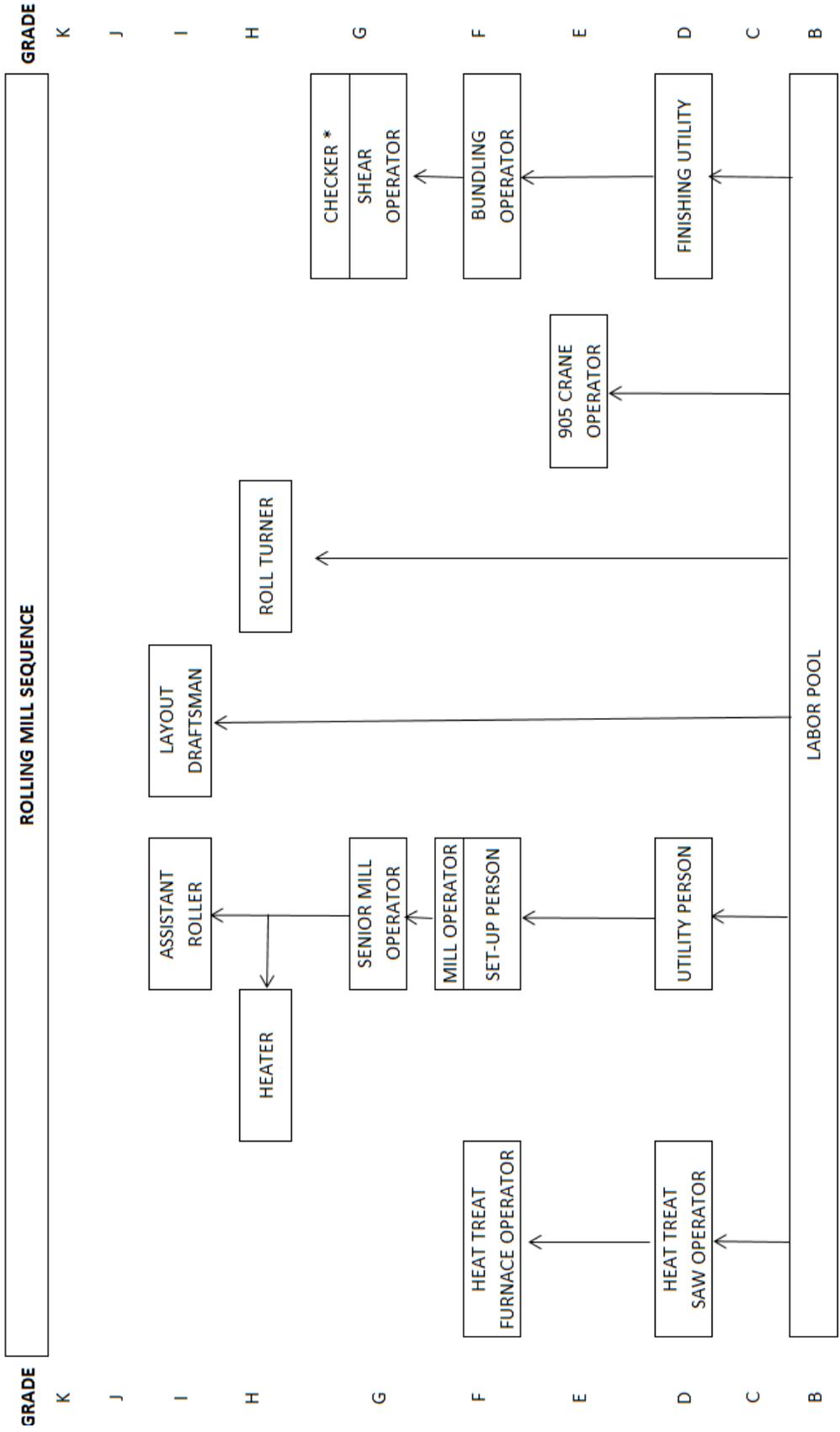
Jeremy Loewenberg, Negotiating Committee, USW Local 7263

APPENDIX 1
JOB GRADES, CLASSIFICATIONS AND STANDARD HOURLY WAGE RATES

Grade	Job Title	Current Rate	Current Employees				New Hires			
			Year 1 Rate	Year 2 Rate	Year 3 Rate	Year 4 Rate	Year 1 Rate	Year 2 Rate	Year 3 Rate	Year 4 Rate
K	Asset Reliability Technician (after cert)	\$36.47	\$36.47	\$36.82	\$37.17	\$37.52	\$36.47	\$36.82	\$37.17	\$37.52
J	Master Electrician (+\$50/wk)	\$34.27	\$34.27	\$34.62	\$34.97	\$35.32	\$34.27	\$34.62	\$34.97	\$35.32
J	Asset Reliability Technician (K when cert)	\$34.27	\$34.27	\$34.62	\$34.97	\$35.32	\$34.27	\$34.62	\$34.97	\$35.32
J	Electrician	\$34.27	\$34.27	\$34.62	\$34.97	\$35.32	\$34.27	\$34.62	\$34.97	\$35.32
I	Assistant Roller	\$32.29	\$32.29	\$32.64	\$32.99	\$33.34	\$32.29	\$32.64	\$32.99	\$33.34
I	M&H Repairman	\$32.29	\$32.29	\$32.64	\$32.99	\$33.34	\$32.29	\$32.64	\$32.99	\$33.34
I	1st Helper	\$32.29	\$32.29	\$32.64	\$32.99	\$33.34	\$32.29	\$32.64	\$32.99	\$33.34
I	1st Operator	\$32.29	\$32.29	\$32.64	\$32.99	\$33.34	\$32.29	\$32.64	\$32.99	\$33.34
I	Layout Draftsman	\$32.29	\$32.29	\$32.64	\$32.99	\$33.34	\$32.29	\$32.64	\$32.99	\$33.34
I	Mold Tech	\$32.29	\$32.29	\$32.64	\$32.99	\$33.34	\$32.29	\$32.64	\$32.99	\$33.34
H	AC/Heater Repairman	\$30.31	\$30.31	\$30.66	\$31.01	\$31.36	\$30.31	\$30.66	\$31.01	\$31.36
H	Heater	\$30.31	\$30.31	\$30.66	\$31.01	\$31.36	\$30.31	\$30.66	\$31.01	\$31.36
H	Welder/Fabricator	\$30.31	\$30.31	\$30.66	\$31.01	\$31.36	\$30.31	\$30.66	\$31.01	\$31.36
H	Inside Stocker	\$30.31	\$30.31	\$30.66	\$31.01	\$31.36	\$30.31	\$30.66	\$31.01	\$31.36
H	Roll Turner	\$30.31	\$30.31	\$30.66	\$31.01	\$31.36	\$30.31	\$30.66	\$31.01	\$31.36
H	Machinist	\$30.31	\$30.31	\$30.66	\$31.01	\$31.36	\$30.31	\$30.66	\$31.01	\$31.36
H	Diesel Mechanic	\$30.31	\$30.31	\$30.66	\$31.01	\$31.36	\$30.31	\$30.66	\$31.01	\$31.36
H	1st Operator Assistant	\$30.31	\$30.31	\$30.66	\$31.01	\$31.36	\$30.31	\$30.66	\$31.01	\$31.36
G	Metallurgical Lab Tech	\$28.33	\$28.33	\$28.68	\$29.03	\$29.38	\$28.33	\$28.68	\$29.03	\$29.38
G	Chem/Met Lab Tech	\$28.33	\$28.33	\$28.68	\$29.03	\$29.38	\$28.33	\$28.68	\$29.03	\$29.38
G	Mechanical Lab Tech	\$28.33	\$28.33	\$28.68	\$29.03	\$29.38	\$28.33	\$28.68	\$29.03	\$29.38
G	Shredder Operator	\$28.33	\$28.33	\$28.68	\$29.03	\$29.38	\$28.33	\$28.68	\$29.03	\$29.38
G	Checker (+\$0.50/hr)	\$28.88	\$28.88	\$29.23	\$29.58	\$29.93	\$28.88	\$29.23	\$29.58	\$29.93
G	Sr. Mill Operator	\$28.33	\$28.33	\$28.68	\$29.03	\$29.38	\$28.33	\$28.68	\$29.03	\$29.38
G	2nd Operator	\$28.33	\$28.33	\$28.68	\$29.03	\$29.38	\$28.33	\$28.68	\$29.03	\$29.38
G	2nd Helper	\$28.33	\$28.33	\$28.68	\$29.03	\$29.38	\$28.33	\$28.68	\$29.03	\$29.38
G	Shear Operator	\$28.33	\$28.33	\$28.68	\$29.03	\$29.38	\$28.33	\$28.68	\$29.03	\$29.38

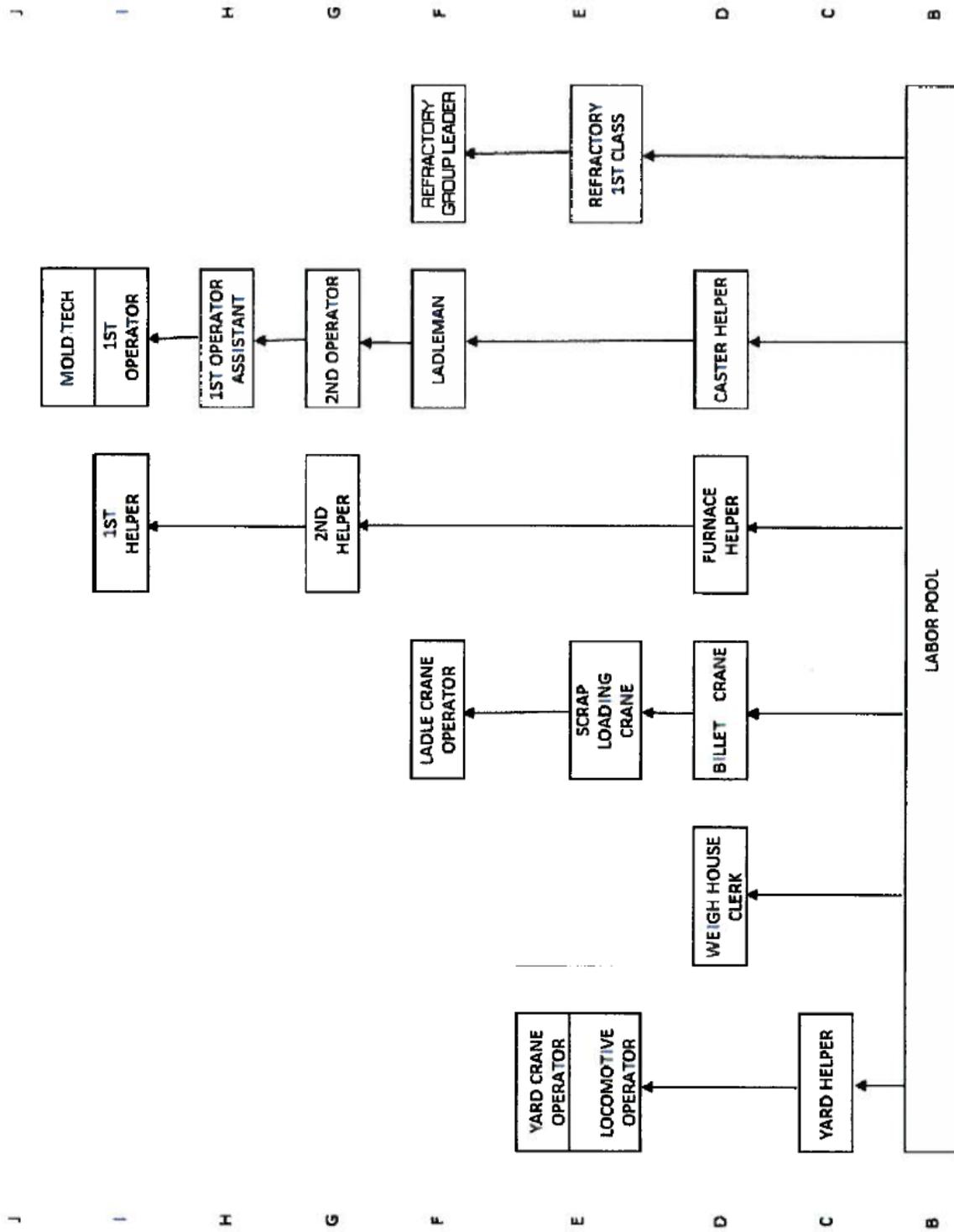
* \$2,000 lump sum payment will be paid to all bargaining unit employees the first feasible payroll date following the ratification of the agreement.
** Wage increases shall be effective the first full week pay period in the month of August of each year.

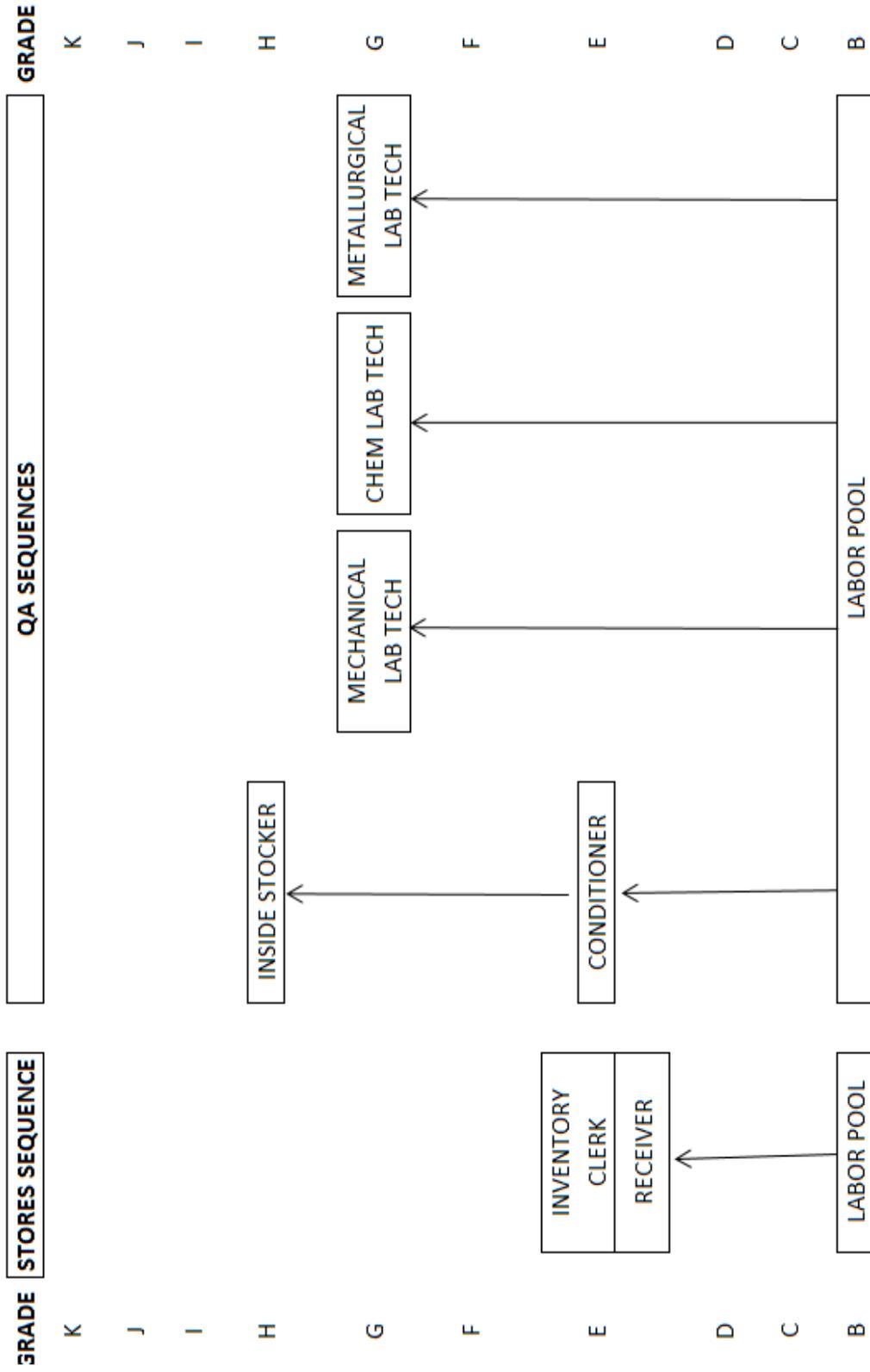
Grade	Job Title	Current Rate	Current Employees				New Hires			
			Year 1 Rate	Year 2 Rate	Year 3 Rate	Year 4 Rate	Year 1 Rate	Year 2 Rate	Year 3 Rate	Year 4 Rate
F	Ladle Crane Operator	\$26.29	\$26.29	\$26.64	\$26.99	\$27.34	\$26.29	\$26.64	\$26.99	\$27.34
F	Mill Operator	\$26.29	\$26.29	\$26.64	\$26.99	\$27.34	\$26.29	\$26.64	\$26.99	\$27.34
F	Ladleman	\$26.29	\$26.29	\$26.64	\$26.99	\$27.34	\$26.29	\$26.64	\$26.99	\$27.34
F	Refractory Group Leader	\$26.29	\$26.29	\$26.64	\$26.99	\$27.34	\$26.29	\$26.64	\$26.99	\$27.34
F	Set Up Person	\$26.29	\$26.29	\$26.64	\$26.99	\$27.34	\$26.29	\$26.64	\$26.99	\$27.34
F	Scrap Crane Shredder Operator	\$26.29	\$26.29	\$26.64	\$26.99	\$27.34	\$26.29	\$26.64	\$26.99	\$27.34
F	Scrap Crane Shear Operator	\$26.29	\$26.29	\$26.64	\$26.99	\$27.34	\$26.29	\$26.64	\$26.99	\$27.34
F	Heat Treat Furnace Operator	\$26.29	\$26.29	\$26.64	\$26.99	\$27.34	\$26.29	\$26.64	\$26.99	\$27.34
F	Bundling Operator	\$26.29	\$26.29	\$26.64	\$26.99	\$27.34	\$26.29	\$26.64	\$26.99	\$27.34
E	Yard Crane Operator	\$24.61	\$24.61	\$24.96	\$25.31	\$25.66	\$24.31	\$24.66	\$25.01	\$25.36
E	Refractory 1st Class	\$24.61	\$24.61	\$24.96	\$25.31	\$25.66	\$24.31	\$24.66	\$25.01	\$25.36
E	Locomotive Operator	\$24.61	\$24.61	\$24.96	\$25.31	\$25.66	\$24.31	\$24.66	\$25.01	\$25.36
E	Loader	\$24.31	\$24.31	\$24.66	\$25.01	\$25.36	\$24.31	\$24.66	\$25.01	\$25.36
E	Maintenance Helper (Greaser/Oiler)	\$24.31	\$24.31	\$24.66	\$25.01	\$25.36	\$24.31	\$24.66	\$25.01	\$25.36
E	Receiver	\$24.31	\$24.31	\$24.66	\$25.01	\$25.36	\$24.31	\$24.66	\$25.01	\$25.36
E	Scrap Loading Crane Operator	\$24.31	\$24.31	\$24.66	\$25.01	\$25.36	\$24.31	\$24.66	\$25.01	\$25.36
E	Fork Lift Operator-Shredder	\$24.31	\$24.31	\$24.66	\$25.01	\$25.36	\$24.31	\$24.66	\$25.01	\$25.36
E	Conditioner	\$24.31	\$24.31	\$24.66	\$25.01	\$25.36	\$24.31	\$24.66	\$25.01	\$25.36
E	905 Crane Operator	\$24.31	\$24.31	\$24.66	\$25.01	\$25.36	\$24.31	\$24.66	\$25.01	\$25.36
E	Inventory Clerk	\$24.61	\$24.61	\$24.96	\$25.31	\$25.66	\$24.31	\$24.66	\$25.01	\$25.36
D	Weigh House Clerk	\$22.33	\$22.33	\$22.68	\$23.03	\$23.38	\$22.33	\$22.68	\$23.03	\$23.38
D	Shipping Crane Operator	\$22.65	\$22.65	\$23.00	\$23.35	\$23.70	\$22.33	\$22.68	\$23.03	\$23.38
D	Caster Helper	\$22.33	\$22.33	\$22.68	\$23.03	\$23.38	\$22.33	\$22.68	\$23.03	\$23.38
D	Furnace Helper	\$22.33	\$22.33	\$22.68	\$23.03	\$23.38	\$22.33	\$22.68	\$23.03	\$23.38
D	Billet Crane	\$22.33	\$22.33	\$22.68	\$23.03	\$23.38	\$22.33	\$22.68	\$23.03	\$23.38
D	Heat Treat Saw Operator (Dywidag)	\$22.33	\$22.33	\$22.68	\$23.03	\$23.38	\$22.33	\$22.68	\$23.03	\$23.38
D	Utility Person RM	\$22.33	\$22.33	\$22.68	\$23.03	\$23.38	\$22.33	\$22.68	\$23.03	\$23.38
D	Finishing Utility	\$22.33	\$22.33	\$22.68	\$23.03	\$23.38	\$22.33	\$22.68	\$23.03	\$23.38
D	Shredder Utility	\$22.65	\$22.65	\$23.00	\$23.35	\$23.70	\$22.33	\$22.68	\$23.03	\$23.38
C	Crane Helper	\$21.68	\$21.68	\$22.03	\$22.38	\$22.73	\$20.35	\$20.70	\$21.05	\$21.40
C	Yard Helper	\$21.68	\$21.68	\$22.03	\$22.38	\$22.73	\$20.35	\$20.70	\$21.05	\$21.40
B	Laborer	\$21.68	\$21.68	\$22.03	\$22.38	\$22.73	\$18.32	\$18.67	\$19.02	\$19.37

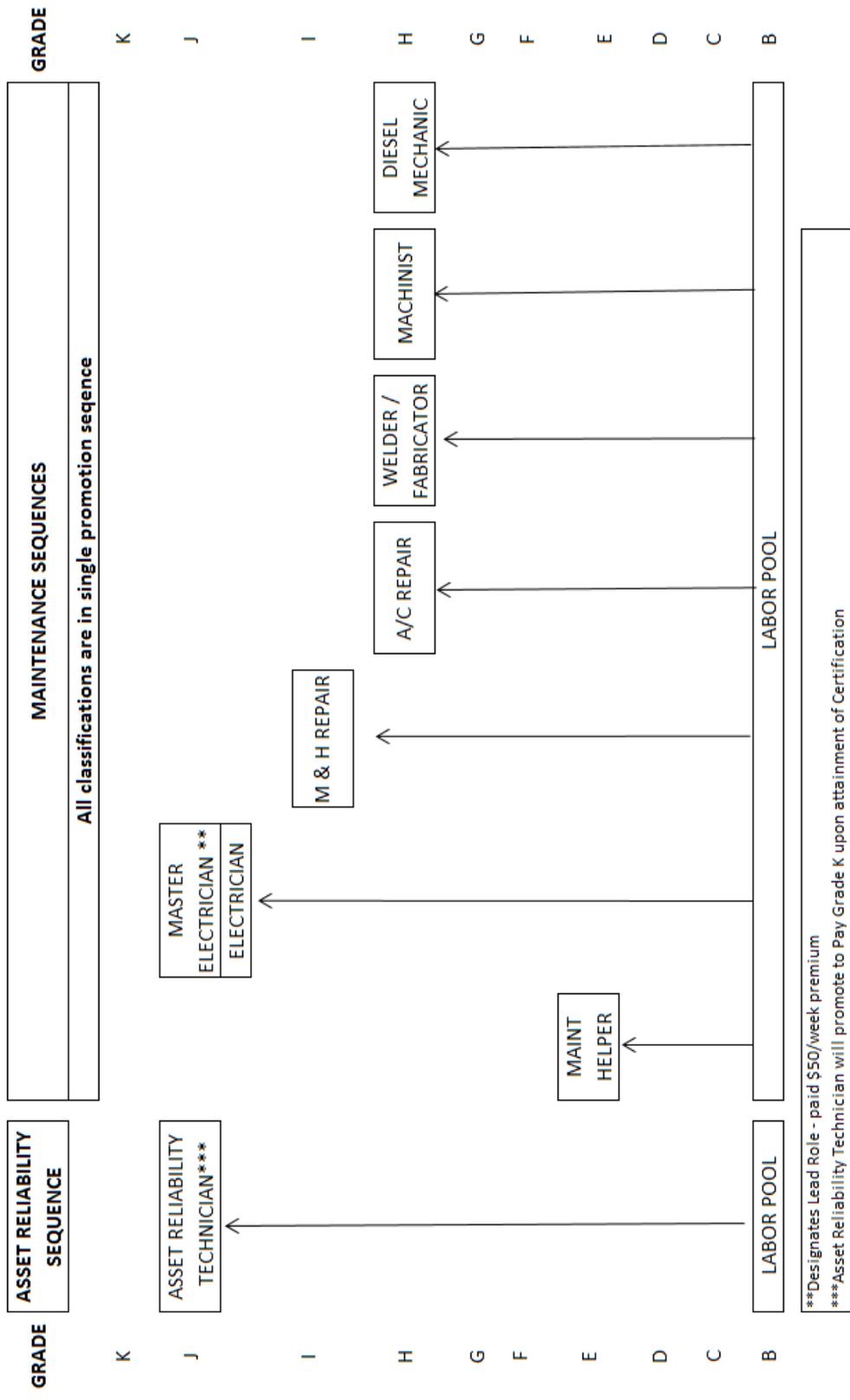


* Designates Lead Role - paid \$0.50/hour premium

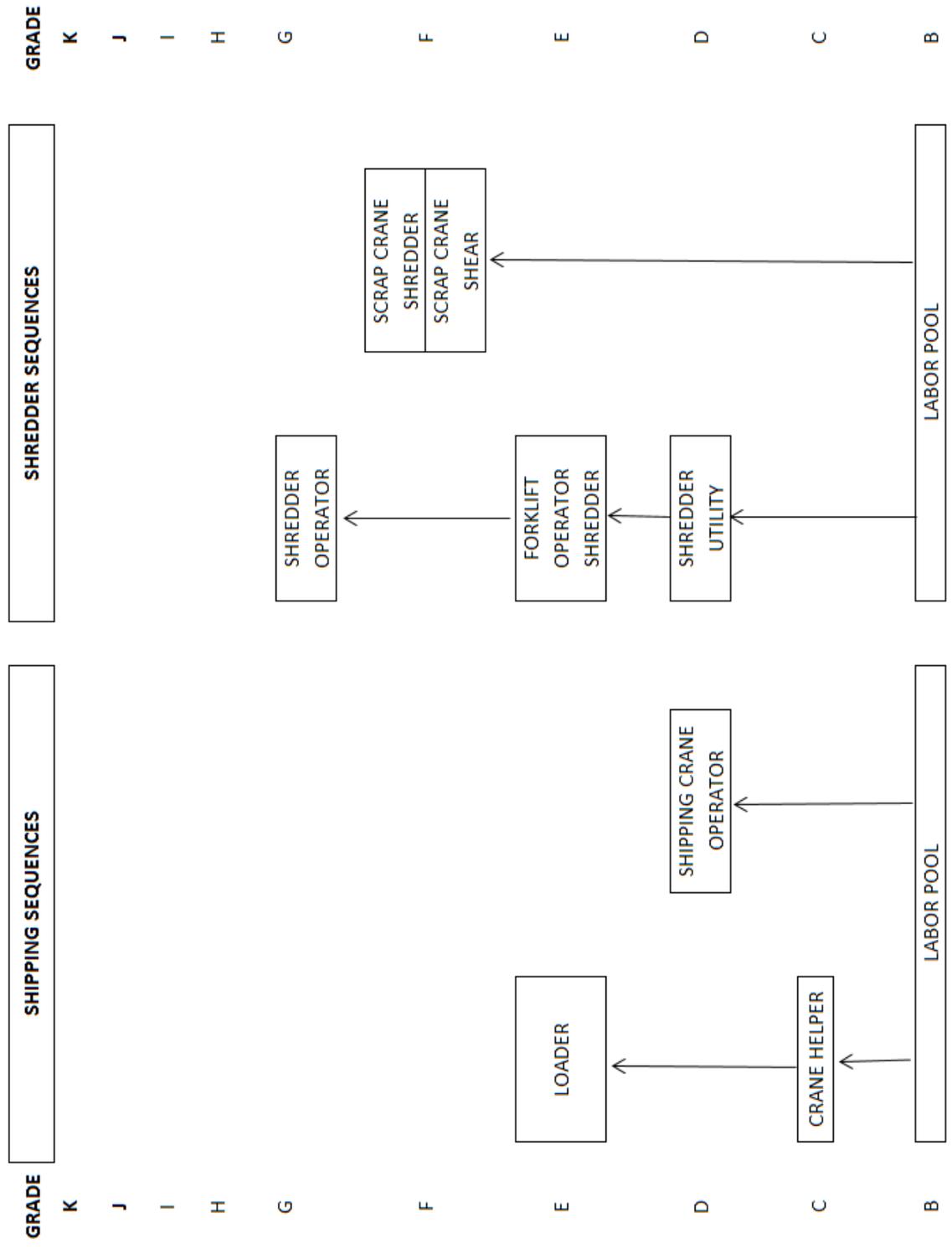
MELT SHOP SEQUENCES







**Designates Lead Role - paid \$50/week premium



APPENDIX 3

Letter of Understanding Regarding Article 8 – Contracting Out of Work

The “notice” in Paragraph 8.1 shall be subject to this Letter of Understanding. The Company shall notify the Union in accordance with this Letter of Understanding, and the Union (Local 7263 Official(s) and/or USW International Representative) shall have the right to be granted a meeting and come to a timely agreement as set out below:

Except for emergency work, where the Company will notify the Union Contracting Out Committee Chairperson as promptly as possible of the nature of the emergency requiring the use of outside help, the Union Contracting Out Committee will be notified on a timely basis of the Company’s intent to contract out any bargaining unit work. This process will be administered by the Plant Manager, Procurement/Purchasing Manager and/or the Human Resources Manager. The Union Contracting Out Committee may submit a timely written proposal that would allow bargaining unit employees to perform the bargaining unit work slated to be contracted out. The Company will give full consideration to the Union Contracting Out Committee’s written proposal, but the final decision on awarding the contract will be the Company’s.

In a joint effort to minimize any negative results contracting out of bargaining unit work has on the Company/Bargaining Unit relationship, and to facilitate the efficiency of the above notification and discussion requirement, the Union Contracting Out Committee and the Company agree to meet at least every three (3) months (or more often as they may agree) to review past and future issues of contracting out bargaining unit work. Such meetings shall be scheduled by the Plant Manager, Procurement/Purchasing Manager or Human Resources Manager and shall include review of all bargaining unit work planned to be contracted out, including information concerning its scope and cost. The Company and the Union, at these meetings, in an effort to foster cooperation and good will in the mill, will also explore any reasonable and efficient methods that may result in needed work being done by the Bargaining Unit.

[The Company and the Union will jointly agree on the contents of the contracting out form, which will include information concerning the scope and cost implications of bargaining unit work that may be contracted out.]

Dated this the 9th day of November, 2005.

For the company

For the union

Appendix 4

INSURANCE, MEDICAL CARE AND PENSION

A4.1 Medical

- A. During the term of this Labor Agreement between Gerdau Ameristeel and USW, the Company shall establish, maintain, and be responsible for the administration of a comprehensive benefits program that is consistent with, unless specifically noted otherwise, the Gerdau Ameristeel Health & Welfare Benefits plan. Coverage's include medical, dental, vision, prescription drug, life insurance, short term disability (STD), Flexible Spending Accounts (FSA), EAP and other Health & Welfare programs.

Coverage, level of benefits, and plan providers are subject to change at the company's discretion during the term of this Agreement, provided that any such changes shall become effective on January 1 of the subsequent Plan Year and shall apply equally to all employees of the company who are covered by the Company's Health & Welfare Benefits Program.

The Company and Union shall work together to help control healthcare cost escalation and keep plan cost sharing, contribution increases and plan options as reasonable as possible. Any changes in employee contributions and / or plan designs will be the same as those changes implemented for all employees of the Company who are covered by the Company's Health & Welfare Benefits Program. Premium increases or changes to the plan will be effective January 1st of each year and will be announced during the open enrollment period. In the event of a catastrophic event, the Company reserves the right to modify the employee contributions and plan designs, and such changes will be the same as those implemented for all employees of the company who are covered by the Company's Health & Welfare Benefits Program.

Note: The Company has a philosophy of providing Health & Welfare Benefits "at or below National average" in regards to employee premium cost sharing. This philosophy will be continued for the USW bargaining unit at St. Paul for the term of the Labor Agreement.

Note: The 2015 Gerdau Ameristeel Health & Welfare Benefits Plan will remain in effect for the remainder of 2015 and will be replaced by the 2016 Gerdau Ameristeel Health & Welfare Benefits Plan effective January 1, 2016.

- B. In the event of a layoff, those employees with less than two (2) years service will have their Company paid medical and dental coverages end at midnight on the last day of the month following the month of layoff. Those employees with more than two (2) years of service will have their

Company paid medical and dental coverages continued for three (3) months. The applicable monthly employee contributions will remain in effect.

C. Blue Cross Blue Shield 2016 Medical Rates:

Medical Plan Options		Hired Prior to September 30, 2010	Hired After September 30, 2010	
		Employee Monthly Cost	Non-Tobacco User Employee Monthly Cost	Tobacco User Employee Monthly Cost
Consumer Choice Medical Option (with HSA)	Employee	\$8.06	\$55.00	\$130.00
	Employee + Spouse	\$51.54	\$166.00	\$241.00
	Employee + Child(ren)	\$41.88	\$135.00	\$210.00
	Employee + Family	\$74.09	\$237.00	\$312.00
Consumer Choice Plus Medical Option (with HSA)	Employee	\$127.78	\$129.00	\$204.00
	Employee + Spouse	\$301.17	\$320.00	\$395.00
	Employee + Child(ren)	\$259.55	\$259.00	\$334.00
	Employee + Family	\$434.84	\$457.00	\$532.00
PPO Medical Option	Employee	\$40.27	\$95.00	\$170.00
	Employee + Spouse	\$141.72	\$250.00	\$325.00
	Employee + Child(ren)	\$120.79	\$202.00	\$277.00
	Employee + Family	\$219.03	\$356.00	\$431.00

Rates may be adjusted according to cost increases in premiums during the term of the contract subject to A4.1.

D. 2016 Monthly Retiree Contributions for Retiree Medical Post 65 Employees

Coverage Level	Cost
Retiree	\$82.73
Retiree + Children	\$159.10
Retiree + Spouse	\$180.74
Family	\$259.66

Retirees age 65 or older will not have their monthly retiree medical premiums increase more than 10% in 2017 or any given year of the contract. If the Company's total cost increase for the medical insurance plan is less than 10%, a retiree's contributions for such plan will be increased only to the extent of such lesser percentage.

At age 65 Medicare becomes the primary coverage and optional insurance coverage provided by Company becomes secondary. Increases in contribution rates for post 65 retired employees will be calculated using the same methodology as active and under 65 retirees.

Plans designated for retirees will provide that the payments made by Medicare will reduce the payment otherwise due from the non-Medicare plan. If the plan is an HMO, the HMO must have a contract with Medicare.

Note: Bargaining unit employees hired after October 1, 2000 will not be offered retiree medical benefits

E. Retiree Medical Pre 65 Employees

Retirees under 65 will continue to be offered subsidized retiree medical (including vision) with the same medical (including vision) coverage and contribution rate as active hourly employees beginning with the effective date of this Agreement. Retirees under 65 will not have their medical premiums (including vision) increase more than 10% in 2017 or any year thereafter of this contract. It is understood and agreed that the base premium rates will be the 2016 premium rates and such rates will not be increased further in 2016.

Note: Bargaining unit employees hired after October 1, 2000 will not be offered retiree medical benefits (including vision).

F. Employees Currently Working And Hired Prior To 9/30/2010

Employees hired prior to 9/30/2010 will not have their medical premiums increase more than 10% in 2017 or any year thereafter of this contract. It is understood and agreed that the base premium rates will be the 2016 premium rates and those rates will not be increased further in 2016.

G. Employees Hired After 9/30/2010

Employees hired after 9/30/2010 will not be eligible for the medical premium cap as described above. Instead, they will be subject to the same medical premium increases each year as all employees who are covered by the Health & Welfare Benefits Plan. Note: The Company has a philosophy of providing Health & Welfare Benefits “at or below National average” in regards to employee premium cost sharing. This philosophy will be continued for the USW bargaining unit at St. Paul for the term of the Labor Agreement.

H. 2016 Vision Rates and Plan Design

Vision Plan		Employee Monthly Cost
Premium Vision Option	Employee	\$5.58
	Employee+Spouse	\$11.21
	Employee + Child(ren)	\$11.99
	Employee + Family	\$19.16

Rates may be adjusted according to cost increases in premiums during the term of the contract subject to A4.1.

I. **Dental Coverage**

Employees will have access to dental plan coverage through the company's Health and Welfare Benefits plan. The company shall have the right to make changes during the terms of this agreement. Any changes will be effective on January 1st of the subsequent calendar year during the terms of this agreement.

Monthly Employee Contributions will be as follows effective as of January 1, 2016 for the calendar year. Increases to monthly employee contributions and plan designs will be effective on January 1st of any calendar year during the term of this agreement.

Dental Plan Options		Employee Monthly Cost
Standard PPO Dental Option	Employee	\$14.00
	Employee + Spouse	\$29.00
	Employee + Child(ren)	\$31.00
	Employee + Family	\$41.00
Premium PPO Dental Option	Employee	\$21.00
	Employee + Spouse	\$42.00
	Employee + Child(ren)	\$46.00
	Employee + Family	\$62.00

J. **Group Life Insurance**

With the effective date of this Agreement, group life insurance benefits shall be as follows:

Employer provided basic life insurance: Base Hourly Rate X 2080 to the nearest \$1,000.

Optional Supplemental Employee Life and Dependent Life Insurance may be purchased by employees. Premium rates are subject to change at the company's discretion to be effective January 1st of each calendar year during the terms of the Agreement.

A4.2 **Pension Plan**

The Gerdau Ameristeel Plan will continue to provide the current benefit level of \$26.60 per month for each year of service during the term of this collective bargaining agreement.

The Company will not participate in the NIGPP after November 1, 2004. The Company will amend the Gerdau Ameristeel US Pension Plan for Union Employees, Amendment #2, to include benefit provisions that mirror those provisions the employees would have otherwise been covered by under the NIGPP had the Company elected to continue participation in the NIGPP.

Employees hired on and before the March 7, 2007 will be covered by Amendment #2 of the Gerdau Ameristeel US Pension Plan for Union Employees. Employees covered by Amendment #2 will be made whole for any loss suffered as a result of the Company not continuing participation in the NIGPP.

Employees hired after the March 7, 2007 but prior to August 1, 2010 will participate in the Gerdau Ameristeel US Pension Plan for Union Employees but will not be covered by Amendment #2 of the Plan.

O & T employees hired on and before the March 7, 2007 will be covered by the Gerdau Ameristeel US Pension Plan for Union Employees but will not be covered by Amendment #2 of the Plan. O & T employees hired on and before the March 7, 2007 will receive a Pension Plan multiplier of \$59.00 per month/per year of service.

O&T employees will be grandfathered in the Long Term Disability (LTD) Plan they were covered by prior to the March 7, 2007.

Employees hired after March 7, 2007 but prior to August 1, 2010 will receive a Pension Multiplier of \$46 for each year of service.

Employees hired on or after August 1, 2010 will not be covered under that pension plan.

A4.3 401K

- A. Employees hired prior to March 7, 2007 will receive a 401K match of 1% (25% of the first 4% of contribution).
- B. Employees hired after March 7, 2007 and prior to August 1, 2010 will receive a 401K match of 2% (50% of the first 4% of contribution).
- C. Employees hired on or after August 1, 2010, are eligible to participate in the Gerdau Ameristeel US Savings Plan. Under the terms of the Plan, employees are eligible to make voluntary pre-tax contributions to the plan. The Company will provide matching contributions that are equal to 50% of the first 4% of employee savings.

1. Employer Contribution Account (Only applicable to employees hired on or after August 1, 2010)

Upon employment, the Company will establish for each employee hired on or after August 1, 2010, an Employer Contribution Account under the Gerdau Ameristeel US Savings Plan. As soon as administratively possible following the close of each pay period, the Company will automatically deposit into the employee's Employer Plan Account an amount that equals 1% of the employee's eligible earnings in that pay period.

All Employer Contribution Accounts will vest at a rate of 20% for each year of service and will become fully vested following five (5) years of service.

Hardship Withdrawals: A Participant may not take a "hardship" withdrawal of amounts from his/her Employer Contribution Account.

Loans: A Participant may not take a "loan" from amounts in his/her Employer Contribution Account.

A4.4 Sickness & Accident Coverage

Sickness and Accident coverage will be made available only after the Employee has completed their probationary period. When they become eligible, they will receive S & A coverage equal to the amount of employment time they have served. After completing six (6) consecutive active months of employment, they will become eligible for up to one year of S & A coverage. For employees with two (2) or more years of service, payments will continue as long as the physician disables you from work. But not beyond the fifty-two (52) weeks; plus fifty two additional weeks with respect to any employee who is disabled but not permanently disabled. Payment will begin the first day you are scheduled but unable to work due to an accident. Payment will begin the eighth day you are scheduled but unable to work due to an illness. Sickness and Accident Benefits during the term of this contract will be 60% of the employee's normal weekly base rate.

A4.5 Spousal Benefits:

If your spouse is employed full time and is eligible (or becomes eligible for) medical coverage from his or her employer, you may not elect primary medical coverage for your spouse through Gerdau Ameristeel. However, you may enroll your spouse in secondary coverage. To be eligible for secondary coverage under the Gerdau Ameristeel plan, your spouse must first enroll in the health insurance program sponsored by his or her own employer. Your spouse's plan will provide primary coverage for your spouse.

Waiving Medical Coverage (employee and/or spouse)

If you actively choose to waive employee medical coverage – that is, you go into the online enrollment system and waive medical – you will receive a \$700 annual credit paid over the course of the year. This credit is prorated based on when you enroll – for example, if you are enrolling July 1 as a new hire, your credit would be for half a year, or \$350. This amount is taxable to you. If you waive medical coverage for your spouse, you will receive another \$700 annual credit – again prorated based on when you enroll and paid over the course of the year. This amount is taxable to you. You must provide proof of spousal relationship to your local Human Resources department, if your spouse is not currently covered under the medical plan.”

A4.6 St. Paul DVB Release - Retained for Historical Purposes only**RELEASE AND SETTLEMENT AGREEMENT**

This Release and Settlement Agreement (“Agreement”) is entered into by and between **UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION**, on behalf of itself and its Local **7263** (“Union”), and **GERDAU AMERISTEEL US INC.** (the “Company”).

WHEREAS, the Union has filed a grievance against the Company, alleging that the Company has wrongfully failed to make whole certain St. Paul, Minnesota Steel Mill bargaining unit employees who have a reduced deferred vested pension benefit under the Cargill, Incorporated and Associated Companies Union Represented Hourly Wage Employees’ Pension Plan (“Pension Plan”); and

WHEREAS, the Company denies the substantive allegations of the grievance and asserts various defenses thereto; and

WHEREAS, the parties hereto have, in consideration of the promises and other consideration described in this Agreement, agreed to resolve now and forever all disputes arising out of or related to the claims asserted in the grievance;

NOW, THEREFORE, in consideration of the recitals and the mutual promises, covenants, and agreements set forth herein, the parties covenant and agree as follows:

1. The Company will pay the sum of FIFTEEN THOUSAND DOLLARS (\$15,000), less legally required deductions and union dues, to each current “Office and Technical” bargaining unit employee of the Company’s St. Paul, Minnesota Steel Mill and the sum of THREE HUNDRED DOLLARS (\$300) per year of service, including

service with all predecessor employers who previously operated at the Company's St. Paul Minnesota Steel Mill facility, to a maximum payment of SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$7500) each, to all other current and former bargaining unit employees of the Company's St. Paul Minnesota Steel Mill less legally required deductions and union dues who:

- a. Retires between November 1, 2004, and July 31, 2010;
- b. Had ten (10) or more years of credited service under the Pension Plan of the predecessor employer, or any of its affiliates ("Cargill, Inc.") as of November 1, 2004;
- c. Was under age 55 as of November 1, 2004;
- d. Receives a reduced pension benefit under the terms of the Pension Plan; and
- e. Executes the Release and Settlement Agreement attached hereto as Exhibit A.

It is expressly understood and agreed that any employee or former employee who refuses or fails to sign a Release and Settlement Agreement in the form set forth in Exhibit A is not entitled to any payout under this Agreement.

2. a. Payment will be made within thirty (30) days after ratification of the parties' new collective bargaining agreement at the Company's St. Paul, Minnesota facility ("ratification") to bargaining unit employees and former bargaining unit employees who retired on or after November 1, 2004 but before ratification.

b. Payment will be made within thirty (30) days after retirement to bargaining unit employees who retire on or after ratification but no later than September 30, 2010.

3. It is expressly understood and agreed that bargaining unit employees at the Company's St. Paul, Minnesota Steel Mill who have a reduced deferred vested pension benefit under the terms of the Pension Plan but do not retire during the time period set forth in Paragraph 1.a. will not receive such payment, nor will they, thereafter, receive or be entitled to any other supplemental payment as a result of the Union's grievance challenging the Company's actions in this matter or the Union's settlement of said grievance.

4. In consideration of the payments and promises agreed to herein, the Union now and forever hereby fully releases, discharges, and holds harmless the Company, and each of its past and present related entities (related entities for purposes of this Agreement includes, but is not limited to, affiliate companies, parent companies, and the like, as well as its and their employee benefit plans, insurers, subcontractors, successors and assigns, and any and all of its and their past, present, and future officers, directors, employees, and agents, and all persons acting by, through, under, or in concert with any of them, both individually and as agents or representatives of the aforementioned entities (the "Released Parties")), from any and all claims, demands, grievances, complaints, charges, liabilities, damages, or costs of any kind whatsoever, whether now known or unknown, whether or not asserted, now or in the future, based upon, arising out of, in connection with, or in any way related to: (i) bargaining unit employees at the Company's St. Paul, Minnesota facility having a reduced deferred

vested pension benefit under the terms of the Pension Plan; (ii) the receipt at any time by a bargaining unit employee at the Company's St. Paul, Minnesota facilities of a reduced pension benefit under the Pension Plan; (iii) the Company's alleged failure to make such employees whole; and/or (iv) the Company's failure to provide bargaining unit employees at its St. Paul, Minnesota facilities with a pension plan or other retirement benefits that make up for any reduced deferred vested pension benefits under the Pension Plan (the "Cargill Pension Dispute"). **The term "Cargill Pension Dispute", as used herein, shall not include any claims or rights employees or former employees may have related to deferred vested pension benefits under the National Integrated Group Pension Plan ("NIGPP").** However, the provisions of this paragraph shall not apply to any violations of this Settlement Agreement. Nor shall the provisions of this paragraph apply to any claims that the Union, employees or former employees may have concerning unrelated violations of the collective bargaining agreement, pension plan or employee benefit plans. Nor shall the provisions of this paragraph apply to any claims that the Union, employees or former employees may have against the predecessor employer, Cargill, Inc. ("Cargill"), any of Cargill's affiliates or the Cargill Pension Plan. **Nor shall the provisions of this paragraph apply to any claims that the Union, employees or former employees may have against the NIGPP.**

5. Examples of Claims Released. The Union understands that this Release includes, without limiting the generality of the foregoing, any and all past, present, or future claims, causes of action, grievances, complaints, charges, or liabilities, whether

known or unknown, based upon, arising out of, or in any way related to the Cargill Pension Dispute under:

- a. The National Labor Relations Act, as amended;
- b. The Employee Retirement Income Security Act of 1974, as amended;
- c. The Labor Management Relations Act, as amended;
- d. The law of Minnesota, decisional and statutory;
- e. Any past, present, or future collective bargaining agreement or past practice between the Union and the Company, or Cargill, Inc., at the St. Paul, Minnesota facilities; and/or
- f. Any federal, state, local, or other governmental statute, regulations, ordinance, or common law.

6. Unknown Claims. The Union covenants and agrees that the above release includes unknown and unsuspected claims, demands, grievances, and causes of action, if any, related to the Cargill Pension Dispute and acknowledges that in the event it may hereafter discover claims or facts in addition to, or different from, those which it now knows or believes to exist, which if known or suspected at the time of executing this Agreement may have materially affected this Agreement, it nonetheless waives any right, claim, liability, complaint, grievance, or cause of action related to the Cargill Pension Dispute that might arise as a result of such additional or different claims or facts.

7. No Pursuit of Released Claims. The Union covenants and agrees that it will not in the future file any lawsuit, grievance, unfair labor practice charge, claim, complaint or action of any kind whatsoever against the Released Parties based on the

claims released in this Agreement. The Union also agrees that it will withdraw, with prejudice, the pending grievance concerning the Cargill Pension Dispute and any other pending lawsuit, unfair labor practice charge, claim, or complaint against the Released Parties currently pending that is based, in whole or in part, on the facts giving rise to the Cargill Pension Dispute.

8. Authority to Enter into the Agreement. The Union warrants and represents that it has the authority to enter into this binding Agreement. The Union shall indemnify and save the Released Parties harmless against any and all claims, demands, causes of action, suits, or other forms of liability that may be brought or asserted against the Released Parties by the Union based upon, arising out of, or in any way related to the Cargill Pension Dispute or the facts giving rise thereto.

9. Non-Admission of Wrongdoing. Nothing contained in this Agreement, or the fact that the parties have signed this Agreement and exchanged the consideration provided for hereunder, or the fact that the Company proposed this Agreement to the Union, constitutes or should be construed as an admission of liability and/or any wrongdoing whatsoever by the Released Parties, by whom liability and/or any wrongdoing is expressly denied. Moreover, neither this Agreement nor anything herein shall be admissible in any proceeding as evidence of, or an admission by the Released Parties of, any violation of any federal, state, or local laws, of any collective bargaining agreements or practice between the parties, or of their own policies or procedures.

10. Voluntary Execution/Interpretation. All parties to this Agreement hereby declare and represent that no promise, inducement, or agreement not herein expressed has been made to them regarding this Agreement, and that each has sought advice

concerning this Agreement from counsel of its choice. All parties to this Agreement further acknowledge that each has executed this Agreement freely and voluntarily, with full knowledge of material facts after independent investigation, and without fraud, duress, or undue influence of any kind or nature; and that they fully understand each and every provision contained herein. Therefore, the normal rules of construction that any ambiguity or uncertainty in a writing shall be interpreted against the party drafting the writing shall not apply to any action on this Agreement.

11. Successors in Interest. This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective heirs, legal representatives, and successors in interest, including, without limitation, any company into which the Company may be merged or by which it or all or any substantial portion of its assets or business may be acquired.

12. Waiver. No waiver or breach of any term or provision of this Agreement shall be, or shall be construed to be, a waiver of any breach of this Agreement. No waiver shall be binding under this Agreement unless in writing and signed by the party waiving the breach.

13. Savings. Should any portion, word, clause, phrase, sentence, or paragraph of this Agreement be declared void or unenforceable, such portion shall be modified or deleted in such a manner to make this Agreement as modified legal and enforceable to the fullest extent permitted under applicable law.

14. No Assignment. The Union warrants that it has not assigned or transferred, or purported to assign or transfer, to any person or other entity, any right,

claim, demand, or cause of action (or any interest therein) that is subject to this Agreement.

15. Entire Agreement. This Agreement is the entire agreement between the parties that exists as of the effective date hereof with regard to the subject matter hereof. Any and all prior agreements or understandings, written, oral, or otherwise between the parties, not embodied in this Agreement with regard to the subject matter hereof, are of no force or effect. This is an integrated document. The terms of this Agreement may not be modified, except by written agreement of the parties or as set forth in Paragraph 13 hereof.

IN WITNESS HEREOF, the parties have executed this Agreement, consisting of fifteen (15) numbered paragraph, this _____ day of _____, 2007.

**UNITED STEEL, PAPER AND FORESTRY,
RUBBER, MANUFACTURING, ENERGY,
ALLIED INDUSTRIAL AND SERVICE
WORKERS INTERNATIONAL UNION**

GERDAU AMERISTEEL US INC.

By _____
Its _____

By _____
Its _____

Appendix V 2016 Medical Grids

	PPO		Consumer Choice with HSA		Consumer Choice Plus with HSA	
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
Preventive	100%	Not covered	100%	Not covered	100%	Not covered
Annual Deductible						
• Employee Only	\$700	\$2,100	\$2,500	\$4,500	\$1,500	\$3,000
• Employee + Spouse	\$1,400	\$4,200	\$5,000	\$9,000	\$2,600	\$5,200
• Employee + Child(ren)	\$1,400	\$4,200	\$3,800	\$6,600	\$2,600	\$5,200
• Employee + Family	\$1,400	\$4,200	\$5,000	\$9,000	\$3,200	\$6,400
Annual Out-of-Pocket Maximum (includes deductible and copays)						
• Employee Only	\$4,200	\$12,600	\$4,500	\$9,000	\$3,000	\$6,000
• Employee + Spouse	\$8,400	\$25,200	\$6,600	\$13,200	\$5,200	\$10,400
• Employee + Child(ren)	\$8,400	\$25,200	\$6,600	\$13,200	\$5,200	\$10,400
• Employee + Family	\$8,400	\$25,200	\$6,850	\$13,700	\$6,400	\$12,800
HSA Company Contribution						
• Employee Only	N/A	N/A	\$900		\$900	
• Employee + Spouse	N/A	N/A	\$1,200		\$1,400	
• Employee + Child(ren)	N/A	N/A	\$1,200		\$1,400	
• Employee + Family	N/A	N/A	\$1,400		\$1,600	
Coinsurance <small>(You must meet the deductible before coinsurance begins. You will pay the applicable coinsurance percentage until you reach the out-of-pocket maximum and then covered benefits are covered at 100%)</small>	20%, after deductible until out-of-pocket maximum is met, then \$0	50%, after deductible until out-of-pocket maximum is met, then \$0	30%, after deductible until out-of-pocket maximum is met, then \$0	50%, after deductible until out-of-pocket maximum is met, then \$0	20%, after deductible until out-of-pocket maximum is met, then \$0	40%, after deductible until out-of-pocket maximum is met, then \$0
Office Visits						
• Primary Care	\$30 copay	50%, after deductible	30%, after deductible	50%, after deductible	20%, after deductible	40%, after deductible
• Specialist	\$75 copay	50%, after deductible	30%, after deductible	50%, after deductible	20%, after deductible	40%, after deductible
Emergency Room <small>(\$250 surcharge may apply)*</small>	20%, after deductible		30%, after deductible		20%, after deductible	
Alternative to ER						
• Urgent Care	20%, after deductible	50% after deductible	30%, after deductible	50%, after deductible	20%, after deductible	40%, after deductible
• Teladoc	\$20 copay		\$40 copay, until deductible is met then coinsurance		\$40 copay, until deductible is met then coinsurance	

*If you use the Emergency Room for non-emergency services, you will pay a \$250 surcharge in addition to your deductible and coinsurance.

This document is intended to provide summary benefits information. If the information in this document is in conflict with any Plan document, the Plan document will prevail.

Prescription Plans

	PPO		Consumer Choice with HSA		Consumer Choice Plus with HSA	
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
Prescription Drugs Retail*						
• Generic	\$10 copay	Not covered	30%, after deductible	Not covered	20% after deductible	Not covered
• Formulary	25% (\$40 minimum, \$80 maximum)	Not covered	30%, after deductible	Not covered	20% after deductible	Not covered
• Non-Formulary	50% (\$60 minimum, \$135 maximum)	Not covered	30%, after deductible	Not covered	20% after deductible	Not covered
Prescription Drugs Mail Order						
• Generic	\$25 copay	Not covered	30%, after deductible	Not covered	20% after deductible	Not covered
• Formulary	25% (\$100 minimum, \$200 maximum)	Not covered	30%, after deductible	Not covered	20% after deductible	Not covered
• Non-Formulary	50% (\$150 minimum, \$338 maximum)	Not covered	30%, after deductible	Not covered	20% after deductible	Not covered

*There is a \$10 surcharge for using non-preferred pharmacies in addition to the copay/coinsurance.

This document is intended to provide summary benefits information. If the information in this document is in conflict with any Plan document, the Plan document will prevail.

2016 Dental Plan Designs

	Standard PPO Dental Option		Premium PPO Dental Option	
	In-Network	Out-of-Network	In-Network	Out-of-Network
Calendar year maximum (Class II and III expenses)	\$1,000		\$2,000	
Calendar year deductible (Class II and III expenses)	\$50 per person, \$100 per family		\$50 per person, \$100 per family	
Class I – Preventive and diagnostic care*	100%		100%	
Class II – Basic restorative care (including fillings, oral surgery, and routine tooth extractions)	80%	70%	80%	
Class III – Major restorative care (including crowns, bridges and partial dentures)	50%	40%	80%	
Orthodontia for adults and children	Not covered	Not covered	50% to a \$2,000 lifetime maximum (in-network and out-of-network combined)	

*Preventive services are not applied to your deductible or your calendar year maximum.

2016 Vision Plan

Premium Vision Option	In-Network	Out-of-Network
Service Frequency	12 months (exams and lenses) 24 months (frames)	
WellVision Exam®	100% after \$15 copay	100% after \$45 benefit maximum
Lenses • Single vision • Bifocal • Lenticular	100% after \$25 copay 100% after \$25 copay 100% after \$25 copay	100% after \$30 benefit maximum 100% after \$50 benefit maximum 100% after \$100 benefit maximum
Frames - retail	100% to a \$130 benefit maximum	100% after \$70 benefit maximum
Elective Contact Lenses with Exam (in lieu of eyeglass frames and lenses)	100% to a \$200 benefit maximum; no copay	100% after \$105 benefit maximum

This document is intended to provide summary benefits information. If the information in this document is in conflict with any Plan document, the Plan document will prevail.