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AGREEMENT

Between

JACKSON GEAR COMPANY

AND

IUE-CWA, THE INDUSTRIAL DIVISION OF THE
COMMUNICATION WORKERS OF AMERICA (C.W.A.)
AFL-CIO-CLC AND LOCAL 88643

Effective Date: January 16, 2013
Expiration Date: January 15, 2016

INDEX

ARTICLE I - INTENT & PURPOSE	1
ARTICLE II - RECOGNITION	1
ARTICLE III - UNION SECURITY	1
ARTICLE IV - DUES CHECK-OFF	2
ARTICLE V - NON-DISCRIMINATION	2
ARTICLE VI - BULLETIN BOARD	2
ARTICLE VII - MANAGEMENT	3
ARTICLE VIII - RESPONSIBILITY OF THE PARTIES	3
ARTICLE IX - UNION REPRESENTATION	4
ARTICLE X - VISITATION RIGHTS	5
ARTICLE XI - GRIEVANCE PROCEDURE	5
ARTICLE XII - ARBITRATION	6
ARTICLE XIII - DISCIPLINE AND DISCHARGE	7
ARTICLE XIV - HOURS OF WORK AND OVERTIME	8
ARTICLE XV - REPORT AND CALL-IN PAY	9
ARTICLE XVI - SENIORITY, LAYOFF, RECALL, FURLOUGH AND TEMPORARY TRANSFER	9
ARTICLE XVII - LEAVE OF ABSENCE	13
ARTICLE XVIII - WAGES AND CLASSIFICATIONS	14
ARTICLE XIX - COST OF LIVING	16
ARTICLE XX - HOLIDAYS	18
ARTICLE XXI - VACATION	19
ARTICLE XXII - BEREAVEMENT PAY	21
ARTICLE XXIII - JURY DUTY PAY	21
ARTICLE XXIV - MILITARY SERVICE	21
ARTICLE XXV - HOSPITALIZATION & INSURANCE	22
ARTICLE XXVI - PENSION	23
ARTICLE XXVII - SICK PAY	24
ARTICLE XXVIII - SAFETY & HEALTH	25
ARTICLE XXIX - TOOLS	25
ARTICLE XXX - NON-BARGAINING UNIT EMPLOYEES	25
ARTICLE XXXI - MOVEMENT OF WORK	26
ARTICLE XXXII - SUBCONTRACTING	26
ARTICLE XXXIII - 401K PLAN	26
ARTICLE XXXIV - TERM & TERMINATION	26
ADDENDUM TO WAGES & CLASSIFICATIONS	28
EXHIBIT	29
ASSIGNMENT TO AND AUTHORIZATION TO DEDUCT AND PAY UNION DUES AND INITIATION FEES TO LOCAL NO. ___ INTERNATIONAL UNION OF ELECTRONIC, ELECTRICAL, SALARIED, MACHINE AND FURNITURE WORKERS - AFL-CIO	29
EXHIBIT	30
INSURANCE ADDENDUM	30

AGREEMENT

This Agreement entered into this ____ day of _____, 2013, is between Jackson Gear Company, its successors or assigns (hereinafter referred to as the "Company"), and the IUE-CWA, the Industrial Division of the Communication Workers of America (C.W.A.) AFL-CIO-CLC Local 88643 (hereinafter referred to as the "Union").

ARTICLE I
INTENT & PURPOSE

1.01 The intent and purpose of this Agreement is to provide orderly and peaceful relations between the Company and the Union, to cooperate in securing a prompt and equitable settlement of grievances, to set forth herein and maintain fair rates of pay, wages, hours of employment and all other conditions of employment and to secure harmonious cooperation in maintaining and improving operations in quality as economically as possible.

ARTICLE II
RECOGNITION

2.01 In accordance with the Certification of the National Labor Relations Board dated November 13, 1968, the Company recognizes the Union as the exclusive bargaining agency for all production and maintenance employees, including probationary employees, at the Jackson Gear Company, Shaler Township, Pennsylvania plant; excluding all office clerical employees and guards, professional employees and supervisors as defined in the Act, who are employed by the Company after ninety (90) scheduled working days probationary period in its plant located at Shaler Township, Pennsylvania with respect to rates of pay, wages, hours and all other conditions of employment.

2.02 The term "employee" and "employees" as used in this Agreement shall mean respectively each active employee and all active employees of the Company who are included in said bargaining unit.

2.03 There shall be no discrimination or coercion against any employees because of their acting as an officer or in any other capacity on behalf of the Union.

ARTICLE III
UNION SECURITY

3.01 It shall be a condition of employment that all employees of the Company covered by this Agreement who are members of the Union in good standing on the effective date of this Agreement shall remain members in good standing, and those who are not members on the effective date of this Agreement shall, on the thirtieth day following the effective date of this Agreement, become and remain members in good standing in the Union. It shall also be a condition of employment that all employees

covered by this Agreement and hired on or after its effective date shall, on completion of thirty (30) days, but not earlier than thirty (30) days following the effective date of this Agreement, become and remain members in good standing in the Union.

ARTICLE IV
DUES CHECK-OFF

4.01 The Company agrees, during the term of this Agreement, to a voluntary check-off of a service fee equivalent to the monthly Union dues and the Union initiation fee if payable, of each Union member in its employ from whom written authorization and direction is received on the form attached hereto as EXHIBIT A. The Company shall give the Financial Secretary-Treasurer of Local 643 a check in the amount of the deductions so made no later than 20th day of the current month, together with a list of the names and clock numbers of the employees from whose wages such deductions were made. In the event that Local 643 delivers an effective instrument of assignment to the Company, the Company shall remit directly to the International Union and to a District of the International Union so much of the amount of said deductions as is specified in said instrument of assignment. Within two weeks after proper authorization has been received by the Company, deductions will be made the day on which the employee is paid his regular wages. Such deductions shall be made in the amounts certified in writing by the Union to the Personnel Department as the amount of the initiation fee and current monthly Union dues owed by the employee.

ARTICLE V
NON-DISCRIMINATION

5.01. The Employer and the Union agree not to discriminate against any individual with respect to hiring, compensation and other terms and conditions of employment because of such individual's race, color, religion, sex, disability, national origin or age, nor will they limit, segregate or classify employees in any way to deprive any individual employment opportunities because of race, color, religion, sex, disability, national origin or age. Whenever any words are used in this Agreement in the masculine gender, they shall be construed as though they were also used in the feminine gender.

ARTICLE VI
BULLETIN BOARD

6.01 It is agreed that the Company shall provide a bulletin board in a location agreed upon which may be used by the Union for the sole purpose of posting notices. The bulletin board shall be labeled with the Union's name. Notices shall be restricted to the following types:

- (a) Notices of Union Educational, Recreational and Social Affairs.

- (b) Notices of Union elections, appointments and results of Union elections.
- (c) Notices of Union meetings.
- (d) Other items requested by the Union may be posted by mutual consent.

6.02 Such notices shall be presented and approved by Management.

ARTICLE VII
MANAGEMENT

7.01 The Management of this plant and the direction of the working force, including the direction of the working force, the right to hire, suspend, promote, demote or discharge, transfer or relieve employees from duty, due to lack of work or other legitimate reasons; the expansion of output; cost reduction through mechanical improvement; plant additions; developments and rearrangements; elements of methods; equipment; setting up the most efficient method of producing and maintaining plant equipment, are all vested exclusively in the Company; provided, that in the exercise of these rights the Company agrees that it will not conflict with other provisions of this Agreement.

ARTICLE VIII
RESPONSIBILITY OF THE PARTIES

8.01 During the term of this Agreement, the Union agrees not to authorize, assist, sanction or engage in a strike, work stoppage or work slowdown.

8.02 The Company agrees not to conduct a lockout during the term of this Agreement.

8.03 The Union agrees that working hours will be considered productive hours and that no Union work or activities will be conducted during such productive hours, except as otherwise provided in this Agreement.

8.04 The Company shall furnish the Union with the names of all new and recalled employees eligible for Union membership together with date of hiring, job classification, department and wage rate, together with a list of all employees laid off and terminated and reason for termination.

8.05 The Company shall also furnish the Union with all information concerning employee permanent or abnormal transfers and rate changes. The information shall be furnished to the Union not later than the Monday following the week in which the changes occur.

ARTICLE IX
UNION REPRESENTATION

9.01 The Union shall certify in writing to the Company the names of its Officers, its Executive Board members, its three (3) Grievance Committee members and its three (3) Negotiating Committee members and of its Stewards, and any changes in these Union representatives as such changes occur during the term of this Agreement.

9.02 Steward Areas shall be as follows:

- (a) Inspection Department and East including Laborers.
- (b) West of Inspection Department.

9.03 In the event there are fifteen (15) or more employees on a second shift, an additional Steward may be designated. In the event a third shift of fifteen (15) or more employees is established, an additional Steward may be designated.

9.04 Stewards shall handle grievances only within their agreed areas.

9.05 Grievance Committee: There will be a Grievance Committee consisting of three (3) members of the Union who will meet with specified representatives of the Company in accordance with Step 3 of the Grievance Procedure. Members of the Grievance Committee attending such meeting shall be paid by the Company for time lost from regularly scheduled work. Such payment shall be at the employee's regular rate of pay.

9.06 The Negotiating Committee and Grievance Committee members shall, when leaving and returning to their place of work, report to their Foreman and record the time spent in collective bargaining and grievance meetings or investigations in accordance with the designated time keeping procedures. All such lost time shall be paid by the Company at the employees' regular rate of pay.

9.07 Shop Stewards shall be permitted to leave their work area during working hours and spend as much time as necessary for the purpose of the proper handling and investigation of grievances in the shop; provided that before leaving such area, the Steward shall advise management that he is leaving the area. Only the Shop Steward from the area in which the grievance occurred and the Chief Steward shall be permitted to leave the area. The Company shall pay each Shop Steward who leaves his work area during working hours for such purposes at his regular rate of pay.

9.08 The Chief Steward shall be called to investigate a grievance in the absence of a Shop Steward. The Shop Steward shall be permitted to call the Chief Steward for advice on a grievance.

9.09 The Chief Steward shall have the right to make outgoing telephone calls for the purpose of conducting Union business and shall be notified immediately of any incoming calls for the purpose of conducting Union business.

ARTICLE X
VISITATION RIGHTS

10.01 Any authorized representatives of the Union not in the employ of the Company, and not to exceed two (2) at any one time, shall upon notification by the Union to the Company have admission to the plant of the Company during working hours, for the purpose of ascertaining whether or not this Agreement is being observed by the parties hereto or for assisting in the adjustment of grievances. Such visits shall not be unreasonable or interfere with normal production.

ARTICLE XI
GRIEVANCE PROCEDURE

11.01 Any difference or disagreement between the parties or between any employees of the Company, involving the breach, the interpretation or the application of the provisions of this Agreement, or involving the discipline, suspension or discharge of any employee, shall constitute a grievance and shall be taken up in the manner hereinafter set forth.

11.02 The following procedure shall be followed in processing grievances:

11.03 STEP ONE: The employee or employees and/or his or her Steward shall first take up the grievance orally with the Plant Superintendent within ten (10) working days of the occurrence of the grievance. The Superintendent shall give his answer within two (2) working days.

11.04 STEP TWO: A grievance appealed to Step Two shall be reduced to writing, signed by the employee and/or his or her Shop Steward, and shall be delivered to Management within five (5) working days after the date on which the Superintendent's answer in Step One was received. As soon as possible, but not more than five (5) working days after receipt of the written grievance, management shall give three (3) signed copies of its written answer on the grievance form to the Shop Steward or Chief Steward.

11.05 STEP THREE: If the 2nd Step answer to the grievance is not acceptable to the Union, the Chief Steward shall notify the Company in writing of the rejection of the 2nd Step answer within five (5) working days from receipt thereof, and such written rejection shall constitute an appeal of the grievance to the 3rd Step of the grievance procedure. Within five (5) working days following receipt by the Company of the Union's rejection of the 2nd Step answer, the Company's Representative, the Local Union Grievance Committee, the International Representative of the Union, and the

Grievant, if necessary, shall meet in an effort to settle the grievance. The Company shall give this answer in writing within five (5) working days following such meeting.

11.06 In the event that the grievance is not appealed by the Union in accordance with Step Three, the grievance shall be considered automatically withdrawn.

11.07 All grievances based on alleged improper discharge, suspension or disciplining of employees shall be instituted at the Third Step of the grievance procedure, but no such grievance will be considered unless presented to the Company within five (5) working days after written notice to the Union of a suspension, disciplining or discharge.

11.08 The grievance of a suspended, discharged or disciplined employee must be signed by the employee affected and/or Steward.

11.09 In cases of discharge, suspension or discipline, the employee shall, upon his request, talk to either his Steward or to a member of the Grievance Committee before leaving the Plant.

11.10 Any matter of an emergency nature or a general grievance may, after an oral discussion between the Chief Steward, Union President, and the Company's Representative, be handled in accordance with Step Three of this Grievance Procedure.

11.11 It is understood that the time limits provided for in this Grievance Procedure may be extended by mutual agreement of the parties in writing.

11.12 It is understood and agreed that in Step Three of the Grievance Procedure either party may have necessary persons present in order to fully ascertain the facts of the dispute.

11.13 Failure of either party to comply with the time requirements of Paragraphs 11.03, 11.04, and 11.05 shall mean that the party failing to comply forfeits the grievance to the other party's satisfaction.

11.14 All the time lost in the above processes shall be paid for by the Company at the employee's regular hourly rate.

11.15 The Company shall have the right to process a grievance and such grievance shall be initially handled in the 2nd Step of the grievance procedure.

ARTICLE XII ARBITRATION

12.01 If a grievance is not resolved in the 3rd Step of the grievance procedure, it may be appealed to arbitration by the Union within thirty (30) calendar days after receipt by the Union of the Company's 3rd Step answer. Such appeal must

be in writing. Within this thirty (30) calendar day period, the Union Grievance Committee may, by mutual agreement between the Company and the Union, meet with the Company in a final effort to settle the dispute without arbitration.

12.02 A joint request shall be submitted by the parties to the Federal Mediation and Conciliation Service to provide a panel of seven (7) arbitrators. Either party may reject the first panel supplied by the Federal Mediation and Conciliation Service within five (5) working days after receipt thereof by written notice to the other party, and the parties shall jointly request a second panel of seven (7) arbitrators from the Federal Mediation and Conciliation Service. From the original panel, or second panel, as the case may be, the parties shall each alternately strike one name until but one name remains, and the remaining one shall be the impartial arbitrator for that case.

12.03 The arbitrator shall be limited to the interpretation and application of the terms of this Agreement. The arbitrator shall have no power to add to, subtract from or modify any of the terms of this Agreement.

12.04 The decision of the arbitrator shall be final and binding upon both parties.

12.05 The time limits provided in this Article may be extended by mutual agreement of the parties.

12.06 In discipline, discharge, or disciplinary suspension cases, the arbitrator shall have the power to adjudge the guilt or innocence of the employees involved, and review any penalties imposed on the employee and modify, eliminate, or amend the penalties.

12.07 The cost of the arbitrator shall be borne equally by the Company and the Union, share and share alike.

ARTICLE XIII DISCIPLINE AND DISCHARGE

13.01 Management shall give an employee a verbal disciplinary warning in the presence of the Steward prior to any first written disciplinary warning. The written disciplinary warning shall be filled out by management in quadruplicate and shall be signed by the employee and the Steward. One copy shall be sent to the Personnel Office; one copy given to the employee; one copy given to the Steward for transmittal to the Chief Steward, and one copy retained by management. The propriety of any disciplinary warning may be challenged by the employee or his representative by filing a grievance as outlined in the Grievance Procedure (Article XI). This section is only applicable for those offenses requiring warnings.

13.02 Employees who have completed their probationary period shall be discharged or suspended only for just and proper cause.

13.03 The Company shall provide the Union with immediate written notices of all discharges and suspensions of employees.

13.04 In the event that it is found that the employee was unjustly discharged or suspended, any back pay shall be calculated at the employee's average earnings for the four (4) weeks immediately prior to his discharge or suspension.

ARTICLE XIV
HOURS OF WORK AND OVERTIME

14.01 The regular work week shall be a forty (40) hour week from Monday through Friday, starting with Monday. A regular work day shall consist of eight (8) hours.

14.02 The regular shift and shift hours, inclusive of an unpaid lunch period, shall be as follows for all employees:

6:30 A.M to 3:00 P.M.

7:00 A.M to 3:30 P.M.

8:30 A.M to 5:00 P.M.

14.03 If any changes are required in the regular schedule of an employee or employees, the Company will discuss such changes with the Union and the Company shall then notify the employees affected orally prior to the effective date of the change and such shift change shall become effective on Monday.

14.04 All time worked in excess of eight (8) hours in a work day or forty (40) hours in a work week shall be paid at one and one-half (1 1/2) times the employee's regular rate of pay.

14.05 (a) All time worked before an employee's regular working hours on days when such employee was directed by the Company to report for work before the commencement of such employee's regular scheduled work day, shall be paid at one and one-half (1 1/2) times the employee's regular rate of pay.

(b) All time worked after an employee's regular working hours on days when such employee was directed by the Company to report for work and occurring after the commencement of such employee's regular work day, shall be paid at one and one-half (1 1/2) times the employee's regular rate of pay.

14.06 All time worked on Saturday shall be paid at one and one-half (1 1/2) times the employee's regular rate of pay. All time worked on Sunday shall be paid at double (2 times) the employee's regular rate of pay, except as provided in Section 14.11.

14.07 Employees requested to work overtime during the regular work week shall be notified during working hours prior to the scheduled lunch period on the

day of such requirements if possible. Those requested to work on Saturday and Sunday shall be notified no later than noon on Thursday; however, the parties agree that such notice may not be able to be given in all cases. The Company may request employees to stand by for possible overtime work when the decision as to whether or not overtime work is necessary cannot be made until at or near the end of the shift.

14.08 (a) Overtime work shall be rotated and divided equally in each calendar quarter among the employees in the similar classifications, provided they have the ability to perform the specific task required.

(b) Employees who are offered overtime and decline to work will be charged the number of hours offered.

(c) Overtime records shall be made available to the Steward or Chief Steward upon request.

14.09 Nothing in this Article shall be construed as a guarantee of any number of hours of work per day or per week.

14.10 There shall be no pyramiding of overtime payments.

14.11 Any employees working as watchmen shall continue to be paid and work according to the presently established method of payment.

ARTICLE XV
REPORT AND CALL-IN PAY

15.01 Any employee who reports for work as scheduled and has not been notified by the Company at least eight (8) hours in advance not to report for work, will receive four (4) hours of work or pay at his regular rate for such period, inclusive of shift differential, except for acts of God or such other circumstances beyond the control of the Company. If an employee has qualified for overtime in accordance with the overtime provisions of this Agreement, overtime rates based on the provisions of this Section will be paid.

15.02 Any employee who is called in to work after having completed his tour of duty but before commencing his next tour of duty, will receive at least four (4) hours of work or pay at his regular rate for such period, inclusive of shift differential. If the employee has qualified for overtime in accordance with the overtime provisions of this Agreement, overtime rates based on the provisions of this Agreement will be paid.

ARTICLE XVI
SENIORITY, LAYOFF, RECALL,
FURLOUGH AND TEMPORARY TRANSFER

16.01 Seniority is defined as the length of time equal to each employee's accumulated service with the Company since the first day of hire.

16.02 A break in continuous service is caused by the following:

- (a) Quit.
- (b) Resignation.
- (c) Discharge for cause.
- (d) Unexcused absence of three (3) consecutive work days.
- (e) Failure to notify the Company of intention to return to work within five (5) work days of notice of Recall.
- (f) Failure to return to work within ten (10) work days from notice of Recall.
- (g) Failure to report for work within five (5) work days of termination of any leave of absence.
- (h) Layoff for more than employee's length of service with the Company.
- (i) Retirement.
- (j) Death.
- (k) Failure to return to work within five (5) days after end of period for which Workmen's Compensation is paid or upon which lump sum payment is based.

16.03 Service will continue and not accumulate by:

- (a) Absence on account of illness which continues beyond twelve (12) months.
- (b) An employee transferred or promoted outside the Bargaining Unit.

LAYOFF AND RECALL

16.04 In the event a reduction in the work force is required in a given occupation, employees shall be reduced or transferred in strict seniority order with the person with the least seniority the first to be affected, and the person with the most seniority the last to be affected. In the event that two (2) employees were hired on the same day, for the purpose of layoff and recall, their seniority shall be in alphabetical order. However, if a layoff in an occupation results in leaving no A-rated classified employees in such occupation, then the employee with the most seniority who is classified in that occupation as an A-rated employee shall be retained.

16.05 An employee subject to layoff in his occupation may bump a less senior employee in another occupation provided:

- (a) The employee so exercising his seniority has previously performed work in that occupation satisfactorily.

- (b) If the employee has had no prior experience working in that occupation and the Union and the Company agree that the employee may have the ability to perform such work, the employee shall be given a trial period of up to twenty (20) working days in order to show that he has the ability to perform the job. The parties agree that the Company shall not be required to keep an employee on the job for the whole twenty (20) working days. However, an employee may not replace a less senior employee who is the only employee within an occupation unless the employee so exercising his seniority had previously worked in that occupation and performed the work satisfactorily. Employees not able to replace less senior employees as per the above shall be able to bump a less senior employee in an occupation where no prior experience is required, provided the employee is physically able to do the work.

16.06 In the event that a recall is required in a given occupation, employees shall be recalled in strict seniority order inverse to the sequence of layoff or reduction, with the employee having the most seniority being recalled first and the employee with the least seniority being recalled last. Notice of recall shall be given by telegram, registered or certified mail, the receipt of which at the employee's last recorded address in the Personnel Department, shall be considered official notice. In case of recall in the occupation which caused the layoff shall occur, employees who were classified in that occupation shall return to it. In case of recall in a different occupation, this job opening shall be posted for bid and the employee laid off shall be called back to work to fill any resulting vacancy.

16.07 The Company shall not hire any new employees where there are employees on the laid-off list who would be qualified to do the work within a twenty (20) working day break-in period.

16.08 The Company except when prevented by acts of God or other conditions beyond the control of the Company, will give the Union three (3) working days notice of proposed layoffs. A list of the employees in each occupation to be laid off shall accompany such notice.

16.09 Employees transferring from the bargaining unit into a non-bargaining unit position will have the right to return to the bargaining unit within one year from the date of the transfer and maintain their seniority.

PROBATIONARY

16.10 The first ninety (90) scheduled working days of employment shall be a probationary period during which the employee may be discharged by the Company without recourse by the employee or the Union. Any employee is required to serve only one (1) probationary period if his service was broken pursuant to paragraph 16.02(h).

16.11 Employees shall have no seniority rights during their probationary period; however, an employee's seniority after completion of his probationary period shall begin with the first day of his employment. During their probationary period, the employees shall not be entitled to take sick days or to declare a personal holiday.

TEMPORARY TRANSFER

16.12 If the Company shall determine that it is necessary to adjust work schedules to meet business requirements, employees may be transferred temporarily to other occupations in the same or lower classification for periods not to exceed ten (10) calendar days. In the event the temporary occupation to which the employee is transferred is in a higher classification, the individual will be paid his regular hourly rate or the minimum of the new occupation, whichever is higher for the whole day.

16.13 Temporary transfers of one working day or less in duration shall not require written notification. Temporary transfers in excess of one working day shall require written notification to the Union.

16.14 A transfer request for health reasons supported by a doctor's certificate, acceptable to the Company, shall be granted when practicable, as soon as arrangements can be made for the same. The Company may require a physical examination of the employee by a doctor of its choice.

JOB BIDDING, UPGRADING & PROMOTION

16.15 Employees who have demonstrated to the Company that they have acquired the sufficient skills, proficiency, training, and productivity as outlined in the job descriptions shall be upgraded to the next classification within their respective job occupation and shall receive the base wage of that classification. Employees who feel they are qualified for upgrading may grieve in accordance with the provisions of Article XI of this Agreement.

16.16 The only classification within a job occupation, as set forth in Exhibit "B" which shall be open for bid shall be the lowest classification of a particular job occupation. Such job openings shall be posted for bid on the Plant bulletin board for a period of three (3) working days. Bid notices shall contain a starting date. However, in determining an employee's qualifications, the Company agrees that it will not consider the experience gained by an employee on temporary transfer to the job under consideration. The Company shall give the job to the most senior qualified bidder.

If the Union feels that the Company has not given the job to the senior employee who it believes has the ability to do the job, then the Union will request the Company to give such employee a trial period of up to twenty (20) working days in order to show that he has the ability to perform the job. The parties agree that the Company shall not be required to keep an employee on the job for the whole twenty (20) working days. Should the Company decide to remove the employee either during or at the end of the said trial period, the Union shall not grieve such removal. If no qualified bidders bid for the job, the Company may employ a new employee for the job, provided the Company complies with the provisions of paragraph 16.07.

16.17 Applications for bidding on jobs must be in writing and in duplicate.

16.18 That once an employee has reached the highest rate within his job classification, such employee shall automatically then begin a three-month trial period to see if such employee is qualified to move up in classification, with the exception of "AA" Gear Generating Machine Operator. During such period, the employee's work will be checked and the employee will have an opportunity to demonstrate his efficiency in operating the various types of machines within his department, proficiency on which is required for advancement to the higher classification. Should the employee not be given an opportunity during this trial period to learn how to operate machines in his department which he has not operated before, the Company may not use such lack of knowledge as a reason to refuse to advance the employee.

MISCELLANEOUS

16.19 Employees will be granted shift preference in accordance with their seniority and the ability to do the work.

16.20 The Company will furnish the Union with an up-to-date seniority list of all employees covered by this Agreement every six (6) months.

16.21 The parties agree to establish a productivity committee whose function shall be to discuss and make recommendations as to how productivity within the plant may be increased.

ARTICLE XVII LEAVE OF ABSENCE

17.01 Upon written request to Management by the International Union, the Company will grant officers or elected representatives of the Local Union, not to exceed one (1) in number at any one time, a leave of absence without pay of not less than thirty (30) days and not to exceed the duration of this Agreement, for the purpose of attending to Union business.

17.02 Upon forty-eight (48) hours written notice from the International Union to Management, except in cases of emergency, the Company agrees to excuse,

without pay, two (2) employees from scheduled work for the purpose of attending to Union business provided that the maximum period of absence per year for one such employee shall be limited to five (5) days per year.

17.03 An employee absent from the plant because of accident to himself or his own illness may request an authorized leave of absence upon presentation of a doctor's certificate. The Company may have the said employee examined at its cost by its own doctor. Should the Company doctor and the employee's doctor disagree, then the said two doctors shall mutually select a third doctor to examine the said employee at the Company's expense. The decision of this third doctor shall be final and binding upon the parties. This leave shall not exceed 12 months. Such leave, however, can be extended beyond 12 months if supported by the employee's doctor, and if the Company so desires, by the Company's doctor at its expense. If the doctors fail to agree upon the need for such extension, then they shall again mutually select a third doctor to examine the employee at the Company's expense, and that doctor's opinion shall be final and binding upon the parties. At the expiration of such leave, such employee shall be restored to his former position provided he has the seniority and is physically able to perform the work; otherwise, he will proceed through the layoff procedure, as set forth in Article XVI

17.04 An employee who is a member of the National Guard or the Reserve Components of the Armed Forces will be granted a leave of absence for up to two (2) weeks when ordered to duty for annual training, upon presentation by the employee of official evidence that such training is ordered. The employee will be paid by the Company the difference between what he would have earned at work during regular working hours (not to exceed 40 hours per week) and the payment he receives for his military training. Should such training fall during an employee's vacation, he will be permitted to reschedule his vacation.

17.05 Upon written request, the Company may grant employees short leaves of absence without pay for valid reasons other than those specified herein, which shall be deemed authorized leave of absence.

17.06 If employment is taken elsewhere during the period of a leave of absence, the employee shall be considered to have quit without notice, except for leaves of absence for Union business, however, employees who take a leave of absence for Union business shall not begin a second job during such leave.

ARTICLE XVIII WAGES AND CLASSIFICATIONS

18.01 The wage rates for the term of this Agreement are:

(1) Effective 1/16/2013, all wage rates shall be increased by 2% per hour and the Company shall pay each employee a signing bonus of \$700.00.

(2) Effective 1/16/2014, the adjusted wages shall be increased by 1.5% per hour.

(3) Effective 1/16/2015, the adjusted wages shall be increased by 1.5% per hour.

18.02 The job occupations, labor classifications thereunder and the basic hourly wage rate for each classification are set forth in the Exhibit and shall remain in effect during the term of this Agreement, subject, however, to the other provisions of this Agreement with respect to the creation of new or revised job classifications and the establishment of rates of pay therefor.

18.03 (a) Except as set forth elsewhere in this Agreement, employees shall progress automatically from the base wage of their respective classification to the maximum wage rate for their respective classification in accordance with the job description.

(b) The employee shall receive automatic increases as shown on the Exhibit which are attached to this Agreement for each additional ninety (90) calendar days provided he has worked 75% of the scheduled working days within that period that he has been employed within the specific classification until the employee's rate shall be the maximum as shown on the Exhibit for his respective classification.

18.04 The Company and the Union agree that the employees are correctly classified as to occupation and classification as of the effective date of this Agreement.

JOB DESCRIPTIONS

18.05 The Company shall furnish the Union with job descriptions for all existing jobs.

18.06 When new jobs are created, or existing jobs revised by the Company, the Company shall prepare a "job description" for such new or revised job. Each job description shall indicate what work is done on the job and what tools and equipment are to be used. The job description shall be reviewed with the Union. Any revisions proposed by the Union shall be considered by the Company. Basic hourly rates for new or revised jobs shall be negotiated between the Company and the Union. Any disagreement concerning the labor grade to be designated for a new or revised job shall be subject to the grievance and arbitration procedure provided in this Agreement, with the understanding that the arbitrators shall designate which of the labor grades set forth in the Exhibits shall be applicable.

SHIFT DIFFERENTIAL

18.07 Employees assigned to any shift other than the day (1st) shift shall receive, for the time so worked, a bonus of eight (8%) percent of the sum of their basic hourly rate applicable to overtime premium also.

METHOD OF PAYMENT

18.08 Wages shall be paid by check every Tuesday, if possible. However, in weeks in which Monday is celebrated as a holiday, wages shall be paid on Wednesday of that week. Any changes in the method of payment is a matter of negotiations and agreement.

18.09 If an employee is unable to complete the balance of his or her scheduled hours as a result of an occupational injury, he or she shall receive pay for the day on which such injury occurs.

ARTICLE XIX
COST OF LIVING

A cost-of-living program shall be instituted by the Company. The language for such a program shall be as follows:

19.01 For the purpose of this Agreement:

- (a) Consumer Price Index refers to the consumer price index for urban wage earners and clerical workers - United States all items less medical care (1967=100) published by the Bureau of Labor Statistics, U.S. Department of Labor.
- (b) Consumer Price Index Base refers to: For the second year of this Agreement, the Consumer Price Index for the month of December, 2013 (being that Consumer Price Index which customarily would be published by the Bureau in mid-January, 2014). For the third year of this Agreement, the Consumer Price Index for the month of December, 2014 (being that Consumer Price Index which customarily would be published by the Bureau in mid-January, 2015).
- (c) Adjustment dates are April 1, July 1, October 1, and January 1.
- (d) Change in Consumer Price Index is defined as the difference between the Consumer Price Index Base and the Consumer Price Index for the second calendar months next preceding the months in which the applicable adjustment date falls.

- (e) Cost of Living adjustment is calculated as below and will be payable for the three-month period commencing with the adjustment date.

19.02 Effective on each adjustment date a cost of-living adjustment equal to 1 cent per hour for each full .25 of a point change in Consumer Price Index shall become payable for all hours worked, including holiday and vacation pay, and for any reporting allowance credited before the next adjustment date. Should the Consumer Price Index decline, the same formula, i.e., 1 cent for each full .25 of a point change shall be used to reduce any cost-of-living adjustments previously made during that contract year; however, there shall be no reduction of the cost-of-living adjustment below the Consumer Price Index Base.

19.03 Annual cost-of-living adjustment:

- (a) Commencing with the April 1, 2014 adjustment date and continuing through the January 1, 2015 adjustment date, the maximum cost of living adjustment shall be twenty (20) cents per hour. However, before any cost of living payment shall be made the cost of living adjustment as computed above must have exceeded fifteen (15) cents per hour, i.e. thus to receive the maximum adjustment of twenty (20) cents the cost of living must exceed thirty-five (35) cents during the period.
- (b) Commencing with the April 1, 2015 adjustment date and continuing through the January 1, 2016 adjustment date, the maximum cost of living adjustment shall be twenty (20) cents per hour. However, before any cost of living payment shall be made the cost of living adjustment as computed above must have exceeded fifteen (15) cents per hour, i.e. thus to receive the maximum adjustment of twenty (20) cents the cost of living must exceed thirty-five (35) cents during the period.

19.04 If the Consumer Price Index falls below the Consumer Price Index Base, there shall be no cost-of-living adjustment.

19.05 Should the Consumer Price Index in its present form become unavailable, the parties shall attempt to adjust this section or if agreement is not reached, request the Bureau of Labor Statistics to provide the appropriate conversion or adjustment which shall be applicable as of the appropriate adjustment date and thereafter.

ARTICLE XX
HOLIDAYS

20.01 On the following effective dates, the designated days will be paid holidays:

New Years Day	Independence Day	Day after Thanksgiving
Good Friday	Labor Day	Christmas Eve Day
Memorial Day	Thanksgiving Day	Christmas Day

Employees shall be entitled to one (1) personal holiday which may be used in ½ day increments. Employees are required to give the Company three (3) working days notice prior to taking such personal day or part thereof. If an employee does not take a personal holiday in any particular contract year, the Company at the end of such year shall pay the employee for such unused holidays at the same rate the employee would be paid for unused sick days.

(a) If one of the holidays heretofore mentioned shall fall on a Sunday, the following Monday shall be considered a holiday in lieu thereof.

(b) If any of the said holidays shall fall on a Saturday, the preceding Friday shall be considered a holiday in lieu thereof.

(c) Dual holidays, such as the day before Christmas and Christmas day, falling on a Friday and Saturday, or a Sunday and Monday, shall be celebrated as follows: The Saturday holiday normally will be celebrated on the preceding Thursday, and the Sunday holiday normally will be celebrated on the following Tuesday.

20.02 Holiday pay shall be computed on the basis of the average number of hours the employee worked per day in the two pay periods immediately preceding the holiday times the employee's regular hourly rate, plus shift differential, but no less than eight (8) hours.

20.03 An employee working on a holiday shall be paid two (2) times his regular hourly rate for all hours worked, in addition to his holiday pay, except as provided in Section 14.11.

20.04 In order to be eligible for holiday pay, the employee must work the scheduled work day immediately prior to, and the scheduled work day immediately after the holiday unless he is excused from working by the Company. Employees who, during the life of this Agreement, take a second sick day on the scheduled workday preceding or on the scheduled workday immediately following a holiday shall be ineligible for said holiday pay unless the employee produces a doctor's certificate for such sick day. An employee absent from work on account of a Company-connected compensable illness or injury shall receive holiday pay during such absence for a period of three (3) months. Employees who have been employed by the Company for a period in excess of one (1) year and who are absent from work and receiving sick and accident

benefits, will be paid for any holidays during the period of such absence for a period of six (6) months.

ARTICLE XXI
VACATION

21.01 The present vacation program is as follows:

(a)	Six	(6) months of service	20 hours
(b)	One	(1) year of service	1 week
(c)	Two	(2) years of service	2 weeks
(d)	Eight	(8) years of service	3 weeks
(e)	Fifteen	(15) years of service	4 weeks
(f)	Twenty-eight	(28) years of service	5 weeks

- (1) The Company shall have the exclusive right to buy back the fifth week of any employee's vacation. The Company shall advise the employee on or before April 1st of each year as to whether or not it intends to buy back such week.
- (2) If the company and Employee mutually agree, the Company may buy back any week or weeks of the employee's vacation.
- (3) Employees shall be permitted to take one week of their vacation one day at a time provided they give one week's advance notice of their interest to take such a day.

21.02 The Company shall provide a vacation bonus to each employee entitled to take a vacation in the amount of seventy (\$75) dollars for each week of his vacation.

21.03 A week's vacation pay shall be based on an average work week in the previous year, not to exceed fifty-five (55) hours times the employee's straight time hourly rate of pay.

21.04 (a) The Company may schedule a plant shutdown during which employees not scheduled to work shall take their vacations. If employees are required to work during the plant shutdown, they shall be selected as follows: From among the employees whose vacation eligibility is less than the plant shutdown period provided such employees have the ability to do the work required. Then from employees with the most seniority in the classification where the work is to be done.

(b) Employees scheduled to work during a plant shutdown, or in the event there is no plant shutdown, shall be permitted to take their vacation as

desired, preference given in line with seniority, and as far as practicable, consistent with efficient operations.

(c) If an employee qualifies for three (3) or more weeks vacation, he or she shall be permitted to schedule his or her additional vacation, consistent with efficient operations and preference given in line with seniority as far as applicable.

(d) The vacation schedule shall be posted on the bulletin board no later than May 1st, unless the Company elects to shut down under paragraph (a) in which case, notice shall be given no later than April 1st.

(e) Employees who are requested to work during a plant shutdown must be notified at least sixty (60) days prior to the shutdown. The Union shall also receive such notice. The sixty (60) days notice shall not be applicable in case of an emergency.

21.05 When an employee is removed from the active role of employment for any reason, unless the employee quits without giving five (5) days' notice, the employee will receive a pro-rated vacation based upon the number of months the employee has worked since his last anniversary date. A pro-rated vacation for such former employees shall be calculated as follows: The numerator shall be the number of months the employee has worked since his most recent anniversary date; the denominator shall be twelve (12), and the resulting fraction shall be multiplied by the number of weeks or hours, as the case may be, due the employee, had he been entitled to full vacation pay. An employee shall receive a month's credit for such calculations if the employee works the majority of straight-time hours scheduled by the Company during that particular month.

21.06 Returning employees who have entered the armed or auxiliary services shall be treated as having worked continuously for the purpose of computing length of vacation.

21.07 In order to be eligible for full vacation pay, employees must have worked 1040 hours in the previous year (Jan. 1 to Dec. 31). However, employees must have worked 520 hours to be eligible for 20 hours of vacation.

21.08 Employees working less than 1040 hours will be paid for pro-rated vacation if they have completed six (6) months of service with the Company.

21.09 Years of service will be calculated to the anniversary date of the employee. Employees will become eligible for any additional vacation after that date.

21.10 An employee's vacation pay, for the vacation time off he is taking, shall be paid to him at least one (1) week prior to the time his vacation is scheduled to start.

ARTICLE XXII
BEREAVEMENT PAY

22.01 Upon notification to the Company, an employee will be granted three (3) days with pay for time lost from scheduled work upon a death of his or her father, mother, husband, wife, children and stepchildren,(who are residing in the household). Upon notification to the Company, an employee will be granted up to three (3) days with pay for time lost from scheduled work upon the death of his or her sister, brother, step-child (not residing in the household), grandparents, mother-in-law, father-in-law, stepmother or stepfather, such leave shall terminate upon the day after the funeral provided such day is not a Saturday, Sunday, or Holiday. If such day is a Saturday, Sunday or Holiday said leave shall terminate on the day of the funeral. An employee will be granted one (1) day off with pay for time lost from scheduled work in order to attend the funeral of a grandchild or spousal grandparent. Such absences shall be paid for at the employee's regular straight-time rate of pay inclusive of shift differential. Such pay shall not include any days which may have been worked on an overtime or double time basis during the leave.

ARTICLE XXIII
JURY DUTY PAY

23.01 The Company will compensate an employee for loss of wages which may be incurred through jury duty. Any hourly employee on authorized absence for jury duty shall be paid an amount equal to the difference between what he would have earned at his regular hourly rate, including shift differentials, had he been at work, and the pay received for jury duty.

23.02 Employees on other than the first shift will not report for work if their shift starts within the same 24-hour period in which they are to serve as jurors. Each 24-hour period will commence at midnight.

23.03 The computation of what the employee would have earned had he been at work will be computed on the basis of the shift differential where applicable.

23.04 Jury duty pay is interpreted as the base pay paid by the court for such service, exclusive of any meal or transportation allowance.

23.05 Jury Duty pay differential will be made only upon presentation of properly authenticated court documents showing hours involved and pay received.

ARTICLE XXIV
MILITARY SERVICE

24.01 Any employee who has left, or who shall leave the Company employment to enter military service of the United States or the United States Merchant Marine shall be entitled to reinstatement and all other rights in full accordance with

applicable statutes and official regulations thereunder in effect on the date of his application for reinstatement.

24.02 Military service shall count as time worked for the purpose of computing the entitlement of a veteran to vacation pay.

ARTICLE XXV
HOSPITALIZATION & INSURANCE

25.01 The parties hereto agree to provide the insurance benefits, providing for life insurance, accident and sickness insurance, hospitalization insurance, surgical benefit insurance, and major medical insurance, as set forth in the insurance schedule attached hereto as Exhibit "E".

25.02 The cost of insurance benefits shown on Exhibit "E" will be borne completely by the Company.

25.03 The Company will cause to be printed for distribution to all employees a booklet explaining in detail the various benefits provided in the insurance plan. However, any question concerning such plan shall be resolved by reference to the official text of such plan.

25.04 All of the insurance benefits included in the Company's insurance program for employees in the bargaining unit shall continue in each instance, respectively, for the periods specified below for employees (a) on authorized leave of absence for illness; (b) on authorized leave of absence for other reasons provided the employee pays the premium; and (c) on layoff in accordance with Article XVI of this Agreement. Such periods of continuation of insurance benefits shall be: (1) sickness and accident insurance, 30 days; (2) in the case of weekly benefit sickness and accident insurance, 30 days; (3) in the case of hospital surgical-major medical insurance, 90 days. All the insurance benefits included in the Company's insurance program shall continue for employees absent because of any occupational injury or any occupational illness until he is subsequently employed or until he is found by the Workmen's Compensation Board to be permanently disabled, whichever is earlier. Employees who are off because of occupational illness or injury for one (1) year shall be expected to pay 10% of the cost of the hospital surgical major-medical insurance, and if the employee refuses to make said contribution toward the cost of such insurance, the Company shall cease making any contributions on his behalf for said insurance.

25.05 The Union shall receive the following information and reports with respect to the administration of the insurance plan:

(a) Copies of the various master policies issued by each insurance carrier providing benefits.

(b) Notice of any claims for benefits which may be disputed by the Company or the insurance carrier.

25.06 New employees shall become eligible for the insurance program as soon as they can be enrolled under such program.

ARTICLE XXVI
PENSION

26.01 (a) By an Agreement and Declaration of Trust made as of the 30th day of April 1958, between the International Union of Electrical, Radio and Machine Workers, AFL-CIO-CLC and various employers who are or may become parties thereto, a Trust Fund designated as the "IUE-AFL-CIO Pension Fund (hereinafter referred to as the "Pension Fund") was established.

(b) To provide retirement benefits from contributions to said Pension Fund, the Trustees established the IUE-AFL-CIO Pension Plan (hereinafter referred to as the "Pension Plan").

(c) Such Pension Fund and Pension Plan is now in full force and effect and is in full and complete compliance with the Labor Management Relations Act of 1947 as amended and the current regulations issued pursuant to the Employee Retirement Income Security Act of 1974 and qualifies as an exempt trust pursuant to the applicable provisions of the Internal Revenue Code of 1954.

26.02 (a) The Employer agrees to pay into the Pension Fund on behalf of each employee covered by this Agreement, a sum equal to \$2.85 per hour effective January 16, 2013 for each hour for which the said employee received pay, effective January 16, 2014 \$3.02 per hour for each hour for which the said employee received pay and effective January 16, 2015, \$3.20 per hour for each hour for which the said employee received pay. Pay is hereby defined to include all hours of work, including such hours for which wages are paid regardless of whether actual work is performed or not, including but not limited to holidays, vacations, paid sick leave and the like. The payments shall be made monthly and shall be due on or before the 10th day of the month following the calendar month in which the employee receives said hourly pay. The Employer shall complete and file Remittance Reports prescribed by the Pension Fund and shall furnish the Union with a copy of each Remittance Report submitted to the Pension Fund.

(b) It is understood that the aforesaid payments shall not be increased because of overtime pay differentials elsewhere provided in the Collective Bargaining Agreement.

(c) The payments shall be used by the Pension Fund to provide benefits for eligible employees in accordance with the Pension Plan of said Pension Fund as is or may be determined by the Trustees thereof, to be applied to the eligible employees based on the amount of employer contributions.

(d) The Employer hereby agrees to become a party to the said Agreement and Declaration of Trust establishing the said Pension Fund, and agrees to be bound by all the terms and provisions of said Agreement and Declaration of Trust, and designates as its representative such Trustees as are named in said Agreement and Declaration of Trust as Employer Trustees, together with their successors selected in the manner provided in said Agreement. A copy of said Agreement and Declaration of Trust is to be annexed to the Collective Bargaining Agreement upon the execution thereof.

(e) The Employer, on behalf of itself, and the Union, on behalf of the employees on whose behalf contributions are made to the Pension Fund, including Participants as defined in the Plan and their beneficiaries, hereby agree that the arbitration provisions contained in Article VIII of the Pension Plan shall be final and binding.

(f) It is understood and agreed that the Pension Plan referred to herein shall at all times qualify for approval by the Internal Revenue Service of the U.S. Treasury Department, so as to allow the Employer an income tax deduction for the contributions paid herein.

(g) For the purpose of this clause, all employees coming under the work classifications covered by this Agreement shall be considered to be covered by the Collective Bargaining Agreement as of their first day of employment with the Employer, regardless of such trial or other waiting periods as may apply to other sections of the Bargaining Agreement.

26.03 The parties agree that, except as may be otherwise provided herein, the Employer's obligation to the Pension Fund and to the Employees covered thereby shall be fulfilled at the time the Employer makes the contributions to the said Pension Fund in the amount and in the manner provided herein, and provided further that upon making said contributions as aforesaid the Employer shall be relieved and discharged from any further obligations to the said Pension Fund.

Notwithstanding anything to the contrary hereinabove set forth, the obligations of the Employer hereby assumed shall continue only so long as there is in existence an effective Collective Bargaining Agreement between the Employer and the Union.

ARTICLE XXVII
SICK PAY

27.01 The Company shall grant five (5) sick days to all regular employees per contract year one of which may be used in ½ day increments by giving the Company 2 days advance notice. In order for an employee to be eligible for such sick days, the employee must be employed for at least six (6) months in order to receive one sick day and for at least one year in order to receive the balance. Should an employee not use the said five (5) sick days, he shall be reimbursed for such unused sick days at the end of each year.

ARTICLE XXVIII
SAFETY & HEALTH

28.01 The Company and the Union will each appoint one person on the Safety Committee. It shall be the duty of the Safety Committee to promote, encourage and carry out provisions to insure proper safety practices and conditions for all the employees. The Company will see that one (1) employee on each shift has received first aid training. The Company will also provide the Chief Steward with all minutes of safety meetings.

28.02 The Company will continue to provide protective devices, as in the past, to protect employees from health hazards and injury. The Union and the Company agree they will encourage all employees to work in a safe manner.

28.03 The Company shall purchase once each contract year approved safety prescription eyeglasses for each employee who is required to wear prescription glasses. The maximum the Company is required to pay per year per employee is three hundred (\$300) dollars.

28.04 The Company shall contribute up to a maximum of ninety (\$90.00) dollars for each regular employee toward the purchase of safety shoes and if an employee demonstrates the need for a second pair of safety shoes in a year, the Company shall contribute up to the maximum which it is required to pay for that year for such a second pair.

ARTICLE XXIX
TOOLS

29.01 The Company will furnish all tools necessary for employees to perform their tasks efficiently, except those employees on those occupations where standard tools are a part of the trade.

ARTICLE XXX
NON-BARGAINING UNIT EMPLOYEES

30.01 The Company agrees that non-bargaining unit employees will not perform production work; however, it is agreed that supervisory personnel and other specially skilled non-Union employees may be utilized in the resolution of production problems, production modifications, special maintenance, perform such special duties which none of the bargaining unit employees are qualified or have the requisite skill and knowledge to perform, perform work in emergency situations, and the training and instruction of employees.

ARTICLE XXXI
MOVEMENT OF WORK

31.01 Employees will have the right of preferential transfer if the Company moves any or all of the work performed at the Shaler Township plant to a new location and will carry all service credits and seniority accrued by them.

ARTICLE XXXII
SUBCONTRACTING

32.01 No work shall be given to an outside contractor so long as personnel and equipment for performing the work are available in the plant and where it will reduce the work week below forty (40) hours or cause a layoff of employees on that work. The Union will be notified prior to any subcontracting of that work.

ARTICLE XXXIII
401K PLAN

33.01 The 401K Plan instituted by the Company, the annual administrative costs of which shall be paid by the Company. Employees may make voluntary contributions toward the Plan. In addition, the Company agrees to match employee contributions to this Plan up to 1% each year. If an employee fails to make a contribution that equals 1%, the Company will have no obligation to match such amount, nor shall the Company have an obligation to match any amount contributed over 1%.

ARTICLE XXXIV
TERM & TERMINATION

34.01 This Agreement expresses the understanding of the parties in regard to matters deemed by them to be applicable to the bargaining unit and it will not be changed or modified except by mutual agreement.

34.02 This Agreement shall become effective on the date hereof and shall continue in effect to and including midnight of January 15, 2016.

34.03 This Agreement shall be renewed automatically from year to year thereafter unless either party shall give written notice not less than sixty (60) days prior to January 15, 2016 or January 15 of any year thereafter of its desire to amend or terminate this Agreement.

34.04 The giving of such notice by either party of its intent to amend or terminate the Agreement shall prevent the automatic renewal of this Agreement. It is further agreed that upon receipt of such notice, negotiations between the parties shall commence not less than thirty (30) days nor more than sixty (60) days prior to the date of termination.

INTERNATIONAL UNION OF ELECTRONIC,
ELECTRICAL, SALARIED, MACHINE
AND FURNITURE WORKERS.-
AFL-CIO LOCAL 643

JACKSON GEAR COMPANY

Robert Sutton
International Representative

Robert Jackson, President

George Latta
President, Local 88643

Steven E. Lyle
Chief Steward

ADDENDUM TO

WAGES & CLASSIFICATIONS

A. The gear generating machine operator, who operates three machines, shall receive \$3.50 an hour over and above his normal rate when the third machine is started to be set up, and the premium rate shall continue for the duration of the particular shift. Such premium pay shall be paid to the operator monthly by a separate check. The Chief Steward and the Plant Superintendent will discuss the three machine operation before it is put into effect each time until the operation can be worked out to cover all situations. No operator in the gear generating machine occupation will be asked to run three machines when one or more of the operators in the said occupation is on layoff, except that if one or more operators is on voluntary layoff, then the above restriction shall not be applicable.

B. The lathe-utility machine operator, who operates two (2) machines, shall receive \$3.50 an hour over and above his normal rate when the second machine is started to be set up, and the premium rate shall continue for the duration of the particular shift. Such premium pay shall be paid to the operator monthly by a separate check. The Chief Steward and the Plant Superintendent will discuss the two-machine operation before it is put into effect each time until the operation can be worked out to cover all situations. No operator in the lathe-utility occupation will be asked to run two machines when one or more of the operators in the said operation is on layoff, except that if one or more operators is on voluntary layoff, then the above restrictions shall not be applicable."

C. The grinding operator, who operates two (2) machines, shall receive \$3.50 an hour over and above his normal rate when the second machine is started to be set up, and the premium rate shall continue for the duration of the particular shift. Such premium pay shall be paid to the operator monthly by separate check. The Chief Steward and the Plant Superintendent will discuss the two-machine operation before it is put into effect each time until the operation can be worked out to cover all situations. No operator in the grinding occupation will be asked to run two machines when one or more of the operators in the said occupation is on layoff, except that if one or more operators is on voluntary layoff, then the above restriction shall not be applicable."

D. The occupation of handyman shall be changed to maintenance man, and the current holder of that occupation (Larry R. Sultzer), shall receive a red circle rate effective 1/16/2013 equal to the top of the machinist class. He shall also receive the same adjustments paid in the 2nd and 3rd year of this Agreement to such rate.

E. The occupation of shipper shall be combined with that of packer and cutter effective upon the current holder of said occupation, Mr. Peter Fazio, leaving that occupation. When this occurs the rate of pay for packer cutter shipper shall be the shipper rate then in effect.

EXHIBIT "A"

ASSIGNMENT TO AND AUTHORIZATION TO DEDUCT AND PAY UNION DUES
AND INITIATION FEES TO IUE-CWA, THE INDUSTRIAL
DIVISION OF THE COMMUNICATION WORKERS OF AMERICA (C.W.A.)
AFL-CIO-CLC AND LOCAL 88643

Date: _____

Paymaster, _____

Company

You are hereby authorized and directed for the duration of the Agreement, effective _____, 2010, between the Company and the Union, to deduct from earnings and pay over to the Union monthly Union Dues and Initiation Fees, if payable, as certified to the Company by the Local Union. You are hereby authorized to deduct such dues and fees from earnings payable the ____ pay day of each month, but if not so then deducted in any particular month, you are then authorized to make such deduction from my earnings payable in any subsequent month.

This authorization shall remain in effect until revoked by me and shall be irrevocable for a period of one year from the date appearing above (or until the expiration of the present Agreement between the Company and the Union, whichever is sooner), at which time it may be revoked by written notice by Registered Mail given by me to the Company and the Union, at any time during the period of five days prior to the expiration of the present Agreement, whichever is sooner. If no such notice is given, this authorization shall be irrevocable for successive periods of one year thereafter or for the term of any succeeding collective bargaining agreement between the Company and the Union, whichever period is shorter, with the same privilege of revocation at the end of each such period.

EXHIBIT "E"

INSURANCE ADDENDUM

- A. Effective 1/16/2016, \$35,000 Life Insurance & AD&D for each full-time regular employee with one year or more of service and \$10,000 for employees with less than one year of service.
- B. Each retired employee who retired prior to 1/6/00 will have the option to continue \$1,000 Life Insurance for which the retired employee will pay the premium.
- C. Sick and Accident Insurance:
- (1) Effective 1/16/2013, \$420/52 weeks coverage for all employees with one year or more of service, and \$405/26 weeks for employees with less than one year of service.
 - (2) Effective 1/16/2014, \$430/52 weeks coverage for employees with one year or more of service. \$415/26 weeks for employees with less than one year of service.
 - (3) Effective 1/16/20¹⁵~~16~~, \$440/52 weeks coverage for employees with one year or more of service, \$425/26 weeks for employees with less than one year of service.
- D. The Company will provide for each employee the health insurance which is currently in effect. The company will absorb the first 5% of health care cost increases over the current rates. If the health care cost increase is more than 5%, then the difference between the total percentage increase and 5% will be multiplied times the wage increase and the result will be deducted from such increase. This same formula will be used for any health care increases occurring in 2014 and 2015.

If an employee can secure coverage under the employee's spouse's health care coverage and can show that he is so covered, then he will be removed from the Company's plan and be paid 33% of the cost of the premium the Company is paying towards the coverage which he previously was provided for each month that the said employee is covered by his spouse's health care coverage.

All new employees hired after 1/16/06 and who are covered or can be covered by his spouse's health care insurance must be covered or continue to be covered said spouse's health care insurance and shall not be covered by the Company's health care insurance and the Company will pay to said employee 33% of the cost of the premium of the Company's health care insurance which

would have been paid for said employee for each month to said employee so long as the said employee is covered by his spouse's health care coverage.

The Company shall, after consultation and discussion with the Union, have the right to change medical and health insurance carriers if the new carrier or carriers provide comparable coverage to that provided by the Health America and Health Assurance in effect at the effective date of this Agreement if such coverage that the Company is required to provide can be obtained at a cost which is less than that which the Company has been paying prior to in the prior health care year (i.e., April 1 through March 31).

The Company further agrees to reimburse each employee for the out-of-pocket expenses which he is required to pay which were previously paid by Blue Cross or Blue Shield up to a maximum of \$150 per year. Such payments will be made semi-annually to the employee after receiving a receipt for the same from the employee.

The Company agrees to pay any current employee who retires and has (1) 12 or more years of seniority (2) collects and IUE pension pursuant to Article XXVI and (3) is not working full time, \$100 per month for 18 months from the date of the said employee's retirement which payment will be used to reduce the former employee's Cobra payment.