



Cornell University
ILR School

BLS Contract Collection – Metadata Header

This contract is provided by the Martin P. Catherwood Library, ILR School, Cornell University. The information provided is for noncommercial educational use only.

Some variations from the original paper document may have occurred during the digitization process, and some appendices or tables may be absent. Subsequent changes, revisions, and corrections may apply to this document.

For more information about the BLS Contract Collection, see
<http://digitalcommons.ilr.cornell.edu/blscontracts/>

Or contact us:

Catherwood Library, Ives Hall, Cornell University, Ithaca, NY 14853
607-254-5370 ilrref@cornell.edu

Contract Database Metadata Elements (for a glossary of the elements see -
<http://digitalcommons.ilr.cornell.edu/blscontracts/2/>)

Title: **Acme Steel Company, Acme Packaging Corporation, Acme Metals Incorporated and United Steelworkers of America (USWA), AFL-CIO-CLC (1993) (MOA)**

K#: **2500**

Employer Name: **Acme Steel Company, Acme Packaging Corporation, Acme Metals Incorporated**

Location: **IL Riverdale**

Union: **United Steelworkers of America (USWA), AFL-CIO-CLC**

SIC: **3312**

NAICS: **331111**

Sector: **P**

Number of Workers: **1150**

Effective Date: **02/04/00**

Expiration Date: **12/31/05**

Number of Pages: **344**

Other Years Available: **Y**

For additional research information and assistance, please visit the Research page of the Catherwood website - <http://www.ilr.cornell.edu/library/research/>

For additional information on the ILR School, <http://www.ilr.cornell.edu/>

Post-It™ brand fax transmittal memo 7671 # of pages • 4/

To <i>Rick Connell</i>	From <i>Juan Requena</i>
Co.	Co.
Dept.	Phone #
Fax # <i>202-691-6647</i>	Fax #

K-2500

*MM
2-4-2000
[Signature]*

*4 pp.
+ 334 pp.
338 pp.*

SETTLEMENT AGREEMENT

RIVERDALE PLANT

DATED: 2/04/2000

X: 12/05

*Reed
3/12/04*

*1180
workers*

This Agreement, which covers the terms and conditions at the Riverdale Plant, is entered into between the United Steelworkers of America (AFL-CIO-CLE) (the "Union") and Acme Steel Company (Riverdale Plant) and Acme Packaging Corporation (Riverdale Plant) (the "Company"), and Acme Metals Incorporated. The Union and the Company agree that the September 01, 1993 Riverdale Plant Agreement shall be changed only as necessary to reflect the following to provide a new Agreement that will become effective on the date determined by Appendix A of this Settlement Agreement and terminate in accordance with "I" below.

I. Modify Article XXII ("Termination Date") of the Labor Agreement as follows:

A. Change "August 31, 1999 (11:59 P.M.)" to "December 31, 2005 (11:59 P.M.)"

B. Change "September 03, 1999" to "December 31, 2005".

II. The parties agree that the "Pension Agreement" dated January 01, 2000, and the "Insurance Agreement" dated January 01, 1994, and the "Pensioners' and Surviving Spouses' Health Insurance Agreement" dated January 01, 1994, between them shall remain in effect until April 30, 2006, thereafter subject to the right of either party on one hundred and twenty (120) days written notice served on or after December 31, 2005, to terminate any or all of these three (3) Agreements.

III. The following shall become effective on the date determined by Appendix A of this Settlement Agreement, unless otherwise specified in this Settlement Agreement or the applicable Appendix:

A. Adopt the "Agreement Conditioned On Successful Emergence From Bankruptcy" set forth in Appendix A.

B. The Standard Hourly Wage Scale for non-incentive jobs and the Standard Hourly Wage Scale for incentive jobs (Incentive Calculation Rate and Hourly Additive) are provided in Appendices B-1, B-2, B-3, and B-4.

C. The Inflation Recognition Payment as provided in Appendix C.

MM
2-4-2000
JH

- D. Adopt the changes to the Pension Agreement set forth in Appendix D.
- E. Adopt the "Letter Agreement On Interpretation Of Successorship" set forth in Appendix E.
- F. Adopt the Letter Agreement on Neutrality set forth in Appendix F and the Letter Agreement dated August 23, 1999 regarding application of exceptions to the Letter Agreement on Neutrality as set forth in Appendix F-1.
- G. Adopt the changes in Contracting Out provisions set forth in Appendix G.
- H. Adopt the new provisions concerning the Overtime Control Program set forth in Appendix H.
- I. Adopt the Letter of Understanding concerning Stand Up For Steel set forth in Appendix I.
- J. Adopt the changes in the Vacation provisions of Article XIII set forth in Appendix J.
- K. Adopt the Letter of Understanding concerning Workplace Harassment and Prevention set forth in Appendix K.
- L. Adopt the Coordinator Letter of Understanding set forth in Appendix L.
- M. Adopt the Letter of Understanding concerning Trade and Craft Training set forth in Appendix M; the Riverdale Plant Maintenance Training Plan set forth in Appendix M-1; and the revised Appendix W of the Riverdale Plant Labor Agreement set forth in Appendix M-2.
- N. Adopt the Letter Agreement concerning disputes over compliance with the standards of the Partnership Agreement set forth in Appendix N and the changes in Appendix S of the Riverdale Plant Labor Agreement set forth in Appendix N-1.
- O. Adopt the Letter Agreement on Ergonomics set forth in Appendix O and the Letter Agreement on Workplace Violence set forth in Appendix O-1.

K# 2500

EES = 1,150

AGREEMENT

Between

ACME STEEL COMPANY
(Riverdale Plant)

and

ACME PACKAGING CORPORATION
(Riverdale Plant)

and

UNITED STEELWORKERS
OF AMERICA

September 1, 1993



X- 8/31/99 334 pp.

AGREEMENT

Between

**ACME STEEL COMPANY
(Riverdale Plant)**

and

**ACME PACKAGING CORPORATION
(Riverdale Plant)**

and

**UNITED STEELWORKERS
OF AMERICA**

Duration =

September 1, 1993 - 8/31/99

TABLE OF CONTENTS

<u>Article</u>		<u>Page</u>	<u>Section</u>
	Agreement	1	
I	Purpose and Intent of the Parties	2	1
II	Scope of the Agreement.....	5	
	Scope	5	1
	Coverage	5	2
III	Management	24	
IV	Union Membership and Checkoff.....	25	
	Union Membership.....	25	1
	Checkoff	26	2
	Indemnity Clause	29	3
V	Adjustment of Complaints and Grievances.....	30	
	Purpose	30	1
	Definitions.....	30	2
	Union Grievance Committee	30	3
	Complaint and Grievance Procedure	32	4
	General Provisions Applying to Complaints and Grievances	40	5
	Union Complaints or Grievances	43	6
	Suspension of Complaint and Grievance Procedure	43	7
	Waiver of Complaint and Grievance Procedure	44	8
	Access to Plant.....	44	9
	Arbitration	44	10
	Suspension and Discharge Cases.....	46	11
VI	No Strikes or Lockouts	50	

TABLE OF CONTENTS

<u>Article</u>		<u>Page</u>	<u>Section</u>
VII	Hours of Work	51	
	Scope	51	1
	Normal Work Day.....	51	2
	Normal Work Pattern and Schedules for New Mill Employees.....	51	3
	Normal Work Pattern for Old Mill Employees.....	53	4
	Posting Schedules	53	5
	Reporting Allowance	54	6
	Allowance for Jury or Witness Service.....	55	7
	Allowance for Military Encampment.....	55	8
	Industrial Accident Allowance	56	9
	Allowance for Funeral Leave	56	10
	Absenteeism.....	57	11
VIII	Overtime - Premium - Holidays	58	
	Purpose	58	1
	Definition of Terms.....	58	2
	Overtime for New Mill Employees. Conditions Under Which Overtime Rates Shall Be Paid	59	3
	Sunday Premium for New Mill Employees ..	60	4
	Overtime Premium for Old Mill Employees.....	60	5
	Holiday Premium for New Mill and Old Mill Employees	61	6
	Non-Duplication	61	7
	Overtime Distribution.....	62	8
	Pay for Holidays Not Worked	62	9
	Overtime Computation - Union Officials....	63	10
IX	Safety and Health	65	
	Safety Devices, Wearing Apparel, and Equipment	65	1
	Safety Committee	65	2
	Safety Hazards	67	3

TABLE OF CONTENTS

<u>Article</u>		<u>Page</u>	<u>Section</u>
X	Bulletin Boards	68	
	Posting of Notices	68	1
	Other Matters.....	68	2
XI	Leaves of Absence	69	
	General.....	69	1
	Positions with International or Local Union	69	2
XII	Military Service	70	
XIII	Vacations	72	
	Eligibility.....	72	1
	Length of Vacation and Vacation Pay.....	73	2
	Scheduling of Regular Vacations.....	74	3
	Vacation Pay.....	78	4
	Vacation Allowance.....	79	5
XIV	Wages	80	
	Standard Hourly Wage Scale	80	1
	Application of Standard Hourly Wage Scale	80	2
	Trade or Craft Additive.....	84	3
	New and Adjusted Incentives	85	4
	Description and Classification of New or Changed Jobs.....	91	5
	Existing Incentive Plans	95	6
	(Reserved For Future Use)	96	7
	Adjustment of Personal Out-of-Line Differentials on Incentive and Non-Incentive Jobs	96	8
	Performance Standards on Non-Incentive Jobs.....	96	9
	Wage Rate Inequity Complaints or Grievances	96	10
	Correction of Errors.....	97	11
	Allowance Provision.....	97	12
	Shift Differentials.....	97	13
	Earnings Protection Plan.....	99	14

TABLE OF CONTENTS

<u>Article</u>		<u>Page</u>	<u>Section</u>
XV	Severance Allowance.....	104	
	Conditions of Allowance.....	104	1
	Eligibility.....	105	2
	Scale of Allowance.....	105	3
	Calculation of Allowance.....	106	4
	Payment of Allowance.....	106	5
	Non-Duplication of Allowance.....	106	6
	Election Concerning Layoff Status.....	107	7
XVI	Seniority	108	
	Seniority Status of Employees.....	108	1
	Determination of Seniority Units.....	109	2
	Posting of Job Openings.....	110	3
	Interplant and Intraplant Transfers.....	110	4
	Temporary Promotions.....	111	5
	Shift Preference.....	111	6
	Probationary Employees.....	112	7
	Calculation of Continuous Service.....	113	8
	Decrease of Force.....	115	9
	Seniority Status of Grievance Committeemen and Local Union Officers.....	115	10
	Interplant Job Opportunities.....	116	11
	Manning of New Facilities.....	122	12
XVII	(Reserved for future use)		
XVIII	Supplemental Unemployment Benefit Plan.....	124	
	Description of Plan.....	124	1
	Coverage.....	124	2
	Reports to the Union.....	125	3
XIX	Local Working Conditions.....	126	
XX	Sub and Insurance Grievances.....	128	
XXI	Prior Agreements.....	132	
XXII	Termination Date.....	133	

TABLE OF CONTENTS

<u>Appendix</u>	<u>Page</u>
A	Standard Hourly Wage Scale - Non-Incentive Jobs..... 136
A-1	Wages - Incentives Jobs (ICR, Hourly Additive)..... 138
A-2	Inflation Recognition Payment 142
A-3	Special Payment Conditioned on Profitability..... 145
A-4	Signing Bonus and Lump Sum Bonuses..... 147
B	Memorandum of Understanding on Miscellaneous Matters 149
C	Non-Incentive Bonus 150
D	Memorandum of Understanding Concerning Incentive Arbitration Award 151
D(R)	Incentive Study 153
D-1	Letter Agreement Regarding Incentives..... 155
E	Apprenticeship Training Memorandum of Understanding..... 156
F	Letter of Understanding - Employee Hours of Pay Guarantee..... 158
G	Incentive Check List 160
H	Labor-Management Participation Teams (LMPT) Agreement 163
I	Dealing With Testing 166

TABLE OF CONTENTS

<u>Appendix</u>	<u>Page</u>
J Memorandum of Understanding Concerning Training and Education	169
K Miscellaneous Understandings on Safety and Health Matters.....	176
I Letter Agreement Regarding Safety and Health Information.....	178
II Memorandum of Understanding on Safety and Health Training.....	179
III Memorandum of Understanding on Toxic Materials	179
IV Memorandum of Understanding on Sampling	179
V Memorandum of Understanding on Medical Records	180
VI Memorandum of Understanding on Safety Shoes	180
VII Letter Agreement Regarding Indemnification	181
L National Policy For Steel Agreement	184
M Understandings on Corporate Issues.....	188
I Letter of Understanding - Right of First Offer on Sale of Acme Steel Company Common Stock.....	188
II Letter of Understanding - Acme Metals, Incorporated's and Acme Packaging Corporation's Signatures on the Collective Bargaining Agreement.....	192
III Letter Agreement - Board of Directors	194
N Memorandum of Understanding on Successorship	196

TABLE OF CONTENTS

Appendix	Page
O	Memorandum of Agreement Concerning Bidding Rights of Employees While on Layoff From the Plant 198
P	Profit Sharing Plan 200
Q	Letter of Understanding Regarding VEBA..... 209
R-1	Employment Security Plan 211
R-2	Memorandum of Understanding on Productivity..... 226
R-3	Memorandum of Understanding on Attrition Inducements 232
S	Memorandum of Understanding on Cooperative Partnership..... 235
T	Letter of Understanding on Neutrality in Union Organizing Campaigns..... 250
U	Memorandum of Understanding and Commitment..... 254
V-1	Letter of Understanding Regarding The Family and Medical Leave Act of 1993..... 255
V-2	Letter of Understanding Regarding Americans With Disabilities Act 257
W	Memorandum of Understanding on Trade or Craft Usage and Training Program..... 258
X	Letter Agreement Regarding National Health Care 262
Y	Letter of Understanding Regarding USW/PAC Checkoff Agreement) 264
Z	Reopener Negotiations and Interest Arbitration..... 267

TABLE OF CONTENTS

<u>Appendix</u>	<u>Page</u>
AA Letter Agreement Concerning Floating Holiday.....	273
BB Letter of Understanding Regarding "As Is, Where Is"	274
CC Memorandum of Agreement Concerning Transitional Period Matters.....	275

TABLE OF CONTENTS

AGREEMENT ON RULES FOR THE APPLICATION OF THE SENIORITY FACTORS (Seniority Rules)

<u>Paragraph</u>	<u>Page</u>
A Purpose, Guides and Types of Continuous Service	289
B Uses of Types of Continuous Service	291
C Posting of Job Openings	292
D Temporary Promotions	293
E Downgrading and Layoff	294
F Recalls	298
G Job Assignment Requests	300
H Exceptions to Seniority Rules	302
I Rules for Supplementary Agreements	302
J Transitional Employee	302
Appendix A Seniority Rules Applicable to the Steel Producing and Primary Rolling Mill Divisions	303
A Introduction	303
B Uses of Types of Continuous Service	304
C Posting of Job Openings	304
D Temporary Promotions	305

TABLE OF CONTENTS

Paragraph	Page
E Downgrading and Layoff.....	305
F Recalls.....	308
G Job Assignment Requests, Supplementary Agreements.....	309
H (Reserved For Future Use)	
I (Reserved For Future Use)	
J Placement of New Jobs.....	309
K Transitional Employees.....	309
Exhibit A.....	310
Exhibit A-1.....	312
Exhibit B.....	313
Exhibit B-1.....	314
Supplemental Understandings.....	315

AGREEMENT

THIS AGREEMENT, dated September 1, 1993, is between ACME STEEL COMPANY, Riverdale Plant, and ACME PACKAGING CORPORATION, Riverdale Plant (hereinafter referred to as the "Company"), and UNITED STEELWORKERS OF AMERICA (hereinafter referred to as the "Union"). Except as otherwise expressly provided herein, the provisions of this Agreement shall be effective September 1, 1993.

The Union having been designated the exclusive collective bargaining representative of the employees of the Company, as defined in Article II, Scope of the Agreement, the Company recognizes the Union as such exclusive representative. Accordingly, the Union makes this Agreement in its capacity as the exclusive collective bargaining representative of such employees. The provisions of this Agreement constitute the sole procedure for the processing and settlement of any claim by an employee or the Union of a violation by the Company of this Agreement. As the representative of the employees, the Union may prosecute complaints and grievances through the complaint and grievance procedure, including arbitration, in accordance with this Agreement, or adjust or settle the same.

ARTICLE I - PURPOSE AND INTENT OF THE PARTIES

ARTICLE I

PURPOSE AND INTENT OF THE PARTIES

Section 1

- (A) The purpose of the Company and the Union in entering into this Labor Agreement is to set forth their agreement on rates of pay, hours of work, and other conditions of employment so as to promote orderly and peaceful relations with the employees, to achieve uninterrupted operations in the plant, and to achieve the highest level of employee performance consistent with safety, good health, and sustained effort.
- (B) The Company and the Union encourage the highest possible degree of friendly, cooperative relationships between their respective representatives at all levels and with and between all employees. The officers of the Company and the Union realize that this goal depends on more than words in a labor agreement, that it depends primarily on attitudes between people in their respective organizations and at all levels of responsibility. They believe that proper attitudes must be based on full understanding of and regard for the respective rights and responsibilities of both the Company and the Union. They believe also that proper attitudes are of major importance in the plant where day-to-day operations and administration of this Agreement demand fairness and understanding. They believe that these attitudes can be encouraged best when it is made clear that Company and Union officials, whose duties involved negotiation of this Agreement, are not anti-Union or anti-Company but are sincerely concerned with the best interests and well-being of the business and all employees.

ARTICLE I - PURPOSE AND INTENT OF THE PARTIES

- (C) The parties recognize that for their joint benefit, increases in wages and benefits should be consistent with the long-term prosperity and efficiency of the steel industry.

The parties are concerned that the future for the industry in terms of employment security and return on substantial capital expenditures will rest heavily upon the ability of the parties to work cooperatively to achieve significantly higher productivity trends than have occurred in the recent past. The parties are acutely aware of the impact upon the industry and its employees of the sizable penetration of the domestic steel market by foreign producers. The parties have joined their efforts in seeking relief from the problem of massive importation of foreign steel manufactured in low-wage countries. Thus, it is incumbent upon the parties to work cooperatively to meet the challenge posed by principal foreign competitors in recent years. It is also important that the parties cooperate in promoting the use of American-made steel.

- (D) By such arrangement, the parties believe that they, as men of good will with sound purpose, may best protect private enterprise and its efficiency in the interests of all, as well as the legitimate interest of their respective organizations within the framework of a democratic society in which regard for fact and fairness is essential.

- (E) It is the continuing policy of the Company and the Union that the provisions of this Agreement shall be applied to all employees without regard to race, color, religious creed, national origin, handicap, disabled veteran and veteran of the Vietnam era status, sex or age, except where sex or age is a bona fide occupational qualification. It is also the continuing policy of the Company and the Union that all employees shall be provided a workplace free of sexual harassment. Sexual harassment shall be considered discrimination under this provision. In the event that any such discrimination should occur, the

ARTICLE I - PURPOSE AND INTENT OF THE PARTIES

Company shall take corrective action as appropriate. Neither the Company nor the Union shall retaliate against an employee who complains of such discrimination, or who is a witness to such discrimination.

A joint Committee on Civil Rights shall be established at the plant. The Union representation on the Committee shall be no more than three (3) members of the Union, in addition to the President and Chairman of the Grievance Committee. The Union members shall be certified to the Manager of Human Resources by the Union and the Company members shall be certified to the Union.

The Company and Union members of the joint Committee shall meet at mutually agreeable times, but no less than once each month. The joint Committee shall review matters involving Civil Rights and advise with the Company and the Union concerning them, but shall have no jurisdiction over the filing or processing of grievances. This provision shall not affect any existing right to file a grievance nor does it enlarge the time limits for filing and processing grievances.

- (F) The representatives of the Company and the Union shall continue to provide each other with such advance notice as is reasonable under the circumstances on all matters of importance in the administration of the terms of this Labor Agreement, including changes or innovations affecting the relations between the local parties.

ARTICLE II - SCOPE OF THE AGREEMENT

ARTICLE II

SCOPE OF THE AGREEMENT

Section 1 Scope.

This Agreement relates only to the Riverdale Plant of the Company located at Riverdale, Illinois.

Section 2 Coverage.

- (A) The term "employee," as used in this Agreement, applies to all hourly paid employees of the Company at its Riverdale Plant, excluding Division Managers, Assistant Division Managers, Designing Engineers, Area and Shift Managers, Assistant Managers, and any other supervisory employees with authority to hire or fire or otherwise effect changes in the status of an employee or effectively recommend such action, watchmen, timekeepers, office, clerical, and restaurant employees.
- (B) When Management establishes a new or changed job in the plant so that duties involving a significant amount of production or maintenance work, or both, which is performed on a job within the bargaining unit (or, in the case of new work, would be performed on such a job) are combined with duties not normally performed on a job within the bargaining unit, the resulting job in the plant shall be considered as within the bargaining unit. This provision shall not be construed as enlarging or diminishing whatever rights exist in respect of withdrawal of non-bargaining unit duties from a job in the bargaining unit, provided that where non-bargaining unit duties are placed in a job in the bargaining unit under this provision, such duties may be withdrawn at any time. Management shall, on request, furnish to the Union reasonable

ARTICLE II - SCOPE OF THE AGREEMENT

information to permit determination of questions of compliance with this provision.

- (C) The parties recognize the seriousness of the problems associated with contracting out work both inside and outside the plant and have accordingly agreed as follows.

The parties have existing rights and contractual understandings with respect to contracting out. In addition, the following provisions shall be applicable to all contracting out issues subject to, and arising on or after the effective date of, this Agreement.

1. Basic Prohibition

In determining whether work should be contracted out or accomplished by the bargaining unit, the guiding principle is that work capable of being performed by bargaining unit employees shall be performed by such employees. Accordingly, the Company will not contract out any work for performance inside or outside the plant unless it demonstrates that such work meets one of the following exceptions.

2. Exceptions

a. Work In the Plant

- (1) Production, service, all maintenance and repair work, all installation, replacement and reconstruction of equipment and productive facilities, other than that listed in Subparagraph 2a(2) below, all within a plant, may be contracted out if (1) the consistent practice has been to have such work

ARTICLE II - SCOPE OF THE AGREEMENT

performed by employees of contractors and (2) it is more reasonable (within the meaning of Paragraph 3 below) for the Company to contract out such work than to use its own employees.

- (2) Major new construction, including major installation, major replacement and major reconstruction of equipment and productive facilities at the plant, may be contracted out subject to any rights and obligations of the parties which, as of the beginning of the period commencing August 1, 1963, are applicable at the plant. A project shall be deemed major so as to fall within the scope of this exception if it is shown by the Company that the project is of a grander or larger scale when compared to other projects bargaining unit forces at the plant are normally expected to do. Such comparison should be made in light of all relevant factors.

As regards to the term "new construction" above, except for work done on equipment or systems pursuant to a manufacturer's warranty, work that is of a peripheral nature to major new construction, including major installation, major replacement and major reconstruction of equipment and production facilities, and which does not concern the main body of work shall be assigned to

ARTICLE II - SCOPE OF THE AGREEMENT

employees within the bargaining unit unless it is more reasonable to contract out such work taking into consideration the factors set forth in Paragraph 3 below or it is otherwise mutually agreed. For purposes of this provision, the term "work of a peripheral nature," may in certain instances include, but not be limited to, demolition, site preparation, road building, utility hook-ups, pipe lines and any work which is not integral to the main body.

b. Work Outside the Plant

- (1) Should the Company contend that maintenance or repair work to be performed outside the plant or work associated with the fabricating of goods, materials or equipment purchased or leased from a vendor or supplier should be excepted from the prohibitions of this Section, the Company must demonstrate that it is more reasonable (within the meaning of Paragraph 3 below) for the Company to contract for such work (including the purchase or lease of the item) than to use its own employees to perform the work or to fabricate the item.

Notwithstanding the above, the Company may purchase standard components or parts or supply items, mass produced for sale generally ("shelf items"). No item shall be

ARTICLE II - SCOPE OF THE AGREEMENT

deemed a standard component or part or supply item if its fabrication requires the use of prints, sketches or manufacturing instructions supplied by the Company or at its behest or it is otherwise made according to Company specifications.

- (2) Production work may be performed outside the plant only where the Company demonstrates that it is unable because of lack of capital to invest in necessary equipment or facilities, and that it has a continuing commitment to the steelmaking business. In determining whether there is capital to invest in particular equipment or facilities, the Company is entitled to make reasonable judgments about the allocation of scarce capital resources among its plants.

c. Mutual Agreement

Work contracted out by mutual agreement of the parties pursuant to Paragraph 6 below.

3. Reasonableness

In determining whether it is more reasonable for the Company to contract out work than use its own employees, the following factors shall be considered:

- a. Whether the bargaining unit will be adversely impacted.

ARTICLE II - SCOPE OF THE AGREEMENT

- b. The necessity for hiring new employees shall not be deemed a negative factor except for work of a temporary nature.
- c. Desirability of recalling employees on layoff.
- d. Availability of qualified employees (whether active or on layoff) for a duration long enough to complete the work.
- e. Availability of adequate qualified supervision.
- f. Availability of required equipment either on hand or by lease or purchase, provided that either the capital outlay for the purchase of such equipment, or the expense of leasing such equipment, is not an unreasonable expenditure in all the circumstances at the time the proposed decision is made.
- g. The expected duration of the work and the time constraints associated with the work.
- h. Whether the decision to contract out the work is made to avoid any obligation under the collective bargaining agreement or benefits agreements associated therewith.
- i. Whether the work is covered by a warranty necessary to protect the Company's investment. For purposes of this subparagraph, warranties are intended to include work performed for the limited time necessary to make effective the following seller guarantees:
 - (1) Manufacturer guarantees that new or rehabilitated equipment or systems

ARTICLE II - SCOPE OF THE AGREEMENT

are free of errors in quality, workmanship or design.

- (2) Manufacturer guarantees that new or rehabilitated equipment or systems will perform at stated levels of performance and/or efficiency subsequent to installation.

Warranties are commitments associated with a particular product or service in order to assure that seller representations will be honored at no additional cost to the Company. Long-term service contracts are not warranties for the purposes of this subparagraph.

- j. In the case of work associated with leased equipment, whether such equipment is available without a commitment to use the employees of outside contractors or lessors for its operation and maintenance.
- k. Whether, in connection with the subject work or generally, the Local Union is willing to waive or has waived restrictive working conditions, practices or jurisdictional rules (all within the meaning of "local working conditions" and the authority provided by this Agreement).

4. Contracting Out Committee

- a. A regularly constituted committee consisting of not more than four persons (except that the committee may be enlarged to six persons by local agreement), half of

ARTICLE II - SCOPE OF THE AGREEMENT

whom shall be members of the bargaining unit and designated by the Union in writing to the Plant Management and the other half designated in writing to the Union by the Plant Management, shall attempt to resolve problems in connection with the operation, application and administration of the foregoing provisions.

- b. In addition to the requirements of Paragraph 5 below, such committee may discuss any *other current problems with respect to contracting out* brought to the attention of the committee.
- c. Such committee shall meet at least one time each month.

5. Notice and Information

Before the Company finally decides to contract out an item of work as to which it claims the right to contract out, the Union committee members will be notified. Except as provided in Paragraph 8 below (Shelf Item Procedure), such notice will be given in sufficient time to permit the Union to invoke the Expedited Procedure described in Paragraph 7 below, unless emergency situations prevent it. Such notice shall be in writing and shall be sufficient to advise the Union members of the committee of the location, type, scope, duration and timetable of the work to be performed so that the Union members of the committee can adequately form an opinion as to the reasons for such contracting out. Such notice shall generally contain the information set forth below:

- a. Location of work.

ARTICLE II - SCOPE OF THE AGREEMENT

- b. Type of work:
 - (1) Service
 - (2) Maintenance
 - (3) Major Rebuilds
 - (4) New Construction
- c. Detailed description of the work.
- d. Crafts or occupations involved.
- e. Estimated duration of work.
- f. Anticipated utilization of bargaining unit forces during the period.
- g. Effect on operations if work not completed in timely fashion.

A form notice has been developed for the submission of the information described above. Either the Union members of the committee or the Company members of the committee may convene a prompt meeting of the committee. Should the Union committee members believe a meeting to be necessary, they shall so request the Company members in writing within five (5) days (excluding Saturdays, Sundays and holidays) after receipt of such notice and such a meeting shall be held within three (3) days (excluding Saturdays, Sundays and holidays) thereafter. The Union members of the committee may include in the meeting the Union representative from the area in which the problem arises. At such meeting, the parties should review in detail the plans for the

ARTICLE II - SCOPE OF THE AGREEMENT

work to be performed and the reasons for contracting out such work. Upon their request, the Union members of the committee will be provided any and all relevant information in the Company's possession relating to the reasonableness factors set forth in Paragraph 3 above. Included among the information to be made available to the committee shall be the opportunity to review copies of any relevant proposed contracts with the outside contractor. This information will be kept confidential. The Management members of the committee shall give full consideration to any comments or suggestions by the Union members of the committee and to any alternate plans proposed by Union members for the performance of the work by bargaining unit personnel. Except in emergency situations, such discussions, if requested, shall take place before any final decision is made as to whether or not such work will be contracted out.

Should the Company committee members fail to give notice as provided above, then not later than thirty (30) days from the date of the commencement of the work a grievance relating to such matter may be filed under the complaint and grievance procedure. Should it be found in the arbitration of a grievance alleging a failure of the Company to provide the notice or information required under this Paragraph 5 that such notice or information was not provided, that the failure was not due to an emergency requirement, and that such failure deprived the Union of a reasonable opportunity to suggest and discuss practicable alternatives to contracting out, the arbitrator shall have the authority to fashion a remedy, at his discretion, that he deems appropriate to the circumstances of the particular case. Such

ARTICLE II - SCOPE OF THE AGREEMENT

remedy, if afforded, may include earnings and benefits to grievants who would have performed the work, if they can be reasonably identified.

Notwithstanding any other provision of this Agreement, where, at this plant, it is found that the Company (i) committed violations of Paragraph 5 that demonstrate willful conduct in violation of the notice provision or constitutes a pattern of conduct of repeated violations or (ii) violated a cease and desist order previously issued by the arbitrator in connection with a violation of Paragraph 5, the arbitrator may, as circumstances warrant, fashion a suitable remedy or penalty.

6. Mutual Agreement and Disputes

The committee may resolve the matter by mutually agreeing that the work in question either shall or shall not be contracted out. Any such resolution shall be final and binding but only as to the matter under consideration and shall not affect future determinations under this Section.

If the matter is not resolved, or if no discussion is held, the dispute may be processed further in accordance with either of the following:

- a. By filing a grievance relating to such matter under the complaint and grievance procedure described in Article V; or
- b. By submitting the matter to the Expedited Procedure set out in Paragraph 7 below.

7. Expedited Procedure

In the event that either the Union or Company

ARTICLE III - SCOPE OF THE AGREEMENT

members of the committee request an expedited resolution of any dispute arising under this Section, except Paragraph 8 (Shelf Item Procedure), it shall be submitted to the Expedited Procedure in accordance with the following:

- a. In all cases except those involving day-to-day maintenance and repair work and service, the Expedited Procedure shall be implemented prior to letting a binding contract.
- b. Within three (3) days (excluding Saturdays, Sundays and holidays) after either the Union or Company members of the committee determine that the committee cannot resolve the dispute, either party (Chairman of the Grievance Committee in the case of the local Union and the Manager of Human Resources in the case of the Company) may advise the other in writing that it is invoking this Expedited Procedure.
- c. An expedited arbitration must be scheduled within three (3) days (excluding Saturdays, Sundays and holidays) of such notice and heard at a hearing commencing within five (5) days (excluding Saturdays, Sundays and holidays) thereafter. An arbitrator shall hear the dispute and such arbitrator shall be selected by mutual agreement of the Step No. 4 representative of the Union and the Step No. 4 representative of the Company.
- d. The arbitrator must render a decision within forty-eight (48) hours (excluding Saturdays, Sundays and holidays) of the conclusion of the hearing. Such decision shall not be

ARTICLE II - SCOPE OF THE AGREEMENT

cited as a precedent by either party in any future contracting out dispute.

- e. Notwithstanding any other provision of this Agreement, any case heard in the Expedited Procedure before the work in dispute was performed may be reopened by the Union in accordance with this paragraph if such work, as actually performed, varied in any substantial respect from the description presented in arbitration, *except where the difference involved a good faith variance as to the magnitude of the project.* The request to reopen the case must be submitted within seven (7) days of the date on which the Union knew or should have known of the variance and shall contain a summary of the ways in which the work as actually performed differed from the description presented in arbitration. As soon as practicable after receipt of a request to reopen, an arbitration hearing date shall be scheduled. In a case reopened pursuant to this paragraph, the arbitrator shall determine whether the work in dispute, as it actually was performed, violated the provisions of Section C and, if so, the remedy. The prior decision regarding the subject work shall be considered in the determination and given weight in the subsequent dispute, except to the extent that it relied on an erroneous description.

- f. No testimony offered by an outside contractor may be considered in any proceeding alleging a violation of Section C unless the party calling the contractor provides the other party with a copy of each

ARTICLE II - SCOPE OF THE AGREEMENT

contractor document to be offered at least forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the commencement of the hearing.

6. Shelf Item Procedure

- a. No later than July 1, 1994, and, except as provided herein, annually thereafter, the Company shall provide the Union members of the committee with a list and description of anticipated ongoing purchases of each item which the Company claims to be a shelf item within the meaning of Subparagraph 2b(1) above. If the Union members of the committee so request, the list shall not include any item included on a previous list where the status of that item, as a shelf item, has been expressly resolved. Within sixty (60) days of the submission of the list, either the Union members of the committee or the Company members may convene a prompt meeting of the committee to discuss and review the list of items and, if requested, the facts underlying the Company's claim that such items are shelf items.
- b. The committee may resolve the matter by mutually agreeing that the item in question either is or is not a shelf item. With respect to any item as to which the Union members of the committee agree with the Company's claim that it is a shelf item, the Company shall be relieved of any obligation to furnish a contracting out notice until the July 1 next following such Agreement and thereafter, if the Union has requested that a resolved

ARTICLE II - SCOPE OF THE AGREEMENT

item be deleted from the shelf item list in accordance with (8a) above.

- c. *If the matter is not resolved, any dispute may be processed further by filing, within thirty (30) days of the date of the last discussion, a grievance in Step 3 of the complaint and grievance procedure described in Article V. Except as provided in (8e) below, such a grievance shall include all items in dispute. However, where a number of items raise the same or similar issues, those items may be grouped in a single class or category.*
- d. *An item which the Company claims to be a shelf item, but which was not included on the list referred to above because no purchase was anticipated, shall be listed and described on a contracting out notice provided to the Union not later than the regularly scheduled meeting of the Contracting Out Committee next following purchase of the item. Thereafter, the parties shall follow the procedures set forth in Subparagraphs (8b) and (8c) above.*
- e. *The Union may file a grievance in accordance with Paragraphs 6 or 7 of this Section C with respect to any unresolved item of maintenance, repair work or work associated with the fabrication of goods, material or equipment performed outside the plant notwithstanding the inclusion of such item on the shelf item list previously furnished to the Union by the Company, provided such grievance is filed within thirty (30) days of the date on which the Union*

ARTICLE II - SCOPE OF THE AGREEMENT

knew or should have known of the performance of the work.

9. Annual Review

Commencing on or before October 1 of each year, the Company committee members shall meet with the Union committee members for the purpose of (i) reviewing all work whether inside or outside the plant which the Company anticipates may be performed by outside contractors or vendors at some time during the following calendar year, (ii) determining such work which should be performed by bargaining unit employees, and (iii) identifying situations where the elimination of restrictive practices would promote the performance of any such work by bargaining unit employees. The Union committee members shall be entitled in conducting this study to review any current or proposed contracts concerning items of work performed by the Company by outside contractors and vendors and shall keep such information confidential.

By no later than November 1 of each year these Local Union and Company committee members shall jointly submit a written report to the Union and Company Co-Chairmen of the Negotiating Committee or their designees describing the results of this review. Specifically, the report should list (a) all items of work which the parties agree will be performed by bargaining unit employees during the following year, (b) all items of work which the parties agree should be performed by outside contractors and vendors, and (c) those items on which the parties disagree. If the parties disagree, the report will state the reason for such disagreements.

ARTICLE II - SCOPE OF THE AGREEMENT

As to individual items of work, the Union and Company Co-Chairmen of the Negotiating Committee or their designees may (a) affirm the plant recommendation, (b) disagree with respect to the plant recommendation as to specific items and either (i) refer their dispute to arbitration under a procedure to be established by the parties or (ii) refer the matters back to the plant without resolution in which event the specific disputes will be handled under the provisions of this section at the time they may arise.

10. District Director/Vice President-Human Resources

It is the intent of the parties that the members of the joint plant contracting out committee shall engage in discussions of the problem involved in this field in a good-faith effort to arrive at mutual understandings so that disputes and grievances can be avoided. If either the Company or the Union members of the committee feel that this is not being done, they may appeal to the District Director of the Union and the Company's Vice President-Human Resources for review of the complaint about the failure of the committee to properly function. Such appeal shall result in a prompt investigation by the District Director or his designated representative and the Company's Vice President-Human Resources or his designated representative for such review. This provision should in no way affect the rights of the parties in connection with the processing of any grievance relating to the subject of contracting out.

- (D) 1. An employee who is assigned as a temporary Shift Manager as of the effective date of this Agreement, or who is thereafter so assigned, shall not cease to

ARTICLE II - SCOPE OF THE AGREEMENT

be an employee, although assignment to such position and the terms and conditions of employment applicable to the position shall continue to be solely as determined by the Company.

2. Such assignments shall be limited to:
 - a. The short-term absence of a Shift Manager for reasons such as sickness, jury duty, or vacation;
 - b. A Shift Manager position resulting from increases in operating requirements over and above normal levels. Such a position shall not be filled by the assignment of any employee as temporary Shift Manager for a period in excess of ten consecutive months; provided, however, that such period shall be extended in view of special circumstances. Management shall inform the Grievance Committeeman representing the department in which the position occurs of such extension;
 - c. Twenty-first turn coverage on continuous operations.
3. An employee assigned as a temporary Shift Manager on a weekly basis will not work in the bargaining unit during the week in which he is assigned as a temporary Shift Manager. An employee will not be assigned as a temporary Shift Manager merely as a means of retaining him in employment or of recalling him from layoff at a time when the application of his bargaining unit seniority would not otherwise result in his retention in employment.

ARTICLE II - SCOPE OF THE AGREEMENT

4. An employee assigned as a temporary Shift Manager will not issue discipline to employees, provided that this provision will not prevent a temporary Shift Manager from relieving an employee from work for the balance of the turn for alleged misconduct. An employee will not be called by either party in the grievance procedure or arbitration to testify as a witness regarding any events involving discipline which occurred while the employee was assigned as a temporary Shift Manager.
- (E) Any supervisor at the plant shall not perform work on a job normally performed by an employee in the bargaining unit at the plant; provided, however, this provision shall not be construed to prohibit supervisors from performing the following types of work:
1. Experimental work;
 2. Demonstration work performed for the purpose of instructing and training employees;
 3. Work required of the supervisors by emergency conditions which if not performed might result in interference with operations, bodily injury, or loss or damage to material or equipment; and
 4. Work which, under the circumstances then existing, it would be unreasonable to assign to a bargaining unit employee and which is negligible in amount.

If a supervisor performs work in violation of this Article II, Section 2(E), and the employee who otherwise would have performed this work can reasonably be identified, the Company shall pay such employee the applicable standard hourly wage rate for the time involved or for four hours, whichever is greater.

ARTICLE III - MANAGEMENT

ARTICLE III

MANAGEMENT

The company shall manage the plant and direct the working forces. The management of the plant includes the right to plan, direct and control plant operations, to hire, to discipline, suspend or discharge employees for proper cause, to transfer, to relieve employees from duty because of lack of work or for other legitimate reasons, and the right to introduce new or improved production methods or facilities, or to change existing production methods or facilities, provided that such authority shall not be exercised so as to conflict with any of the other provisions of this Agreement.

ARTICLE IV - UNION MEMBERSHIP AND CHECKOFF

ARTICLE IV

UNION MEMBERSHIP AND CHECKOFF

Section 1 Union Membership.

- (A) Each employee who on the effective date of this Agreement is a member of the Union in good standing and each employee who becomes a member after that date shall, as a condition of employment, maintain his membership in the Union.

- (B) Each employee hired on or after January 27, 1960, shall, as a condition of employment, beginning on the 30th day following the beginning of such employment or the effective date of this Agreement, whichever is the later, acquire and maintain membership in the Union.

- (C) On or before the last day of each month, the Union shall submit to the Company a notarized list showing separately for each plant, the name, department symbol, and check or badge number of each employee who shall have become a member of the Union in good standing other than pursuant to (B) above since the last previous list of such members was furnished to the Company. The Company shall continue to rely upon the membership lists which have been certified to it by the Union, subject to revision by the addition of new members certified to it by the Union between such date and the date of this Agreement and to the deletion of the names of employees who have withdrawn from membership during such period.

For the purposes 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

ARTICLE IV - UNION MEMBERSHIP AND CHECKOFF

employee in the Union is not in good standing and shall have given the Company a notice in writing of that fact.

- (D) In states in which the foregoing provisions may not lawfully be enforced, the following provisions, to the extent that they are lawful, shall apply:

Each employee who would be required to acquire or maintain membership in the Union if the foregoing Union security provisions could lawfully be enforced, and who falls voluntarily to acquire or maintain membership in the Union, shall be required, as a condition of employment, beginning on the 30th day following the beginning of such employment or the 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 employees. 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 for each month thereafter in an amount equal to the regular and usual monthly dues.

- (E) The foregoing provisions shall be effective in accordance and consistent with applicable provisions of federal and state law.

Section 2 Checkoff.

- (A) The Company will check off 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 checkoff authorization cards in forms agreed to by the Company and the Union.
- (B) At the time of his employment, the Company will suggest that each new employee voluntarily execute an

ARTICLE IV - UNION MEMBERSHIP AND CHECKOFF

authorization for the checkoff of Union dues in the form agreed upon. A copy of such authorization card for the checkoff of Union dues shall be forwarded to the Financial Secretary of the Local Union along with the membership application of such employee.

- (C) New checkoff authorization cards other than those provided for by (B) above will be submitted to the Company through the Financial Secretary of the Local Union at intervals no more frequent than once each month. On or before the last day of each month, the Union shall submit to the Company a summary list of cards transmitted in each month.
- (D) Deductions on the basis of authorization cards submitted to the Company shall commence with respect to dues for the month in which the Company receives such authorization card or in which such card becomes effective, whichever is later. Dues for a given month shall be deducted from the first pay closed and calculated in the succeeding month.
- (E) In cases of earnings insufficient to cover deductions of dues, the dues shall be deducted from the next pay in which there are sufficient earnings, or a double deduction may be made from the first pay of the following month; provided, however, that the accumulation of dues shall be limited to two months and that no dues shall be deducted from an employee unless that employee has received earnings equivalent to five days pay in the month. The International Treasurer of the Union shall be provided with a list of those employees for whom double deduction has been made.
- (F) 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.

ARTICLE IV - UNION MEMBERSHIP AND CHECKOFF

- (G) Unless the Company is otherwise notified, the only Union membership dues to be deducted for payment to the Union from the pay of the employee who has furnished an authorization shall be the monthly Union dues. The Company will deduct initiation fees when notified by notation on the lists referred to in Paragraph (C) of this Section and assessments as designated by the International Treasurer. With respect to checkoff authorization cards submitted directly to the Company, the Company will deduct initiation fees unless specifically requested not to do so by the International Treasurer of the Union after such checkoff authorization cards have become effective. The International Treasurer of the Union shall be provided with a list of those employees for whom initiation fees have been deducted under this paragraph.
- (H) The parties will make mutually satisfactory arrangements to insure that those employees who have signed effective checkoff authorizations will be picked up so long as the Company is not required to compile additional records.
- (I) The parties shall make such arrangements as may be necessary to adapt the foregoing checkoff provisions to the checkoff of the service charge referred to in Section 1(D) above, pursuant to voluntary authorizations therefor.
- (J) The provisions of this Section shall be effective in accordance and consistent with applicable provisions of federal law.

ARTICLE IV - UNION MEMBERSHIP AND CHECKOFF

Section 3 Indemnity Clause.

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 this Article, or in reliance on any list, notice, or assignment furnished under any of such provisions.

ARTICLE V - ADJ. OF COMPLAINTS AND GRIEVANCES

ARTICLE V

ADJUSTMENT OF COMPLAINTS AND GRIEVANCES

Section 1 Purpose.

The purpose of this Article is (1) to provide opportunity for discussion of any complaint, and (2) to establish procedures for the processing and settlement of grievances, as defined in Section 2 of this Article.

Section 2 Definitions.

"Complaint," as used in this Agreement, shall be interpreted to mean a request or complaint.

"Grievance," as used in this Agreement, is limited to a complaint of an employee which involves the interpretation or application of, or compliance with the provisions of this Agreement.

"Day," as used in this Article V, shall mean calendar day, but shall not include any Saturday, Sunday, or holiday, unless otherwise indicated herein.

Section 3 Union Grievance Committee.

(A) The Company will recognize not more than sixteen (16) nor less than five (5) Committeemen (including the Chairman and Assistant Chairman) selected by the Union. Committee members will be afforded such time off without pay as may be required to:

- (1) Attend scheduled Committee meetings which shall be held not less than once each month (unless by agreement between the Grievance Committee and Management, no monthly meeting is required);

ARTICLE V - ADJ. OF COMPLAINTS AND GRIEVANCES

- (2) Attend meetings pertaining to suspension or discharge or other matters which cannot reasonably be delayed until the time of the next regular meeting; and
 - (3) Visit sections other than their own at all reasonable times for the purpose of transacting the legitimate business of the Grievance Committee after notice to the supervisor of the section to be visited and permission from their supervisor, or his designated representative.
- (B) Where the Grievance Committee so decides, Assistant Grievance Committeemen may be designated by the Union in any division to aid the Grievance Committee. The Union may designate up to two (2) alternate Assistant Grievance Committeemen to replace a Grievance Committeeman who is absent on leave of absence or vacation. The total number of Assistant Grievance Committeemen and Grievance Committeemen shall not exceed twenty-six (26).
- Each Assistant Grievance Committeeman shall be an employee of the division which he represents. Each Assistant Grievance Committeeman shall:
- (1) Be limited to the handling of complaints in procedural Steps 1 and 2 within the division represented by him; and,
 - (2) Upon reasonable notice to and approval by his immediate supervisor and the supervisor of the area he desires to visit, be afforded such time off without pay as may be required for the purpose of investigating the facts essential to the settlement of any complaint or grievance.
- (C) The Company will grant Union officers, Grievance

ARTICLE V - ADJ. OF COMPLAINTS AND GRIEVANCES

Committeemen and Assistant Grievance Committeemen time off, without pay, to attend official Union meetings whenever such time off may be granted without serious interfering with production. The Union will notify the Company as far in advance as possible of any request to be off for such meetings and, whenever possible, at least twenty-four (24) hours from the date and time of the meetings.

- (D) The Union will notify the Company in writing of the names of the Grievance Committeemen, Assistant Grievance Committeemen, and Union officers and the Company will only recognize the employees who are so designated by the Union.

Section 4 Complaint and Grievance Procedure.

Step 1 - Oral. - Any employee who believes that he has a justifiable complaint shall discuss the complaint with his supervisor, with or without the Grievance or Assistant Grievance Committeeman being present, as the employee may elect, in an attempt to settle same. However, any such employee may instead, if he so desires, report the matter directly to his Grievance or Assistant Grievance Committeeman and, in such event, the Grievance or Assistant Grievance Committeeman, if he believes the complaint merits discussion, shall take it up with the employee's supervisor in a sincere effort to resolve the problem. The employee involved should be present in such discussion if he is available.

If the supervisor and the Grievance or Assistant Grievance Committeeman, after full discussion in a meeting, feel the need for aid in arriving at a solution, they may, by agreement, invite such additional Company or Union representatives or witnesses from the plant as may be necessary and available to

ARTICLE V - ADJ. OF COMPLAINTS AND GRIEVANCES

participate in further discussion. Such additional participants shall not relieve the supervisor and Grievance or Assistant Grievance Committeeman from responsibility for solving the complaint. The supervisor shall have authority to settle the complaint. The Grievance or Assistant Grievance Committeeman shall have authority to settle, withdraw, or refer the complaint as provided below.

The foregoing procedure of direct communication and discussion should result in a full disclosure of facts and a fair and speedy resolution of most of the complaints arising out of day-to-day operations of the plant. The settlement of a complaint in Step 1 shall be without prejudice to the position of either party.

Whenever either party notifies the other that further discussion of the complaint cannot contribute to its settlement, the supervisor shall then have not more than 3 days to give his oral response to the complaint.

If a complaint is not settled in Step 1, the Grievance or Assistant Grievance Committeeman can refer it to Step 2 by completing a Complaint/Grievance Form, on forms furnished by the Company, which shall among other items include the "General Data," the "Contractual Provision(s) Relied Upon," a "Brief Description of Complaint," the "Date of First Step 1 Discussion," and the signatures of the committeeman and the employee(s), within 3 days of the supervisor's oral response. The supervisor shall note the "Date of Step 1 Response," check the appropriate "Step 1 Response," note the "Date Referred to Step 2" and sign and date the Complaint/Grievance Form and return the completed white, pink and green pages to the committeeman.

ARTICLE V - ADJ. OF COMPLAINTS AND GRIEVANCES

Step 2 - Oral. - A complaint received in Step 2 shall be discussed in an attempt of settlement at a mutually convenient time between the Grievance or Assistant Grievance Committeeman and the Division Manager of the division or his representative and answered within 10 days from the date of referral. The Grievance or Assistant Grievance Committeeman and the Division Manager or his representative shall be responsible for conducting the Step 2 hearing. Step 2 participants should also include, unless otherwise agreed, the involved employee and supervisor. Either party may call witnesses who are employees of the Company and whose attendance shall be limited to time required for their testimony. The parties shall note the "Date of First Step 2 Discussion" on the Complaint/Grievance Form.

The Step 2 participants may, by agreement, invite to participate in the discussion such additional representatives from the plant as may be available for aid but such additional participants shall not relieve the Grievance or Assistant Grievance Committeeman and the Division Manager or his representative from responsibility for solving the problem. To facilitate such discussion, the Step 2 participants may extend the time limit herein.

The Division Manager or his representative shall have the authority to settle the complaint. The Grievance or Assistant Grievance Committeeman shall have the authority to settle or withdraw the complaint, or file a grievance in writing as provided below.

Whenever either party concludes that the discussion of the complaint in Step 2 cannot contribute to its settlement, the other party shall be so notified. Upon such notice, the Division Manager or his representative

ARTICLE V - ADJ. OF COMPLAINTS AND GRIEVANCES

shall give his response to the complaint by proper notation on the Complaint/Grievance Form within five (5) days of such notice. The Division Manager or his representative shall sign the Complaint/Grievance Form and note the date of his Step 2 response. The Grievance or Assistant Grievance Committeeman shall sign and date the Complaint/Grievance Form on the date he received the Step 2 response. The Grievance or Assistant Grievance Committeeman shall then retain the white, pink, and green pages and the Division Manager or his representative will retain the yellow page and send the blue page to the Human Resources Department.

The resolution of a complaint in Step 2 shall be without prejudice to the position of either party, unless otherwise agreed to by the parties. If the complaint is settled or withdrawn in Step 2, the Complaint Form shall be so noted by the signature of the Step 2 representatives and the date thereof.

If the complaint is not settled in Step 2, the Union may, consistent with Section 2 above, appeal the complaint to Step 3 as a grievance in accordance with the provisions of "Step 3 - Written." In order to be otherwise eligible for appeal to Step 3 as a grievance, the Complaint/Grievance Form shall be properly completed.

- Step 3 - Written.** - In order to be considered further, the complaint must be appealed to Step 3 by the Chairman or Assistant Chairman of the Grievance Committee to the Manager of Human Resources and/or his representative within 10 days of the Grievance or Assistant Grievance Committeeman's receipt of the Division Manager's Step 2 response. The Chairman or Assistant Chairman of the Grievance Committee shall

ARTICLE V - ADJ. OF COMPLAINTS AND GRIEVANCES

sign and date the Complaint/Grievance Form where indicated and the Manager of Human Resources or his representative shall sign and date the Complaint/Grievance Form where indicated signifying receipt of the Step 3 Appeal and the date thereof.

Grievances subject to filing directly into Step 3 shall be presented on the Complaint/Grievance Form with the "General Data," Contractual Provision(s) Relied Upon," and "Brief Description of Grievance" sections appropriately completed by the Union and shall include the signature(s) of the aggrieved employee(s), unless otherwise specified in this Agreement. The Chairman or Assistant Chairman of the Grievance Committee shall file such a grievance with the Manager of Human Resources or his representative in a timely manner. The Chairman or Assistant Chairman of the Grievance Committee shall sign and date the Complaint/Grievance Form where indicated and the Manager of Human Resources or his representative shall sign and date the Complaint/Grievance Form where indicated signifying receipt of the grievance and the date of its filing.

Such grievance shall be discussed within 10 days (or such later time as may be agreed) of the filing/appeal of the grievance at a special or regular meeting. The Grievance Committee, along with the Local Union President (if he so desires) and the Manager of Human Resources and/or his representatives, shall have a regular monthly meeting at which, among other appropriate matters, pending grievances in Step 3 shall be discussed. Either party may call witnesses who are employees of the Company and their attendance shall be limited to time required for their testimony. If additional facts are needed, the grievance may be referred back to Step 2. In such a case, the parties shall have 10 days to amend the record, whereupon it

ARTICLE V - ADJ. OF COMPLAINTS AND GRIEVANCES

shall be returned to Step 3 if remand did not result in settlement.

The Chairman or Assistant Chairman of the Grievance Committee may alter the position of the Union and the provisions allegedly violated in Step 3 of the procedure.

Grievances discussed in Step 3 shall be answered by the Manager of Human Resources or his representative in Step 3 minutes, which shall be given to the Chairman or Assistant Chairman of the Grievance Committee within 15 days after the date of the Step 3 meeting, unless a different date is mutually agreed upon. The Step 3 minutes shall be added to and form a part of the written record. Five (5) copies shall be given to the Union.

Minutes of all Step 3 meetings shall be prepared by the Company representative, jointly signed by him and the Chairman or Assistant Chairman. If the Chairman or, acting in his place, the Assistant Chairman, shall disagree with the accuracy of the minutes as prepared by the Company, he shall set forth and sign his reasons for such disagreement on a form provided to the Union by the Company and the minutes, except for such disagreement, shall be regarded as agreed to.

Minutes shall conform to the following general outline:

- a. Date and place of meeting.
- b. Names and positions of those present.
- c. Identifying number and description of each grievance discussed.
- d. Background information and facts.
- e. Statement of Union Position. Any contract provisions cited at this step and reasons therefor; past grievances and/or awards of the Board cited; supporting evidence and arguments. To ensure

ARTICLE V - ADJ. OF COMPLAINTS AND GRIEVANCES

accuracy, this may be submitted by the Union in writing.

- f. Statement of Management Position. Full response to all claims, points of evidence, testimony and arguments presented by the Union. Management testimony and evidence, including past grievances and/or awards of the Board.
- g. Summary of the discussion.
- h. Decision reached.
- i. Statement as to whether decision was accepted or rejected.

Compliance with the foregoing outline shall be required only to the extent that such information is not already a part of the written record.

The Manager of Human Resources and/or his representative shall have authority to settle any grievance before him. The Chairman or, acting in his place, the Assistant Chairman of the Grievance Committee shall have authority to settle, withdraw, or recommend for appeal to Step 4 of the grievance procedure, any grievance before the Grievance Committee.

Notwithstanding the provisions of Section 5(B) below in appeals from Step 3 in exceptional cases where the Union can satisfactorily demonstrate that the failure of the Union representative charged with the responsibility for such appeal was caused by conditions justifiable under the circumstances and does, in fact, appeal within 10 days from the date of the default, the appeal shall be accepted as though it had been timely. The Company's liability for any retroactive payments resulting from the application of the preceding sentence shall exclude the period of the delay in the appeal.

ARTICLE V - ADJ. OF COMPLAINTS AND GRIEVANCES

Step 4 - Written. - In order for a grievance to be considered further, written notice of appeal shall be served, within 10 days after receipt of the Step 3 minutes, by the representative of the International Union, certified to Management in writing, upon the representative of the Company, *similarly certified to the Union by the Company.* No employee grievances shall be permitted to progress into this Step without review by the Union's District Director or his designated representative.

Discussion of the appealed grievance shall take place at the earliest date of mutual convenience following receipt of the notice of appeal, but not later than 30 days thereafter. Step 4 meetings shall not be postponed except in unusual circumstances. Any party requesting a postponement shall do so in writing, giving the reason therefor and stating that the meeting shall take place at a prompt later date.

Grievances discussed in such meeting shall be answered, in writing, by the designated representative of the Company within 10 days after the date of such meeting unless by mutual agreement a different date for disposition is agreed upon. Such written answer shall contain a concise summary of each representative's contractual analysis of the issues presented by the grievance, the Company's answer, and shall form a part of the written record.

Either party may request a further statement of facts to be made available not later than 3 days preceding the date set for the Step 4 meeting and either party may call witnesses whose attendance shall be restricted to the time required for their testimony. Except for witnesses, the Step 4 meetings shall be limited to the designated representatives of the Company and the designated representative of the International Union

ARTICLE V - ADJ. OF COMPLAINTS AND GRIEVANCES

and, as requested by the International Representative, the President of the Local Union, the Chairman and Assistant Chairman of the Grievance Committee, and the Grievance Committeeman.

The designated representative of the Company shall have authority to settle the grievance. The designated representative of the International Union shall have authority to settle, withdraw, or appeal the grievance to arbitration.

Whenever either party concludes that further Step 4 meetings cannot contribute to the settlement of a grievance, the designated representative of the International Union may, by written notice served to the designated representative of the Company within 30 days from receipt of such written record, appeal the grievance to arbitration.

If the decision in this Step is not appealed to arbitration as above provided, the grievance shall be considered settled on the basis of such decision and shall not be eligible for further appeal.

Section 5 General Provisions Applying to Complaints and Grievances.

- (A) Except as may be otherwise provided in this Agreement, any complaint (or grievance when filed directly in Step 3 or higher) shall be initiated promptly after the date of the event upon which the complaint or grievance is based, or the date on which such event should reasonably have become known.
- (B) At all steps in the complaint and grievance procedure, the grievant and the Union representatives should disclose to the Company representatives a full and detailed statement of the facts relied upon, the remedy sought, and the

ARTICLE V - ADJ. OF COMPLAINTS AND GRIEVANCES

provisions of the Agreement relied upon. In the same manner, Company representatives should disclose all the pertinent facts relied upon by the Company.

Complaints which allege violations directly affecting employees working under a particular Division Manager, but under more than one supervisor, shall be discussed initially in Step 2.

Grievances which allege violations directly affecting employees working under more than one Division Manager shall be initially filed directly in Step 3 in accordance with the provisions of "Step 3 - Written."

If a decision with respect to a complaint or a grievance is not referred or appealed in accordance with the time limits set forth in each Step, the matter shall be considered settled on the basis of the decision first made and shall not be eligible for further appeal.

If the Company's discussion or answer to a complaint or a grievance is not given within the prescribed time requirements in any Step, the Union, after notifying the Company, may refer or appeal to the next Step.

- (C) In order to avoid the necessity of initiating multiple complaints or grievances on the same subject or event, or concerning the same alleged contract violation occurring on different occasions, a single complaint or grievance may be processed and the facts of alleged additional violations (including the dates thereof) may be presented in the appropriate Step. Such additional claims shall be timely and additional claimants shall sign a special form to be supplied by the Company for this purpose. When the original complaint or grievance is resolved in the grievance or arbitration procedure, the parties resolving such complaint or grievance (the Fourth Step representatives if resolved by arbitration) shall review such pending claims in

ARTICLE V - ADJ. OF COMPLAINTS AND GRIEVANCES

the light of the decision in an effort to dispose of them. If any such claim is not settled, it shall be considered as a complaint or grievance and processed in accordance with the applicable procedure and the applicable time limitations. In case a complaint involves a large group of employees, a reasonable number may participate in the discussion in Step 1 and Step 2.

- (D) Complaints or grievances which are not initiated in the proper step of the complaint and grievance procedure shall be referred to the proper step for discussion and answer by the Company and the Union representatives designated to handle complaints or grievances in such Step.
- (E) The Chairman or, acting in his place the Assistant Chairman, of the Grievance Committee may file grievances in writing, if he believes this to be necessary, concerning alleged violations of Article XIX, in conformity with the provisions of Article V except that the signatures of affected employees shall not be required.
- (F) In any settlement involving retroactive payments, the appropriate Union and Company representatives shall expeditiously determine the identity of the payees and the specific amount owed each payee. Payment shall be made promptly but, in any event, within 30 days after such determination.
- (G) When a grievance contesting the propriety of a work assignment is resolved, such resolution shall be binding on both parties; i.e., the Company shall not under the same circumstances or conditions require that the disputed work again be performed inconsistent with the grievance resolution.

In cases involving large numbers of employees, extended periods of retroactivity or complex incentive applications, in order to expedite payment, the parties shall, wherever

ARTICLE V - ADJ. OF COMPLAINTS AND GRIEVANCES

possible, agree upon the identity of the payees and the specific procedures for determining the amounts owed or equitable approximations of such amounts. Management commits itself, following such agreement, to make payment at the earliest date in light of the procedures agreed upon and will, within two weeks following such agreement, notify the Grievance Committee of the date when such payment will be made.

- (H) The Company agrees that it shall not subpoena or call as a witness in arbitration proceedings any bargaining unit employee. The Union agrees that it shall not subpoena or call as a witness in such proceedings any non-bargaining unit employee.

Section 6 Union Complaints or Grievances.

The complaint and grievance procedure may be utilized by the Union in processing complaints or grievances which allege a violation of the obligations of the Company to the Union as such. In processing such complaints or grievances, the Union shall observe the specified time limits in appealing and the Company shall observe the specified time limits in answering. In the event an employee dies, the Union may process on behalf of his legal heirs any claim he would have had relating to any monies due under any provision of this Agreement.

Section 7 Suspension of Complaint and Grievance Procedure.

If this Agreement is violated by the occurrence of a strike, work stoppage, or interruption or impeding of work at the plant or subdivision thereof, no grievances shall be discussed or processed in the Third Step level or above in such plant while such violation continues, but under no circumstances shall any complaint or grievance concerning employees engaged in the violation be discussed or processed while such violation continues.

ARTICLE V - ADJ. OF COMPLAINTS AND GRIEVANCES

Section 8 Waiver of Complaint and Grievance Procedure.

Notwithstanding the procedure herein provided, any grievance may be submitted to arbitration at any time by agreement of the parties to this Agreement.

Section 9 Access to Plant.

The District Director and the representative of the Union who customarily handles grievances from the plant in Step 4 shall have access to the plant, subject to established rules of the plant, at reasonable times to investigate grievances with which he is concerned.

Section 10 Arbitration.

There shall be a mutually agreed to permanent arbitrator who shall serve in accordance with the conditions and procedures mutually agreed upon by the parties. In the event a grievance is appealed to arbitration in accordance with the provisions of this Article for filing notice of appeal from a decision in Step 4 when there is no permanent arbitrator, the parties shall meet for the purpose of agreeing upon an arbitrator. If they are unable to reach such an agreement within ten (10) days after the written request for arbitration, the Company and the Union shall jointly request the Chicago office of the Federal Mediation and Conciliation Service to submit a list of five (5) arbitrators. If the parties are unable to agree upon one of these five (5) arbitrators, the party requesting arbitration shall first strike two (2) names, and the other party shall next strike two (2) names, and the remaining person shall be the arbitrator.

The parties shall submit the grievance or grievances to be arbitrated in a written stipulation to the arbitrator. The arbitrator may consider and decide only the particular grievance or grievances presented to him in a written stipulation of the Company and the Union, and his decision shall be based solely upon his interpretation of the provisions of this Agreement.

ARTICLE V - ADJ. OF COMPLAINTS AND GRIEVANCES

The arbitrator shall not have the right to amend, take away, modify, add to, or change any of the provisions of this Agreement.

The arbitrator shall also have jurisdiction and authority only to interpret, apply, or determine compliance with respect to the Insurance Agreement between the parties, including the Program of Insurance Benefits (PIB), in order to dispose of grievances properly arising under Article XX of this Agreement. The arbitrator shall not have jurisdiction or authority to add to, detract from, or alter in any way the provisions of the Insurance Agreement (including PIB).

The decision of the arbitrator shall be final and binding on the Company, the Union, and the employee or employees involved. The expense and fee of the arbitrator shall be divided equally between the Company and the Union.

Settlement of grievances may or may not be retroactive as the equities of particular cases may demand, but the following limitations shall be observed by arbitrators where the arbitrator's award is retroactive. In any case where the arbitrator determines that the award should be retroactive, the retroactive date shall be as follows:

- (A) If the arbitrator shall decide that a discharge, disciplinary suspension, demotion, or layoff is in violation of this Agreement, the arbitrator shall order the employee reinstated to the job which he is entitled to under the Agreement and reimburse him for any compensation which he has lost by reason of such discharge, suspension, demotion, or layoff.
- (B) If the arbitrator shall decide that the Company's failure to permanently promote an employee is in violation of this Agreement, the arbitrator shall order him promoted to the job to which he is entitled under this Agreement, and reimburse him to the date the written complaint was filed in Step 2 plus three (3) days for any compensation which he

ARTICLE V - ADJ. OF COMPLAINTS AND GRIEVANCES

has lost by reason of not being so promoted.

- (C) If a grievance is filed over a rate of pay and the arbitrator shall decide that the employee has not been paid the rate of pay which he is entitled to under this Agreement, then the arbitrator shall order him reimbursed to the date the rate in dispute was established, except that retroactivity for new disputed job classifications shall be determined under the provisions of Article XIV.
- (D) Matters other than those referred to in Subparagraphs (A), (B), and (C) above; a date not earlier than the date on which the grievance was first presented in written form of the grievance procedure except that retroactivity for new disputed job classifications shall be determined under the provisions of Article XIV.

Section 11 Suspension and Discharge Cases.

The purpose of this Section is to provide for the disposition of complaints and grievances involving suspensions or discharges and to establish a special procedure for the prompt review of all cases involving discharge or suspension of more than four (4) calendar days. Complaints concerning suspensions of four (4) calendar days or less shall be handled in accordance with the procedures set forth in Sections 4 and 10 of this Article. Grievances concerning suspensions of five (5) calendar days or more and discharges shall be handled in accordance with the procedures set forth below, including the procedures set forth in Sections 4 and 10 of this Article.

(A) Procedure.

An employee shall not be preemptorily discharged. In all cases in which the Company may conclude that an employee's conduct may justify suspension or discharge, he shall be suspended initially for not more than five (5) calendar days and given written notice of

ARTICLE V - ADJ. OF COMPLAINTS AND GRIEVANCES

such action. Written notice of such action shall also be furnished to the employee's Grievance Committeeman and the Chairman of the Grievance Committee as soon as practicable and in the event of a discharge the Chairman of the Grievance Committee shall be provided with a statement outlining the discharged employee's prior disciplinary record coincident with the written notice of discharge.

If such initial suspension is for not more than four (4) calendar days and the employee affected believes he has been unjustly dealt with, he may initiate a complaint and have it processed in accordance with this Article V, Adjustment of Complaints and Grievances.

If such initial suspension is for five (5) calendar days and if the employee affected believes he has been unjustly dealt with, he may request and shall be granted, during this period, a hearing and a statement of the offense before a representative (status of Division Manager or Assistant Division Manager) designated by the Manager of Human Resources with or without his Assistant Grievance Committeeman or Grievance Committeeman present, as the employee may choose. After such hearing, or if no such hearing is requested, the Company may conclude whether the suspension shall be affirmed, modified, extended, revoked, or converted into a discharge. In the event the suspension is affirmed, modified, extended, or converted into a discharge, the employee may, within five (5) calendar days after notice of such action, file a grievance in Step 3 of the complaint and grievance procedure. Final decision shall be made by the Company in this Step within five (5) calendar days from the date the grievance was originally filed therein. Such grievance shall thereafter be processed in accordance with the complaint and grievance procedure.

An initial suspension for not more than four (4) calendar days to be extended or converted into a discharge must be so extended or converted within the four (4) day period, in which case the procedure outlined in the immediately preceding paragraph shall be followed and the five (5) calendar day period for requesting a hearing shall begin when the employee receives notice of such extension or discharge.

ARTICLE V - ADJ. OF COMPLAINTS AND GRIEVANCES

An employee's record will not be considered in taking disciplinary action and will not be cited in Step 3 of the complaint and grievance procedure if the employee's record contains no disciplinary warning or disciplinary suspension for the three (3) year period prior to the disciplinary action being taken. The purpose of this provision is to provide employees an opportunity to erase past records of employment as they apply to discipline by maintaining a three (3) year record free of discipline.

(B) Revocation of Suspension or Discharges.

Should any initial suspension, or affirmation, modification, or extension thereof, or discharge be revoked by the Company, the Company shall reinstate and compensate the employee affected on the basis of an equitable lump sum payment mutually agreed to by the parties or, in the absence of agreement, make him whole in the manner set forth in Paragraph (C) below.

(C) Jurisdiction of the Arbitrator.

Should it be determined by the arbitrator that an employee has been suspended or discharged without proper cause therefor, the Company shall reinstate the employee and make him whole for the period of his suspension or discharge, which shall include providing him such earnings and other benefits as he would have received except for such suspension or discharge, and offsetting such earnings or other amounts as he would not have received except for such suspension or discharge.

Should it be determined by the arbitrator that an employee has been suspended or discharged for proper cause therefor, the arbitrator shall not have jurisdiction to modify the degree of discipline imposed by the Company; provided, however, that in a discharge case, the arbitrator shall have discretion, if he finds that the Company has proper cause for discipline, but does not have proper cause for discharge, to modify the penalty; provided, further, that in case the arbitrator modified the discipline, the arbitrator shall have discretion to reduce or not require the Company to pay the

ARTICLE V - ADJ. OF COMPLAINTS AND GRIEVANCES

compensation provided in Section 10, Subparagraph (A) above, if, in his judgment, the facts warrant such an award.

The provisions of Section 11(C) apply to all suspensions regardless of the number of days involved.

In suspension and discharge cases only, the arbitrator may, where circumstances warrant, modify or eliminate the offset of such earnings or other amounts as would not have been received except for such suspension or discharge.

(D) Suspension of Hearing.

When a strike, a work stoppage, or interruption or impeding of work is in progress in the plant or any subdivision thereof, the Company shall not be required to hold any hearings or notify employees under this Section if the employees are participating in such violation of this Agreement or if it is impracticable for the Company to do so because of such violation. In such cases, the time limits for holding hearings or notifying employees shall start to run upon the termination of the strike, work stoppage, or interruption or impeding of work.

ARTICLE VI - NO STRIKES OR LOCKOUTS

ARTICLE VI

NO STRIKES OR LOCKOUTS

The Union shall not instigate, promote, cause, or authorize its members to instigate, promote, or cause any strike, shutdown, slowdown, or any other stoppage of work or interference of any kind with production. Participation in a strike, shutdown, slowdown, or any other stoppage of work or interference of any kind with production brought about either by the action of the Union or individuals or groups of employees covered by this Agreement, with or without Union authority or support, shall be grounds for disciplinary action of one or more of the participants by the Company.

There shall be no lockout by the Company during the term of this Agreement.

ARTICLE VII - HOURS OF WORK

ARTICLE VII

HOURS OF WORK

Section 1 Scope.

This Article defines the normal hours of work and shall not be construed as a guarantee of hours of work per day or per week. This Article shall not be considered as any basis for the calculation or payment of overtime, which is covered solely by Article VIII, Overtime-Premium-Holidays.

Section 2 Normal Work Day.

The normal work day shall be eight (8) hours of work in a twenty-four (24) hour period. The hours of work shall be consecutive except when an unpaid lunch period is now provided.

Section 3 Normal Work Pattern and Schedules for New Mill Employees.

- (A) New Mill employees are those employees regularly assigned to work in the New Mill. Any employee from outside the New Mill who is temporarily scheduled for assignment to work in the New Mill or to work directly associated with the New Mill and performed in the New Mill area as a result of situations such as absenteeism, fluctuating manpower requirements, leaves of absence or vacations shall not be considered as New Mill employees.

The normal work pattern for the production and maintenance employees working in the New Mill shall be five (5) consecutive work days beginning on the first day of any seven (7) consecutive day period. The seven (7) consecutive day period is a period of one hundred sixty-eight (168) consecutive hours and may begin on any day of the calendar week and extend into the next calendar

ARTICLE VII - HOURS OF WORK

week. On shift changes, the one hundred sixty-eight (168) consecutive hours may become one hundred fifty-two (152) consecutive hours, depending upon the change in the shift. A work pattern of less or more than five (5) work days in the seven (7) consecutive day period shall not be considered as deviating from the normal work pattern, provided the work days are consecutive.

(B) New Mill employees shall be scheduled on the basis of a normal work pattern as set forth in (A) above, except where:

- (1) Such schedules regularly would require the payment of overtime;
- (2) Deviations from the normal work pattern are necessary because of breakdowns or other matters beyond the control of the Company; or
- (3) Schedules deviating from the normal work pattern are established by agreement between the Company and the Grievance Committee.

(C) Schedules may be changed by Management at any time except where by local agreement schedules are not to be changed in the absence of mutual agreement; provided, however, that any changes made after Thursday of the week preceding the calendar week in which the changes are to be effective shall be explained at the earliest practicable time to the Grievance or Assistant Grievance Committeeman of the employees affected; and provided further that with respect to any such schedules, no changes shall be made after such Thursday except for breakdowns or other matters beyond the control of the Company. Should changes be made in schedules contrary to this Paragraph (C) so that an employee is laid off and does not work on a day that he was scheduled to work, he shall be deemed to have reported for work on such day and shall

ARTICLE VII - HOURS OF WORK

be eligible for reporting allowance in accordance with provisions of Section 6 of this Article, excluding Paragraph (B)(4) of Section 6.

- (D) Should changes be made in schedules contrary to the provisions of Paragraph (C) above so that an employee is laid off on any day within the five (5) scheduled days, and he is required to work on what would otherwise have been the sixth or seventh work day in the schedule on which he was scheduled to commence work, the employee shall be paid for such sixth or seventh work day at overtime rates in accordance with Article VIII, Overtime-Premium-Holidays.

Section 4 Normal Work Pattern for Old Mill Employees.

Old Mill employees are all employees other than New Mill employees as defined in Section 3(A) above. The normal work pattern for all Old Mill employees shall consist of five (5) consecutive work days, Monday through Friday. A work pattern of more or less than five (5) work days in this normal work pattern shall not be considered as deviating from the normal work pattern, provided the work days are consecutive.

Section 5 Posting Schedules.

Schedules showing employees' work days shall be posted or otherwise made known to employees in all divisions (except in the Steel Producing Division of the New Mill) not later than Thursday of the week preceding the calendar week in which the schedule becomes effective unless otherwise provided by local agreement in the division or department. Weekly work schedules shall be posted or otherwise made known to employees in the Steel Producing Division of the New Mill (including resident maintenance) on Wednesday of the preceding week.

ARTICLE VII - HOURS OF WORK

Section 6 Reporting Allowance.

- (A) An employee who is scheduled or notified to report and who does report for work shall be provided with and assigned to a minimum of four (4) hours of work on the job for which he was scheduled or notified to report or, in the event such work is not available, shall be assigned or reassigned to another job of at least equal job class for which he is qualified. In the event when he reports for work no work is available, he shall be released from duty and credited with a reporting allowance of four (4) times the standard hourly wage rate of the job (including any applicable additive in Appendix A-1) for which he was scheduled or notified to report. When an employee who starts to work is released from duty before he works a minimum of four (4) hours, he shall be paid for the hours worked in accordance with Article XIV, Wages, and credited with a reporting allowance equal to the standard hourly wage rate of the job (including any applicable additive in Appendix A-1) for which he was scheduled or notified to report multiplied by the unutilized portion of the four (4) hour minimum. Any additions provided in Article XIV, Section 13, Article VIII, Section 4 and Subsection 5(A)(3) shall apply.
- (B) The provisions of this Section 6 shall not apply in the event that:
- (1) Strikes, work stoppages in connection with labor disputes, failure of utilities beyond the control of the Company, or acts of God interfere with work being provided; or
 - (2) An employee is not put to work or is released from duty after having been put to work either at his own request or due to his own fault; or
 - (3) An employee refused to accept an assignment or reassignment during the first four (4) hours as provided

ARTICLE VII - HOURS OF WORK

in the first sentence of Paragraph (A) above; or

- (4) The Company has attempted to notify the employee of a change in his scheduled reporting time or that he need not report at a place which he has designated for that purpose at least three (3) hours before his scheduled starting time; or
- (5) An employee is assigned or re-assigned (or is offered assignment or re-assignment) in accordance with the provisions of (B)(5) of the "Employment Security Plan."

Section 7 Allowance for Jury or Witness Service.

An employee who is called for jury service or subpoenaed as a witness shall be excused from work for the days on which he serves. Service, as used herein, includes required reporting for jury or witness duty when summoned, whether or not he is used. Such employee shall receive, for each such day of service on which he otherwise would have worked, the difference between the payment he receives for such service in excess of \$5 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 not been performing such service (plus any holiday in such period which he would not have worked) and the pay for each such day shall be eight (8) times his average straight time hourly rate of earnings (including applicable incentive earnings but excluding shift differentials and Sunday and overtime premiums) during the last payroll period worked prior to such service. The employee will present proof that he did serve or report as a juror or was subpoenaed and reported as a witness, and the amount of pay, if any, received therefor.

Section 8 Allowance for Military Encampment.

An employee with one or more years of continuous service who is

ARTICLE VII - HOURS OF WORK

required to attend a summer encampment of the Reserve of the Armed Forces or the 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 (not including travel, subsistence, and quarters allowance) 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 not been attending such encampment during such two weeks (plus any holiday in such two weeks which he would not have worked) and the pay for each such day shall be eight (8) times his average straight time hourly rate of earnings (including applicable incentive earnings but excluding shift differentials and Sunday and overtime premiums) during the last payroll period worked prior to the encampment. 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 would have worked during such period.

Section 9 Industrial Accident Allowance

An employee who suffers a compensable injury while at work and who is unable to perform the job he was assigned to because of that injury will be paid average hourly earnings for the balance of his regular scheduled turn. An employee covered by this Section 9 who is sent from the plant or to the medical department and returns to the plant or is released from the medical department shall be paid average hourly earnings until his return to the plant or his release from the medical department, provided he returns or is released within the workday after his scheduled shift is completed.

Section 10 Allowance for Funeral Leave

When death occurs to an employee's legal spouse, mother, father, mother-in-law, father-in-law, son, daughter, brother, sister, grandparents or grandchildren (including stepfather, stepmother, stepchildren, stepbrother or stepsister, when they have lived with the employee in an immediate family relationship), an employee, upon request, will be excused and paid for up to a maximum of

ARTICLE VII - HOURS OF WORK

three (3) scheduled shifts (five (5) scheduled shifts in the case of the death of an employee's legal spouse, son, or daughter, including stepchildren when they have lived with the employee in an immediate family relationship) (or for such fewer shifts as the employee may be absent) which fall within a three (3) consecutive calendar day period (or five (5) consecutive calendar day period in the case of the death of an employee's legal spouse, son, or daughter, including stepchildren when they have lived with the employee in an immediate family relationship); provided, however, that one such calendar day shall be the day of the funeral and it is established that the employee attended the funeral. Payment shall be eight (8) times his average straight time hourly earnings (as computed for jury pay). An employee will not receive funeral pay when it duplicates pay received for time not worked for any other reason. Time thus paid will not be counted as hours worked for purposes of determining overtime or premium pay liability.

Section 11 Absenteeism.

- (1) Whenever an employee has just cause for reporting late or absenting himself from work, he shall, whenever practicable, give notice as far in advance as possible to his supervisor or other person designated to receive such notice.
- (2) Should an employee not have just cause for failing to give notice, he shall be subject to discipline regardless of whether or not the employee is otherwise subject to discipline for reporting late for or absenting himself from work without just cause.
- (3) When an employee has completed twelve (12) consecutive months of work without discipline for failure to comply with the requirements in (1) and (2) above, prior disciplinary penalties for such offenses not exceeding four days suspension shall not be used for further disciplinary action.

ARTICLE VIII - OVERTIME - PREMIUM - HOLIDAYS

ARTICLE VIII

OVERTIME - PREMIUM - HOLIDAYS

Section 1 Purpose.

This Article shall not be construed as a guarantee of hours of work per day or per week or as a guarantee of days of work per week. Overtime premium shall not be paid under more than one Section of this Article or for more than one reason under the same Section of this Article for the same hours worked.

Section 2 Definition of Terms.

- (A) The payroll week for New Mill employees shall consist of seven (7) consecutive days beginning at 12:01 A.M. Sunday or the turn changing hour nearest thereto. The payroll week for Old Mill employees shall consist of seven (7) consecutive days beginning at the starting time of the day shift on Monday.
- (B) The work day, for the purposes of this Article, is the twenty-four (24) hour period beginning with the employee's scheduled starting time, except that a tardy employee's work day shall begin at the time it would have begun if he had not been tardy.
- (C) The regular rate of pay, as the term is used in this Article, shall mean the employee's average straight time hourly rate of earnings for the period for which his compensation is being determined, computed by dividing the total of his straight time earnings during such period by the total number of hours worked by him during such period.

ARTICLE VIII - OVERTIME - PREMIUM - HOLIDAYS

Section 3 Overtime for New Mill Employees. Conditions Under Which Overtime Rates Shall Be Paid.

Overtime at the rate of one and one-half times the regular rate of pay shall be paid for:

- (1) Hours worked in excess of eight (8) hours in a work day;
- (2) Hours worked in excess of forty (40) hours in a payroll week;
- (3) Hours worked on the sixth or seventh work day in a payroll week during which work was performed on five (5) other work days;
- (4) Hours worked on the sixth or seventh work day of a seven (7) consecutive day period during which the first five (5) days were worked, whether or not all of such days fall within the same payroll week, except when worked pursuant to schedules mutually agreed to as provided for in Article VII, Subsection 3(B)(3); provided, however, that no overtime will be due under such circumstances unless the employee notifies his supervisor of a claim for overtime within a period of one (1) week after such sixth or seventh day is worked; or, if he fails to do so, initiates a complaint in Step 1 claiming such overtime within thirty (30) days after such day is worked; and provided further that on shift changes the seven (7) consecutive day period of one hundred sixty-eight (168) consecutive hours may become one hundred fifty-two (152) consecutive hours, depending upon the change in the shift;
- (5) Hours worked under the conditions specified in Subsection 3(D) of Article VII, Hours of Work.

FILE COPY

ARTICLE VIII - OVERTIME - PREMIUM - HOLIDAYS

Section 4 Sunday Premium for New Mill Employees.

All hours worked by a New Mill employee on Sunday which are not paid for on an overtime basis shall be paid premium on the basis of one and one-half times the employee's regular rate of pay. For the purpose of this paragraph, Sunday shall be deemed to be the twenty-four (24) hour period beginning with the turn changing hour nearest to 12:01 A.M. Sunday.

Section 5 Overtime Premium for Old Mill Employees.

(A) An employee shall be paid overtime at the rate of time and one-half for all hours worked by him in any work week falling outside his regular or normal working hours as follows:

- (1) For all time worked by him in excess of eight (8) hours in his work day;
- (2) For all time worked by him in excess of forty (40) hours in any one work week, except for the work weeks which include one of the holidays named below and in these weeks said forty (40) hours shall be reduced to thirty-two (32) hours for an employee who does not work on the holiday except where that holiday falls on Saturday;
- (3) In the event for any reason Subparagraph (2) above is not applicable, premium shall be paid at the rate of time and one-half for all time worked by him on Sundays.

(B) - For the purposes of this Section, named calendar days shall be deemed to be the twenty-four (24) hour period commencing with the starting time of the first shift (day shift) on those particular days.

ARTICLE VIII - OVERTIME - PREMIUM - HOLIDAYS

Section 6 Holiday Premium for New Mill and Old Mill Employees.

For all hours worked by an employee on any of the holidays specified below, premium shall be paid at the rate of two and one-half times his regular rate of pay. The holidays specified are New Year's Day, Good Friday, Memorial Day, which shall be the last Monday in May, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving Day, the day before Christmas Day, Christmas Day, and New Year's Eve Day.

The holiday for New Mill employees shall be the twenty-four (24) hour period beginning at the turn changing hour nearest to 12:01 A.M. of the holiday, and for Old Mill employees shall be the twenty-four (24) hour period beginning with the starting time of the first shift (day shift) on the holiday. If the calendar holiday is on Sunday, for the purposes of this Agreement, the holiday shall be the following Monday.

Section 7 Non-Duplication.

- (A) Payment of overtime rates shall not be duplicated for the same hours worked but the higher of the applicable rates shall be used. Hours compensated for at overtime rates shall not be counted further for any purposes 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 provision of Subsection 3(3), (4), or (5) above and hours worked on a holiday shall be counted for purposes of computing overtime liability under the provisions of Subsection 3(1) above and Subsection 5(A)(1) above.
- (B) Except as above provided, hours paid for but not worked shall not be counted in determining overtime liability.

ARTICLE VIII - OVERTIME - PREMIUM - HOLIDAYS

Section 8 Overtime Distribution.

Overtime opportunities in each job shall be divided as equally as possible among the employees regularly assigned to that job.

Section 9 Pay for Holidays Not Worked.

- (A) Each eligible employee shall receive as payment for each one of the holidays (named in Section 6 of this Article) not worked an amount equal to eight (8) hours of pay at his regular standard hourly wage rate (in the case of incentive workers, the employee's average straight time hourly earnings exclusive of shift and overtime premium for the payroll period immediately preceding the one in which the holiday is observed shall be used); provided, however, that if an eligible employee who is scheduled to work on any such holiday fails to report or perform his scheduled or assigned work, he shall become ineligible to pay for the unworked holiday unless he has failed to report or perform such work because of sickness or because of death in the immediate family (mother, father, including in-laws, children, brother, sister, husband, wife, and grandparents) or because of similar good cause. When no work was performed in the payroll period preceding the holiday pay period, the holiday pay period shall be used.
- (B) As used in this Subsection, an eligible employee is one who:
- (1) has completed thirty (30) turns of work since his last hire;
 - (2) performs work or is on vacation in the payroll period in which the holiday occurs; or, if he is laid off for such payroll period, performs work or is on vacation in both the two (2) payroll periods preceding and the two (2) payroll periods

ARTICLE VII - OVERTIME - PREMIUM - HOLIDAYS

following the payroll period in which the holiday occurs; and

- (3) works as scheduled or assigned both on his last scheduled work day prior to and on his first scheduled work day following the holiday unless he has failed to so work because of sickness or because of death in the immediate family or because of similar good cause.

- (C) When a holiday occurs during an eligible employee's scheduled vacation, he shall be paid for the unworked holiday in addition to his vacation pay without regard to the provisions of Subsection 9(B)(3).

If an eligible employee performs work on a holiday but works less than eight (8) hours, he shall be entitled to the benefits of this Section to the extent that the number of hours worked by him on the holiday is less than eight (8). This Section applies in addition to the provision of Section 6 of Article VII where applicable.

Section 10 Overtime Computation - Union Officials.

For the purpose of computing weekly overtime under Subsection 3(2) of this Article, time spent by official representatives of the Union, as defined in this Agreement (including representatives of the Plant Union Committee, the Contracting Out Committee and the Safety Committee) in connection with the processing of grievances or discussing matters coming within the terms of this Agreement, shall be counted as "hours worked" only when all of the following conditions are met:

- (a) The time spent is during the regularly scheduled working time of the official Union representative in question. For the purpose of applying this provision only, time lost by such Union representative on the shift involved and the shift immediately preceding or immediately following col-

ARTICLE VIII - OVERTIME - PREMIUM - HOLIDAYS

lective bargaining meetings or Third or Fourth Step grievance meetings shall be considered as his regularly scheduled working time.

- (b) The time spent in conference between an official Union representative or representatives and the representatives of the Company designated in this Agreement.
- (c) The time of starting and ending of such conferences is recorded by a representative of the Company who participates in such conferences.

The counting of time spent by Union officials in conferences with the Company, as provided herein, as "hours worked" for overtime purposes under the Fair Labor Standards Act, as above provided, shall not entitle such unworked time to be treated as time worked for any other purpose.

ARTICLE IX - SAFETY AND HEALTH

ARTICLE IX

SAFETY AND HEALTH

Section 1 Safety Devices, Wearing Apparel, and Equipment.

The Company shall continue to make reasonable provisions for the safety and health of its employees at the plant during the hours of their employment in accordance with the requirements of the law of Illinois and applicable Federal Safety Standards. Protective devices, wearing apparel, and other equipment necessary to properly protect employees from injury shall be provided by the Company, without cost to the employee, in accordance with the practice now prevailing in the plant or as such practice may be improved from time to time by the Company. The Company may make a fair charge to cover loss or willful destruction by the employee. Protective devices and wearing apparel now furnished are:

- Goggles, including special purpose goggles
- Hard hats
- Heat masks
- Special purpose gloves
- Fireproof, waterproof, or acid proof protective clothing
- Helmets
- Face shields
- Leggings
- Ear plugs
- Arm guards
- Finger guards
- Respirators
- Prescription lenses and frames, but not the cost of obtaining the prescriptions.

Section 2 Safety Committee.

A Safety Committee consisting of five (5) employees designated

ARTICLE IX - SAFETY AND HEALTH

by the Union and three (3) representatives of the Company designated by the Company shall be recognized for the following purposes:

- (a) Reviewing reports of lost time accidents and serious injury accidents which could have resulted in lost time. Any member of the Safety Committee may inspect a particular lost time report and the Union Safety Committee shall be furnished a report by the Company in connection with lost time injuries.
- (b) Reviewing the recommendations of the State Factory Inspector.
- (c) Recommending safety and health measures to the Human Resources Department for the Company's consideration and for such action as that department may consider consistent with the Company's responsibility to provide for the safety and health of the employees during the hours of their employment as provided in this Section. When the Company introduces new personal protective apparel, or extends the use of protective apparel to new areas, or issues new rules relating to the use of protective apparel, the matter will be discussed with the members of the Safety Committee in advance with the objective of increasing cooperation.
- (d) To make recommendations to the Human Resources Department as to how employees may be advised to comply with all safety rules and regulations.

The Union members of the Safety Committee shall be granted such time off without pay as is required to carry out these functions of the Safety Committee.

The Union Co-Chairman or his designated representative of the Safety Committee shall be granted access to the plant at all reasonable times for the purpose of conducting the functions of

ARTICLE IX - SAFETY AND HEALTH

the Safety Committee after proper notification to the Manager of Human Resources or his designated representative.

Section 3 Safety Hazards.

When an employee or group of employees believe that he or they are being required to work under conditions which are unsafe or unhealthy beyond the normal hazard inherent in the operation in question, and which creates a serious immediate threat of injury to his or their person, he or they shall immediately notify his or their supervisor of such danger so that any condition which does in fact constitute such a threat may promptly be eliminated. The employee may request permission to contact his Grievance Committeeman or a member of the Safety Committee. Such request shall be granted, unless to do so would seriously impair the operation, in which case, it will be granted as soon as the impairment no longer exists. At the request of the Grievance Committeeman, the Division Manager or his designated representative will be called in to this discussion. Following this investigation, if an employee and the Committeeman are convinced an employee is in grave danger by continuing to work on the job, the employee may ask to be relieved until the danger is removed. Should the Division Manager or his designated representative not grant this request, the employee may immediately file a grievance in the Third Step of the grievance procedure. Where the Company representative agrees that the employee shall be relieved from work until the danger is removed, he shall be transferred to another job (without any loss in earnings) until said danger is removed. Should it be determined by an arbitrator 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.

ARTICLE X - BULLETIN BOARDS

ARTICLE X

BULLETIN BOARDS

Section 1 Posting of Notices.

The Company shall provide not more than thirty (30) bulletin boards to be used for posting notices of Union meetings, Union elections, Union appointments, result of Union elections, and Union social activities. All Union notices must be submitted to the Company for its approval, and, if approved, will be posted by the company within 48 hours after receipt.

Section 2 Other Matters.

No other place on the Company property shall be used by the Union for the posting of notices, advertisements, or information of any kind, and there shall be no distribution of pamphlets or publications upon Company property, except Union pamphlets which are approved by the Company.

ARTICLE XI - LEAVES OF ABSENCE

ARTICLE XI

LEAVES OF ABSENCE

Section 1 General.

Employees, on written application setting forth good cause, may be granted leaves of absence by the Company without pay. Length of continuous service shall not be broken during such leaves of absence consistent with Article XVI, Seniority. Examples of good cause for which leaves of absence may be granted are:

- (a) Leave in accordance with the "Family and Medical Leave Act of 1993";
- (b) Military encampments;
- (c) Absence required by law or jury duty.

The Union will be given a copy of all leaves of absence.

Section 2 Positions with International or Local Union.

Leaves of absence for the purpose of accepting positions with the International or this Local Union, or transacting Local Union business pertaining to conventions or conferences shall be available to a reasonable number of employees. Adequate notices of intent to apply for leave shall be afforded Management to enable proper provision to be made to fill the job to be vacated.

Leaves of absence in the above shall be for a period not in excess of one year and may be renewed for a further period not to exceed one year.

Continuous service shall not be broken by the leave of absence but will continue to accrue.

ARTICLE XII - MILITARY SERVICE

ARTICLE XII

MILITARY SERVICE

The Company will continue to follow the Selective Training and Service Act of 1948, as amended, and as that law is interpreted by the Supreme Court of the United States. Whether or not required by that law, the Company and the Union agree as follows:

- 1) Any employee entitled to reinstatement under this Article who has incurred compensable disability during his military service which prevents him from performing his former job shall be assigned to a job opening which he is able to perform satisfactorily consistent with all of the provisions of this Agreement.
- 2) Any employee entitled to reinstatement under this Article, who requests a leave of absence before commencing work, will be granted a leave of absence by the Company without pay for a period not to exceed sixty (60) days.
- 3) Any employee entitled to reinstatement under this Article, who requests a leave of absence before he commences work for the sole purpose of enrolling in an approved training school, will be granted such a leave of absence by the Company, without pay, under the following circumstances:
 - a) The employee must present bona fide evidence that he is entering a training school approved for this purpose by the Federal Government.
 - b) Any such leave of absence granted shall not exceed a period of one (1) year. However, if the employee requests an additional period of time not to exceed one (1) year for the purpose of completing his studies in the approved training

ARTICLE XII - MILITARY SERVICE

school, such leaves will be granted provided he makes such request in writing within five (5) days before the expiration of his leave of absence, and presents bona fide evidence that he is continuing his studies in this approved training school.

- c) Veterans granted leaves of absence as outlined in this part (3) must report back to work within thirty (30) days after completion of their course of study; otherwise, their continuity of service and their employment relationship shall be broken and terminated.

- 4) An employee returning from military service shall be considered as having worked in the year he returns for the purpose of vacation eligibility.

ARTICLE XIII - VACATIONS

ARTICLE XIII

VACATIONS

Section 1 Eligibility.

- (A) To be eligible for a vacation in any calendar year during the term of this Agreement, the employee must:
- (1) Have one year or more of continuous service;
 - (2) Not have been absent from work for six (6) consecutive months or more in the preceding calendar year, except that in case of an employee who completes one year of continuous service in such calendar year, he shall not have been absent from work for six (6) consecutive months or more during the twelve (12) months following the date of his original employment; provided that an employee with more than one year of continuous service who in any year shall be ineligible for a vacation by reason of the provisions of this paragraph as a result of an absence on account of layoff or illness shall receive one week's vacation with pay in such year if he shall not have been absent from work for six (6) consecutive months or more in the twelve (12) consecutive calendar months next preceding such vacation. Any period of absence of an employee while on vacation pursuant to this Article or while absent due to a compensable disability in the year in which he incurred such disability shall be deducted in determining the length of a period of absence from work for the purposes of this Subsection 1(A)(2).

ARTICLE XIII - VACATIONS

- (B) Continuous service shall date from:
- (1) the date of first employment at the plant; or
 - (2) subsequent date of employment following a break in continuous service, whichever of the above two dates is the later. Such continuous service shall be calculated in the same manner as the calculation of continuous service set forth in Section 8, Article XVI, Seniority, of this Agreement, except that there shall be no accumulation of service in excess of two (2) years of any continuous period of absence on account of layoff or physical disability (except in the case of compensable disability, as provided in Section 8, Paragraph (4) of Article XVI, Seniority; or in the case of an absence solely due to layoff, as provided in Section 8, Paragraph (3) of Article XVI, Seniority) in the calculation of service for vacation eligibility.
- (C) An employee, even though otherwise eligible under this Section 1, forfeits the right to receive vacation benefits under this Article if he quits, retires, dies, or is discharged prior to January 1 of the vacation year.

Section 2 Length of Vacation and Vacation Pay.

- (A) An eligible employee who has attained the years of continuous service indicated in the applicable 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 applicable following table:

ARTICLE XIII - VACATIONS

<u>Years of Service</u>	<u>Weeks of Vacation</u>
1 but less than 3	1
3 but less than 10	2
10 but less than 17	3
17 but less than 25	4
25 or more	5

- (B) Subject to the provision of Subsection 3(B) below: a one week's vacation shall consist of seven (7) consecutive days; a two weeks' vacation of fourteen (14) consecutive days; a three weeks' vacation of twenty-one (21) consecutive days; and a four weeks' vacation of twenty-eight (28) consecutive days, provided, however, that in the event the orderly operations of the plant require, the two weeks' vacation may be scheduled in two periods of seven (7) consecutive days each; and the three weeks' vacation may be scheduled in two periods of seven (7) and fourteen (14) consecutive days, or, with the consent of the employee, in three periods of seven (7) consecutive days each; and the four weeks' vacation may be scheduled in two periods of fourteen (14) consecutive days each or in two periods of seven (7) and twenty-one (21) consecutive days, or, with the consent of the employee, in three periods of seven (7), seven (7), and fourteen (14) consecutive days; or in four periods of seven (7) consecutive days.

Section 3 Scheduling of Regular Vacations.

- (A) Ninety days prior to the beginning of the vacation scheduling period, each eligible employee shall be requested to specify the vacation period he desires. Vacations will, so far as practicable, be granted at times most desired by employees (longer service employees being given preference as to choice) and no employee

ARTICLE XIII - VACATIONS

- will be required to take vacation during any scheduled shutdown period which falls outside of the regular vacation period; but the final right to allot vacation periods and to change such allotments is exclusively reserved to the Company in order to insure the orderly operation of the plant. Vacation, upon agreement between local plant management and the local Union grievance committee, shall be scheduled throughout the calendar year. In the absence of such mutual agreement, regular vacations, except as provided in Subsection 3(B) below shall be scheduled between April 1 and November 1 of each calendar year, or, with the consent of the employee, at such other time during the calendar year as may be agreeable to the plant management and the employee.

Regular vacation shall be scheduled in a single period of consecutive weeks, provided, however, that in the event the orderly operations of the plant require, regular vacations of two or more weeks may be scheduled in two periods, neither of which may be less than one week. *With the consent of the employee, regular vacation may be scheduled in any number of periods, none of which may be less than one week.*

In case Management desires to schedule vacations for employees eligible therefor during a shutdown period instead of in accordance with the previously established vacation schedules for that year, Management shall give affected employees seventy-five (75) days notice of such intent; in the absence of such notice, an affected employee shall have the option to take his vacation during the shutdown period or to be laid off during the shutdown and to take his vacation at the previously scheduled time.

Any employee otherwise entitled to vacation, pursuant to the vacation section of this Agreement in the calendar year in which he retires under the terms of any pension

ARTICLE XIII - VACATIONS

agreement between the parties which makes him eligible for a special initial pension amount, but who has not taken such vacation prior to the date of such retirement, shall not be required to take a vacation in that calendar year and shall not be entitled to vacation pay for that calendar year.

- (B) One week of vacation, provided for under Subsection 2(A) above, for an employee having ten (10) but less than fifteen (15) years may be scheduled by Management at any time during the calendar year, or, if the employee agrees, he may be given vacation allowance in lieu of such vacation week. If such a week of vacation is scheduled outside the period set forth in the foregoing Paragraph (A), the employee, upon request and if operating conditions permit, shall have the right to have one or more other weeks of regular vacation to which he is entitled scheduled with such week. This paragraph is intended to remove the limitations of scheduling vacation to certain portions of the year which is applicable to other weeks of vacation and not to affect the application of other rules concerning the scheduling of vacations set forth in this Section.
- (C) Any employee absent from work because of layoff, disability, or leave of absence at the time employees are required to specify the vacation periods they desire and who has not previously requested and been allotted a vacation period for the calendar year, may be notified by Management that a period is being allotted as his vacation period but that he has the right within fourteen (14) days to request some other vacation period. If any such employee notifies Management in writing, within fourteen (14) days after such notice is sent, that he desires some other vacation period, he shall be entitled to have his vacation scheduled in accordance with the foregoing Paragraph (A).

ARTICLE XIII - VACATIONS

- (D) . Where an employee transfers from one seniority unit to another subsequent to January 1 in any given year, he shall take his vacation in accordance with the schedule established in his old seniority unit except as orderly operations of his new seniority unit preclude it. He shall not be entitled to have any regular vacation schedule previously established in his new seniority unit changed because of his entry into that unit; should there be a conflict between the transferred employee and an employee in the unit, the employee in the unit shall retain his preference in competition with the transferred employee regardless of continuous service.
- (E) The calendar week containing New Year's Day may be taken as a week of vacation for either the year preceding New Year's Day or the year in which New Year's Day falls, except when New Year's Day falls on Sunday, provided such vacation week has been scheduled as vacation in accordance with this Section. If the Company, in its sole discretion, schedules a shutdown of any operation during the calendar week containing Christmas Day, any employee who is not scheduled to work due to the shutdown in such week and who has completed his vacation entitlement for that year may elect to reschedule a week of regular vacation for which the employee has qualified and will be entitled in the following calendar year into the shutdown week; provided, however, that vacation pay for such vacation week, calculated as though the week were scheduled and taken in the next following year, will be paid on the regular payday for the pay period in which the shutdown vacation falls; and provided further that no vacation pay for a vacation rescheduled hereunder will be paid to an employee who quits, retires, dies, or is discharged prior to January 1 of the year from which the shutdown vacation was rescheduled. In the application of this Paragraph (E), when the basis for calculation of an employee's vacation pay for the following calendar year is not available, his vacation

ARTICLE XIII - VACATIONS

payment hereunder shall be made on the basis for calculation of his vacation pay in the current calendar year with appropriate adjustment to be made when the basis for the following calendar year becomes available.

Section 4 Vacation Pay.

- (A) Each employee granted a vacation under this Article XIII will be paid at his average hourly earnings during his first twelve (12) weeks of work in the calendar year in which the vacation is taken, and said twelve (12) weeks of work shall be in regular pay periods; provided, however, that in the event an employee, pursuant to Subparagraph (A)(2) of Section 1 of this Article XIII, leaves the employ of the Company on or after January 1 or prior to April 1, the average hourly earnings of such employee shall be based on his average hourly earnings during the last preceding completed twelve (12) weeks of employment prior to his leaving the employ of the Company. The last twelve (12) weeks of employment shall also be used for an employee who is entitled to a vacation under this Article XIII, but who did not work twelve (12) weeks in the calendar year in which the vacation is taken due to sickness or injury or was scheduled for a vacation during the first twelve (12) weeks of the calendar year. Hours of vacation pay for each vacation week shall be not less than (a) forty (40) hours per week or (b) the scheduled work week of the plant, whichever is larger. For the purposes of this Section only, the scheduled work week of the plant shall be the average hours of work per week in the calendar year immediately preceding the year in which said eligible employees take their vacations.
- (B) If a week of vacation is scheduled in accordance with Subsection 3(B) of this Article prior to April 1, contrary to the employee's request, the pay for such vacation (and for not any more than one additional week which the employee may elect to join with it) shall be at the same

ARTICLE XIII - VACATIONS

rate as the rate of vacation pay for the other weeks of his vacation, if any, taken after April 1, calculated in accordance with this Section 4, but when such week (or weeks) of vacation is taken, he will be paid an advance thereon equal to forty (40) times his standard hourly wage rate including the applicable additive in Appendix A-1 when Appendix A-1 applies.

- (C) The Company may, with the consent of the employee, pay him vacation allowance, in lieu of time off for vacation, for any weeks of regular vacation in excess of two weeks in any one calendar year; provided, that with respect to any such employee the provisions of the foregoing Subsection 3(B) shall not be applicable to the remaining weeks of his vacation.

Section 5 Vacation Allowance.

- (A) The Union and the Company agree that their mutual objective is to afford maximum opportunity to the employees to obtain their vacations and to attain maximum production. All employees eligible for vacation shall be granted their vacation from work except as provided in Subsection 4(C).
- (B) Any payment of vacation allowance shall not require the Company to reschedule the vacation of any other employee.

ARTICLE XIV - WAGES

ARTICLE XIV

WAGES

Section 1 Standard Hourly Wage Scale.

The standard hourly wage scales of rates for the respective job classes shall be those set forth in Appendix A and A-1 of this Agreement.

Section 2 Application of Standard Hourly Wage Scale.

(A) The standard hourly wage scale rate for each job shall be as set forth in Appendix A for non-incentive jobs and in Appendix A-1 for incentive jobs. In addition:

- (1) A schedule of trade or craft rates containing
 - (i) a standard rate equal to the standard hourly wage scale rate for the respective job class of the job;
 - (ii) an intermediate rate at a level two job classes below the standard rate; and
 - (iii) a starting rate at a level four job classes below the standard rate

is established for each of the following repair and maintenance trade or craft jobs:

Electrician-Wireman (Construction)
Electrician (Shop)
Instrument Repairman
Machinist
Maintenance Repairman
Millwright

ARTICLE XIV - WAGES

Mobile Equipment Mechanic
 Motor Inspector
 Roll Turner
 Toolmaker
 Welder

- (2) A schedule of apprentice rates for the respective apprentice training periods of 1,040 hours of actual training experience with the Company in the trade or craft in each training period is established at the level of the standard hourly wage scale rates for the respective job classes as follows:

Training Periods

<u>Trade or Craft Apprenticeship</u>	<u>1st</u>	<u>2nd</u>	<u>3rd</u>	<u>4th</u>	<u>5th</u>	<u>6th</u>
	<u>JOB CLASSES</u>					
Electrician-Wireman (Construction)	6	8	10	12	14	16
Instrument Repairman	6	8	10	12	14	16
Machinist	6	8	10	12	14	16
Tool Maker	6	8	10	12	14	16
Electrician (Shop)	6	8	10	12	14	15
Millwright	6	8	10	12	14	15
Mobile Equipment Mechanic	6	8	10	12	14	15
Roll Turner	6	8	10	12	14	15
Welder	8	8	10	12	14	15
Millwright-Welder	8	8	10	12	14	15
Welder-Mechanic	6	8	10	12	14	15
Pipefitter-Welder	6	8	10	12	14	16
Maintenance Repairman	6	8	10	12	14	16
Maintenance Electrician	6	8	10	12	14	16

ARTICLE XIV - WAGES

- (3) A schedule of learner rates for the respective learning periods of five hundred twenty (520) hours of actual learning experience with the Company on jobs for which training opportunity is not provided by the promotional sequence of related jobs or by apprentice training periods is established at the level of the standard hourly wage scale rates for the respective job classes determined on the basis of the required employment training and experience time specified in Factor 2 of the job classification record of the respective job for which the learner period is preparatory as follows:
- (a) Seven (7) to twelve (12) months:
One learner period classification at a level two job classes below the job class of the job.
 - (b) Thirteen (13) to eighteen (18) months:
A first learner period classification at a level four job classes below the job class of the job and a second learner period classification at a level two job classes below the job class of the job.
 - (c) Nineteen (19) months and above:
A first learner period classification at a level six job classes below the job class of the job; a second learner period classification at a level four job classes below the job class of the job; and a third learner period classification at a level two job classes below the job class of the job.
- (4) The Company, at its discretion, may apply a learner rate to a learner on any job during any period of time where another employee, other than

ARTICLE XIV - WAGES

the learner is on the job, provided the learner rate applied is:

- (a) The standard hourly wage scale rate for job class 1 in the case of an employee hired for the learning job; or
- (b) The lower figure of:
 - (1) The standard hourly wage scale rate of the job from which transferred; or
 - (2) The standard hourly wage scale rate of the job being learned

in the case of an employee transferred from another job in the plant.

- (B) Each hourly wage rate established under the foregoing Paragraph (A) of this Section 2 and as set forth in Appendix A is recognized as the rate of a fair day's pay on the job and the established rate of pay for all hours of work on a non-incentive job.
 - (1) Each standard hourly wage rate established under the foregoing Paragraph (A) of this Section 2 and as set forth in Appendix A-1 is recognized as the rate of a fair day's pay on the job and is:
 - (a) The established hourly base rate of pay under any incentive that has been applied or that may be applied to the job during the term of this Agreement; and
 - (b) The established minimum rate of pay for the purposes of minimum guarantee set forth in Section 6 of this Article.

ARTICLE XIV - WAGES

- (2) In addition, for each hour worked on an incentive job, the applicable hourly additive in Appendix A-1 shall be added to incentive earnings calculated on the applicable incentive calculation rate in Appendix A-1.
- (C) The established rate of pay for each production or maintenance job, other than a trade or craft, apprentice or learning job, as defined in Paragraph (A) of this Section 2, shall apply to any employee during such time as the employee is required to perform such job.
- (D) The established starting rate, intermediate rate, or standard rate of pay for a trade or craft job, as defined in Paragraph (A)(1) of this Section 2, shall apply to each employee during such time as the employee is assigned to the respective rate classification in accordance with the applicable provisions of the August 1, 1971 Manual identified in Section 5 of this Article.
- (E) The established apprentice rate of pay shall apply to an employee in accordance with the apprentice training periods, as defined respectively in Paragraph (A)(2) of this Section 2.
- (F) The established learner rate of pay shall apply to an employee in accordance with the learning periods defined respectively in Paragraphs (A)(3) and (4) of this Section 2.
- (G) An apprenticeship committee, consisting of three employees designated by the Union, and three representatives of the Company, designated by the Company, will be recognized for the purposes of reviewing and discussing the Company's apprenticeship program.

Section 3 Trade or Craft Additive.

Section 3 of Article XIV of the September 1, 1965 Basic Agreement

ARTICLE XIV - WAGES

provided for an increase by two full job classes of each of the trade and craft jobs listed in Paragraph (A)(1) of Section 2 of Article XIV of such Agreement, and similarly other jobs were increased by two full job classes pursuant to Appendix E (Apprenticeship Training Memorandum of Understanding) of such Agreement. Section 3 of Article XIV of the September 1, 1965 Agreement further provided that this addition should be identified as a trade or craft convention and should be recorded as a separate item in Factor 7 of the agreed-upon classification.

Such increase in Factor 7 is hereby made an adjustment in the Trade and Craft Master Job Classifications. In addition, the specific jobs adjusted by the two full job class additive under Factor 7 shall be deemed to be jobs classified under the August 1, 1971 Manual, as amended.

Section 4 New and Adjusted Incentives.

- (A) *The Company, at its discretion, may establish new incentives to cover:*
- (a) *new jobs on which the Company is not required to establish incentives;*
 - (b) *jobs not presently covered by incentive applications; or*
 - (c) *jobs covered by an existing incentive plan where, during the current three (3) month period, the straight time average hourly earnings of employees under the plan are equal to or less than the average of the standard hourly wage rates for such employees.*
- (B) *The following shall apply to the adjustments or replacements of incentives:*
- (a) *The Company shall adjust an incentive to preserve*

ARTICLE XIV - WAGES

its integrity when it requires modification to reflect new or changed conditions which are not sufficiently extensive to require cancellation and replacement of the incentive and which result from mechanical improvements made by the Company in the interest of improved methods or products, or from changes in equipment, manufacturing processes or methods, materials processed, or quality or manufacturing standards. Such adjustment shall be made effective as of the date of the new or changed conditions requiring it and shall be established in accordance with the procedure set forth in Paragraph (E) of this Section 4.

- (b) The Company shall establish a new incentive to replace an existing incentive when such new or changed conditions as defined in Subparagraph (a) above are of such magnitude that replacement of the incentive is required.
- (c) In the event that an incentive is to be replaced pursuant to Subparagraph (b) above, and such replacement incentive is not ready for installation, the Company shall establish an interim period, until such incentive is applied, as follows:
 - (1) The interim period shall continue until Management installs the new incentive, which shall be at the earliest practicable date following cancellation of the incentive to be replaced, but not later than six (6) months from such cancellation unless such period is extended by mutual agreement between Management and the Grievance Committee.
 - (2) Each employee on the respective job

ARTICLE XIV - WAGES

during the interim period shall receive, in addition to the applicable standard hourly wage scale rate in Appendix A-1 and the applicable hourly additive, a special hourly interim allowance equal to the percentage equivalent of the straight time average hourly earnings (which do not include the applicable hourly additive) above the standard hourly wage rates in Appendix A-1 of all regularly assigned incumbents of the job during the three (3) months immediately preceding cancellation of the incentive, provided the average performance of such three (3) month period is maintained. If the job involved is a new job, the interim allowance shall be the average interim allowance of the incumbents to whom such allowance applies expressed as an average of the applicable percentages.

- (3) Such special hourly interim allowance shall be identified with the job; applied to any employee while on such job; and continue in effect until the replacement of the cancelled incentive becomes effective.
- (4) In case an employee receiving a special hourly interim allowance voluntarily maintains a performance appreciably below that of the three (3) months immediately preceding cancellation of the incentive, after notification to such employee and the Grievance or Assistant Grievance Committeeman representing the employee affected, application of the special hourly interim allowance may be suspended during such further portion of

the interim period as the lower rate of performance voluntarily is maintained.

(C) New incentives established pursuant to Paragraphs (A) and (B)(b) above shall be established in accordance with the following procedure:

- (1) Management will develop the proposed incentive.
- (2) The proposal will be submitted to the Plant Union Incentive Committee (as hereinafter established) along with such additional employees representative of those affected by the proposal as the Committee and Management shall deem appropriate. Management shall explain the incentive for the purpose of arriving at agreement with such Committee as to its installation. Management shall, at such time, furnish such explanation with regard to the development and determination of the incentive as shall reasonably be required in order to enable the Committee and such employees to understand how such incentive was developed and determined and shall afford to them a reasonable opportunity to be heard with regard to the proposed incentive.
- (3) If agreement is not reached, the matter shall be reviewed in detail by the Plant Union Incentive Committee and Management for the purpose of arriving at mutual agreement as to installation of the incentive.
- (4) Should agreement not be reached, the proposed incentive may be installed by Management and the employees affected may, at any time after thirty days, but within one hundred eighty (180) days following installation, file a complaint alleging that the incentive does not provide equitable incentive

ARTICLE XIV - WAGES

compensation. Such complaint shall be initiated in Step 2 of the complaint and grievance procedure. If the grievance is submitted to the arbitration procedure, the arbitrator shall decide the question of equitable incentive compensation and the decision of the arbitrator shall be effective as of the date when the incentive was put into effect.

- (5) In the event Management does not develop an incentive, as provided in Paragraph (B)(b) above, the employee or employees affected may, if initiated promptly, process a complaint under the complaint and grievance procedure of this Agreement requesting that an incentive be installed in accordance with the provisions of this subsection. If the grievance is submitted to arbitration, the decision of the arbitrator shall be effective as to the date when the complaint was initiated.
- (D) When an incentive is replaced, pursuant to Paragraph (B)(b) above, the incentive earnings (which do not include the applicable hourly additive) expressed as a percentage above the Appendix A-1 standard hourly wage rate on the replacement incentive for a job covered thereunder shall not be less than the percentage of incentive earnings (which do not include the applicable hourly additive) received as an average by regularly assigned incumbents of that job under the replaced incentive during the three (3) months preceding its cancellation provided that the average performance during such three (3) month period is maintained. As to any job which did not exist under the replaced incentive, the average percentage calculated for jobs which did exist shall apply under the same conditions.
- (E) Adjusted incentives, established pursuant to Paragraph (B)(a) above, shall be established in accordance with the following procedure:

ARTICLE XIV - WAGES

- (1) Management will develop and install the adjustment as soon as practicable.
 - (2) The adjustment will be submitted to the Plant Union Incentive Committee for the purpose of notification, and Management shall furnish such explanation of the adjustment as shall reasonably be required to enable such committee to understand how such an adjustment was developed.
 - (3) The employees affected may, at any time after thirty (30) days, but within one hundred eighty (180) days following installation, initiate a complaint under the complaint and grievance procedure of this Agreement. If the grievance is submitted to the arbitration procedure, the arbitrator shall decide the issue of compliance with the requirements of Paragraph (B)(a) above and the decision of the arbitrator shall be effective as of the date when the adjustment was put into effect.
 - (4) In the event Management does not adjust an incentive, as provided in Paragraph (B)(a) above, the employee or employees affected may, if initiated promptly, process a complaint under the complaint and grievance procedure requesting that an adjustment to the incentive be installed in accordance with the provisions of this Paragraph (E). If the grievance is submitted to arbitration, the decision of the arbitrator shall be effective as of the date when the complaint was initiated.
- (F) In the interest of effective administration of incentives and incentive grievances, a Plant Union Incentive Committee is established. The Committee shall consist of three members, two of whom shall be permanent members of which one shall be Chairman. The third member shall be

ARTICLE XIV - WAGES

the Grievance Committeeman from the area involving the subject incentive application. Where such application involves more than one area, the Union shall determine the appropriate Grievance Committeeman. The Local Union President shall appoint the two permanent members. Management shall provide additional materials and training for informing the permanent members of the Committee on matters relating to the development and administration of incentives. When a complaint is referred to Step 2 of the complaint and grievance procedure concerning alleged violations of Section 4 or 6 of this Article, the Chairman of the Plant Union Incentive Committee shall be exclusively responsible for processing such complaints in Step 2 and Step 3 of the complaint and grievance procedure. The Chairman shall be guided by the same requirements with respect to the complaint and grievance procedure as are set forth in Article V for the processing of other complaints or grievances.

- (G) The Check List set forth in Appendix G is provided to serve as a guide for the parties in the full and orderly presentation of all facts relating to complaints arising with respect to incentive matters under Section 4 or 6 of this Article. All information so developed shall be made a part of the written record in Step 3.

Section 5 Description and Classification of New or Changed Jobs.

- (A) In the interest of the effective administration of the Job Description and Classification procedures, as set forth in the August 1, 1971 Job Description and Classification Manual, as amended, a Plant Union Committee on Job Classification (hereinafter called the Plant Union Committee) consisting of three employees designated by the Union shall be established.

The August 1, 1971 Job Description and Classification

ARTICLE XIV - WAGES

Manual (hereinafter referred to as the "Manual") agreed to by the parties is hereby made a part of this Agreement and shall be used to describe and classify all new or changed jobs in accordance with the following procedure.

This procedure is not to be construed or interpreted in any way as a license for any review of job descriptions and classifications currently in effect except as provided below:

- (1) All new jobs, including trade or craft jobs, established on or after August 1, 1971, shall be classified by the provisions set forth in the Manual.
 - (2) All jobs that are changed in job content (requirements of the job as to training, skill, responsibility, effort, or working conditions) on or after August 1, 1971, shall be reclassified only in those factors affected by the change, using only Section V of the Manual - "The Basic Factors and Instructions for Their Application" and Section VI of the Manual - "Conventions for Classification of Designated Jobs" where applicable. When and if the net total of the changes in the factors affected equals less than one full job class, a supplementary record shall be established to maintain the job description and classification on a current basis and to enable a subsequent adjustment of the job description and classification for an accumulation of small job content changes. When and if the net total of the changes in the factors affected, or the accumulation of such changes, equals a net total of one full job class or more, a new job description and classification for the job shall be established in accordance with item (1) above.
- (B) The job description and classification for each job in effect as of the date of this Agreement shall continue in effect

ARTICLE XIV - WAGES

unless (1) Management changes the job content (requirements of the job as to the training, skill, responsibility, effort, and working conditions) to the extent of one full job class or more; (2) the job is terminated or not occupied during a period of one year; or (3) the description and classification are changed in accordance with mutual agreement of officially designated representatives of the Company and the Union.

(C) 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, skill, responsibility, effort, and working conditions) of an existing job to the extent of one full job class or more, a new job description and classification for the new or changed job shall be established in accordance with the following procedure:

- (1) Management will develop a description and classification of the job in accordance with the provisions of the Manual.
- (2) The proposed description and classification will be submitted to the Plant Union Committee for approval, and the standard hourly wage scale rate for the job class to which the job is thus assigned shall apply in accordance with the provisions of Subsection (B) of this Section. At the same time, copies of the proposed description and classification shall be sent to a designated representative of the International Union. If the job involves new-type facilities or a new-type job, special designation of this fact shall be made.
- (3) The Plant Union Committee and Management shall discuss and determine the accuracy of the job description.

ARTICLE XIV - WAGES

- (4) If Management and the Plant Union Committee are unable to agree upon the description and classification, Management shall install the proposed classification, and the standard hourly wage scale rate for the job class to which the job is thus assigned shall apply in accordance with provisions of Subsection (B) of this Section. The Plant Union Committee shall be exclusively responsible for the filing of grievances and may, at any time within 30 days from the date of installation, file a grievance with the plant management representative designated by the Company alleging that the job is improperly described and/or classified under the provisions of the Manual. Thereupon the Plant Union Committee and Management shall prepare and mutually sign a stipulation setting forth the factors and factor codings which are in dispute. Thereafter, such grievance shall be referred by the respective parties to their Fourth Step representatives for further consideration. In the event the Fourth Step representatives are unable to agree on the description and classification within 30 days, they shall prepare and mutually sign a stipulation (which may amend the stipulation set forth by the Plant Union Committee and Management) setting forth the factors and factor codings which are in dispute, and a summary stating reasons for the respective positions of the parties at both the Plant Committee and the Fourth Step levels, a copy of which shall be sent to a designated representative of Management and the aforementioned representative of the International Union. The receipt by the Union's Fourth Step representative of such stipulation and summary shall be deemed to be receipt of the minutes for the purposes of time limit requirements in making an appeal to arbitration.

ARTICLE XIV - WAGES

- (5) In the event the parties fail to agree as provided, and no request for review or arbitration is made within the time provided, the classification, as prepared by the Company, shall be deemed to be approved.
- (6) In the event Management does not develop a new job description and classification, the Plant Union Committee may, if initiated promptly, process a complaint under the complaint and grievance procedure of this Agreement requesting that a job description and classification be developed and installed in accordance with the provisions of the Manual. The resulting classifications shall be effective as of the date when the new job was established or the change or changes installed.

Section 6 Existing Incentive Plans.

- (A) All existing incentive plans in effect on January 27, 1960, and all incentives installed after January 27, 1960, shall remain in effect until replaced by mutual agreement of the Plant Union Incentive Committee and Management or until replaced or adjusted by the Company in accordance with Section 4 of this Article. Any general increase in standard hourly wage rates granted under this Agreement shall be reflected in the calculation of earnings under all incentive plans in effect as of the effective date of any such increase.
- (B) Each employee, while compensated under an existing incentive plan in effect, shall receive for the applicable single or multiple number of eight (8) hour turns the highest of the following:
 - (1) The total earnings under such plan plus the applicable hourly additive as specified in Appendix A-1; or

ARTICLE XIV - WAGES

- (2) The total amount arrived at by multiplying the hours worked by the applicable standard hourly wage rate as specified in Appendix A-1 plus the applicable hourly additive.

Section 7 [Reserved for future use.]

Section 8 **Adjustment of Personal Out-of-Line Differentials on Incentive and Non-Incentive Jobs.**

- (A) As of the effective date of any increases made in the job class increments in the standard hourly wage scale under this Agreement, the personal out-of-line differentials of all incumbents of incentive and non-incentive jobs shall be adjusted or eliminated by applying that part of the increase in the standard hourly wage scale rate for the job which is attributed to the increase in the increments between job classes to reduce or eliminate such personal out-of-line differentials.
- (B) Any personal out-of-line differential remaining after the adjustment provided for in Paragraph (A) above shall be identified with the employee and the job occupied and shall apply only to such employee while on such job.
- (C) The out-of-line differential multiplied by the hours paid for on the job shall be added to earnings of the employee.

Section 9 **Performance Standards on Non-Incentive Jobs.**

The Company will not establish performance standards for non-incentive jobs, except as such jobs are covered by incentives.

Section 10 **Wage Rate Inequity Complaints or Grievances**

No basis shall exist for an employee, whether paid on an incentive or non-incentive basis, to allege that a wage rate inequity exists and no complaints or grievances on behalf of an employee alleging a wage rate inequity shall be initiated or processed during the term of this Agreement.

ARTICLE XIV - WAGES

Section 11 Correction of Errors.

Notwithstanding any provisions of this Article, errors in application of rates of pay shall be corrected.

Section 12 Allowance Provision.

In the event an employee is assigned temporarily at the request or direction of Management from his regular job to another job, such employee, in accordance with the provisions of this Article, shall receive the established rate of pay for the job performed.

In addition, while performing work under such circumstances, such employee shall receive such special allowance as may be required to equal the earnings that otherwise would have been realized by the employee. This provision shall not affect the rights of any employee or the Company under any other provision of this Agreement.

Employees transferred at the direction of Management to another job assignment within a job description when specific assignments are fixed for bidding, overtime, and scheduling purposes, shall be eligible for the "special allowance" referred to in this Article XIV, Section 12, provided work is available to be performed on his regularly assigned job and provided further that he maintains the average performance during the preceding three months on the job assignment to which he is transferred.

Section 13 Shift Differentials.

For hours worked on the second shift, there shall be paid a premium rate of thirty cents (\$.30) per hour. For hours worked on the third shift, there shall be paid a premium of forty-five cents (\$.45) per hour.

The first, second, and third shifts shall be defined as follows:

- (a) The first shift (day shift) shall include all shifts scheduled to

ARTICLE XIV - WAGES

start between 5:00 A.M. and 9:00 A.M., both inclusive;

- (b) The second shift (afternoon shift) shall include all shifts scheduled to start between 1:00 P.M. and 5:00 P.M., both inclusive;
- (c) The third shift (night shift) shall include all shifts scheduled to start between 9:00 P.M. and 1:00 A.M., both inclusive.

An employee commencing work on the first shift as defined above shall not be paid any shift differential unless he works eight (8) or more consecutive hours immediately following the completion of his first shift and for such time worked after the completion of his first shift hours, he shall be paid the second shift differential.

An employee commencing work on the second shift as defined above shall receive the second shift differential unless he works eight (8) or more consecutive hours immediately following his second shift hours and for such time worked following his second shift hours, he shall receive the third shift differential.

An employee commencing work on the third shift as defined above shall receive the third shift differential unless he works eight (8) or more consecutive hours immediately following the completion of his third shift and for such time worked following his third shift hours, he shall not receive any differential.

An employee who does not begin to work on one of the three shifts as defined above, and who is not making up lost time, shall be paid for time worked as follows:

- (a) For hours worked between 7:00 A.M. and 3:00 P.M., both inclusive, no shift differential shall be paid;
- (b) For hours worked between 3:00 P.M. and 11:00 P.M., both inclusive, the second shift differential shall be paid;

ARTICLE XIV - WAGES

- (c) For hours worked between 11:00 P.M. and 7:00 A.M., both inclusive, the third shift differential shall be paid.

An employee who is late for work and is permitted by the Company to make up the time that he lost shall be paid for such make-up time the same shift differential, if any, as he would have received for his scheduled shift.

The four (4) hours reporting pay shall be considered as the first four (4) scheduled hours of work for the purpose of determining the shift differentials.

Shift differentials shall be included in the calculation of overtime compensation. Shift differentials shall not be added to the hourly base rates which are used to determine incentive earnings.

Section 14 Earnings Protection Plan.

(A) Purpose.

The purpose of the Earnings Protection Plan (EPP) is to protect a level of earnings for hours worked by employees, with particular emphasis on employees displaced in technological change, through provision of a benefit to be known as a Quarterly Income Benefit (QIB), which, when added to an employee's average earnings for hours worked in a quarter, will increase such average earnings to a specified percentage of the employee's average earnings for hours worked during a base period preceding such quarter.

(B) Definitions.

When used in the EPP or in any agreement relating thereto, the following terms are intended to have the meaning set forth below:

ARTICLE XIV - WAGES

"Average Earnings" - Average straight time hourly rate of earnings, determined by dividing total earnings (including applicable incentive earnings but excluding shift differentials and Sunday and overtime premiums) for all hours worked by the number of hours worked.

"Base Period" - The pay periods paid in the calendar year preceding the benefit quarter, provided, however, that with respect to any employee who has twenty or more years of continuous service at the start of the first benefit quarter in any calendar year, the base period shall be the pay periods paid in the second calendar year next preceding the benefit quarter if his base period rate for such calendar year is higher than his base period rate for the calendar year immediately preceding the benefit quarter.

"Base Period Rate" - The average earnings for the base period, plus the amount per straight time hour worked of any QIB paid for straight time hours worked in the base period.

"Benefit Quarter" - The pay periods paid in a calendar quarter with respect to which benefit determinations are to be made.

"Benefit Quarter Rate" - The average earnings for the benefit quarter.

"Continuous Service" - Continuous service as determined under the Company's non-contributory pension provisions.

"Eligible Employees" - Employees who have two or more years of continuous service as of the end

ARTICLE XIV - WAGES

of the benefit quarter and who have worked 160 or more hours during the base period.

"SUB Plan" - The SUB Plan established pursuant to Article XVIII, Supplemental Unemployment Benefit Plan.

(C) Quarterly Income Benefits.

- (1) Each eligible employee shall receive a QIB, subject to all provisions of the EPP, for any benefit quarter for which his benefit quarter rate does not equal or exceed 85% of his base period rate; provided, however, that any employee who has twenty or more years of continuous service at the start of the first benefit quarter in any calendar year shall receive a QIB, subject to all the provisions of the EPP, for any benefit quarter for which his benefit quarter rate does not equal or exceed 90% of his base period rate.

- (2) Subject to the provisions of (3) and (4) below, the amount of the QIB for an employee shall be determined with reference to the hours worked by him in the benefit quarter by multiplying (i) the sum of the number of such hours paid for at straight time plus 1.5 times the number of such hours paid for at overtime rates by (ii) the amount, if any, by which his benefit quarter rate was less than 85% of his base period rate; provided, however, that with respect to any employee who has twenty or more years of continuous service at the start of the first benefit quarter in any calendar year, the amount of the QIB shall be determined with reference to the hours worked by him in the benefit quarter by multiplying (i) the sum of the number of such hours paid for at straight time plus 1.5 times the number

ARTICLE XIV - WAGES

of such hours paid for at overtime rates by (ii) the amount, if any, by which his benefit quarter rate was less than 90% of his base period rate.

- (3) In determining the amount of a QIB, the base period rate and the benefit quarter rate shall be appropriately adjusted to neutralize the effect of any general wage change occurring after the start of the base period.
- (4) Any QIB otherwise payable shall be adjusted to the extent necessary to avoid a payment under this plan which would duplicate a payment under a workmen's compensation or occupational disease law or under any other arrangement which provides an earnings supplement.

(D) Disqualification.

- (1) An employee shall not be paid any QIB for any benefit quarter if it is determined that his benefit quarter rate was significantly lower than it otherwise would have been because of any of the following (occurring in or before such benefit quarter):
 - (a) Assignment at his own request or due to his own fault to a job with lower earning opportunities or failure to accept assignment, or to assert assignment rights, to a job with higher earnings opportunities; except in the case of assignments related to the manning of a new facility or other situations where it is clear from the surrounding circumstances that such event should not affect eligibility for a QIB.
 - (b) Lower average performance under any

ARTICLE XIV - WAGES

applicable incentive than that which was reasonably attainable.

(c) Any occurrence which would disqualify the employee from a Weekly Benefit pursuant to Paragraph 3.5-c(1), (2), or (3) of the SUB Plan.

(2) If an employee quits or is discharged, no QIB shall be payable for the benefit quarter in which such quit or discharge occurs.

(E) General.

(1) Any QIB payable in accordance with the terms of this plan shall be paid promptly after the end of the benefit quarter for which it is payable, shall be considered wages for the purposes of any applicable law, and shall be included in calculating earnings for the purposes of the Company's non-contributory pension provisions and vacations, but not for the SUB Plan or any other purpose. For the purpose above provided, the QIB shall constitute wages for the calendar quarter in which it is paid.

(2) The Union shall be furnished, on terms and at times to be agreed upon, such information as may be reasonably required to enable the Union to be properly informed concerning the operation of the EPP. In addition, with respect to any benefit quarter, the Chairman of the Grievance Committee, if he so requests, shall be furnished with a list of employees represented by such Committee who received QIB's and the amount of such QIB's and a list of employees represented by such Committee who did not receive QIB's because of one of the disqualifications listed in (D)(1)(a), (b), or (c).

ARTICLE XV - SEVERANCE ALLOWANCE

ARTICLE XV

SEVERANCE ALLOWANCE

Section 1 Conditions of Allowance.

When, in the sole judgment of the Company, it decides to close permanently a plant or discontinue permanently a department of a 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 was not entitled to other employment with the Company under any applicable provisions of this Agreement and Section 2 below shall be entitled to a severance allowance in accordance with and subject to the following provisions.

Before the Company shall finally decide to close permanently a plant or discontinue permanently a department of a plant, it shall give the Union, when practicable, advance written notification of its intention. Such notification shall be given at least 90 days prior to the proposed closure date, and the Company will thereafter meet with the appropriate Union representatives in order to provide them with an opportunity to discuss the Company's proposed course of action, and to provide information to the Company and to suggest alternative courses. During these meetings, the Company shall provide the Union with its reasons for the proposed course of action. Upon conclusion of such meetings, which in no event shall be less than 30 days prior to the proposed closure or partial closure date, the Company shall advise the Union of its final decision. The final closure decision shall be the exclusive function of the Company. This notification provision shall not be interpreted to offset the Company's right to lay off or in any other way reduce or increase the working force in accordance with its presently existing rights as set forth in Article III of this Agreement.

ARTICLE XV - SEVERANCE ALLOWANCE

Section 2 Eligibility.

Such an employee, to be eligible for a severance allowance, shall have accumulated three (3) or more years of continuous Company service as computed in accordance with Article XVI, 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, in the same general locality. The employee shall have the option of either accepting such new employment or requesting his severance allowance. If an employee accepts such other employment, his continuous service record shall be deemed to have commenced as of the date of the transfer, except that for the purposes of severance allowance under this Article, and for purposes of Article XIII, Vacations, his previous continuous service record shall be maintained and not be deemed to have been broken by the transfer.
- (B) As an exception to Paragraph (A) above, an employee otherwise eligible for severance allowance who is entitled under this Agreement to a job in at least the same job class in another part of the same plant shall not be entitled to severance allowance whether he 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 pay provided he otherwise qualifies under the terms of this Section.

Section 3 Scale of Allowance.

An eligible individual shall receive severance allowance based upon the following weeks for the corresponding continuous Company service:

ARTICLE XV - SEVERANCE ALLOWANCE

<u>Continuous Company Service</u>	<u>Weeks of Severance Allowance</u>
3 years but less than 5 years	4
5 years but less than 7 years	6
7 years but less than 10 years	7
10 years or more	8

Section 4 Calculation of Allowance.

A week's severance allowance shall be determined in accordance with the provisions for calculation of vacation pay as set forth in Article XIII, Vacations.

Section 5 Payment of Allowance.

Payment shall be made in a lump sum at the time of termination. Acceptance of severance allowance shall terminate employment and continuous service for all purposes under this Agreement.

Section 6 Non-Duplication of Allowance.

Severance allowance shall not be duplicated 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 Article may be offset against such payments. Statutory unemployment compensation payments shall be excluded from the non-duplication provisions of this paragraph.

ARTICLE XV - SEVERANCE ALLOWANCE

Section 7 Election Concerning Layoff Status.

Notwithstanding any other provision of this Agreement, an employee who would have otherwise been terminated in accordance with the applicable provisions of this Agreement and under the circumstances specified in Section 1 of this Article thereupon may, at such time, elect to be placed upon layoff status for thirty (30) days or to continue on layoff status for an additional thirty (30) days if he had already been on layoff status. At the end of such thirty (30) day period, he may elect to continue on layoff status or to be terminated and receive severance allowance if he is eligible to any such allowance under the provisions of this Article; provided, however, if he 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 sixty (60) day period, at the conclusion of such additional sixty (60) day period, he may elect to be terminated and receive severance allowance if he is eligible for such allowance. Any Supplemental Unemployment Benefit payment received by him for any period after the beginning of such thirty (30) day period shall be deducted from any such severance allowance to which he would have been otherwise eligible at the beginning of such thirty (30) day period.

ARTICLE XVI

SENIORITY

Section 1 Seniority Status of Employees.

The parties recognize that promotional opportunity and job security in event of promotions, decreases of forces, and recalls after layoffs should increase in proportion to length of continuous service, and that in the administration of this Article, the intent will be that whenever practicable, full consideration shall be given continuous service in such cases.

In recognition, however, of the responsibility of Management for the efficient operation of the plant, it is understood and agreed that in all cases of:

- (A) Promotion (except promotions to positions excluded under the definition of "employees"), the following factors as listed below shall be considered; however, only where factors "(b)" and "(c)" are relatively equal shall length of continuous service be the determining factor:
 - (a) Continuous service
 - (b) Ability to perform the work
 - (c) Physical fitness

- (B) Decrease in forces or recalls after layoffs, the following factors as listed below shall be considered; however, only where both factors "(b)" and "(c)" are relatively equal shall length of continuous service be the determining factor:
 - (a) Continuous service
 - (b) Ability to perform the work
 - (c) Physical fitness

- (C) Nothing in this Section 1 shall prevent Management and the Grievance Committee from agreeing in writing that (1)

ARTICLE XVI - SENIORITY

an employee may fill a lower permanent job opening in his promotional sequence, or (2) in the case of an employee who has been downgraded due to a reduction in the working forces, such employee may fill a job which pays higher earnings.

Section 2 Determination of Seniority Units.

Seniority shall be applied in the established seniority unit, which may be a section, a division, or any subdivision thereof, as established or agreed upon. A job may be in one seniority unit for one purpose, such as promotions, and may be in a different seniority unit for another purpose, such as layoffs. Subject to the revision required elsewhere in this Article XVI, the existing seniority unit or units to which the seniority factors shall be applied and the rules for application of the seniority factors, including service dates within these units, covered by existing agreements, shall remain in effect unless or until modified by written agreement signed by Management, the President of the Local Union, and the Chairman (or acting in his behalf, the Assistant Chairman) of the Grievance Committee of the Union. Hereafter, seniority agreements, including agreements covering divisions or units thereof, shall be signed on behalf of the Union by the President of the Local Union and the Chairman of the Grievance Committee of the Union, and shall be posted in the plant.

In each division, the Company will post a list of employees assigned to that division, setting forth each employee's length of continuous section, division, and plant service. Such lists will be revised by the Company at least once each six (6) months, and a copy thereof shall be given to the Chairman of the Grievance Committee.

In any case in which agreement cannot be consummated as to the seniority units in which a new job or new jobs, including those in new, merged, or transferred operations, are to be placed, Management shall include such job or jobs in the most appropriate seniority unit or, if more appropriate, establish a new seniority unit.

ARTICLE XVI - SENIORITY -

subject to the complaint and grievance procedure of this Agreement. The seniority unit charts applicable to the various divisions shall be kept up-to-date by the Company. When a permanent change in the relationship of jobs in a particular seniority unit takes place, the charts shall be revised in accordance with the principles followed in the establishment of such charts.

Whenever employees (other than transitional or probationary employees) are to be laid off, the Company shall give the Union written notice, and whenever possible, three (3) days in advance.

Section 3 Posting of Job Openings.

In accordance with the Agreement on Rules for the Application of the Seniority Factors as set forth in a subsequent part of this Agreement (hereinafter referred to as the "Seniority Rules"), the following shall apply:

- (A) When a vacancy develops or is expected to develop (other than a temporary vacancy) in the promotional line in any seniority unit, Management shall post notices of such vacancy or expected vacancy for such period of time and in such manner as may be appropriate.
- (B) Employees in the applicable seniority unit or units who wish to apply for the vacancy or expected vacancy may do so in writing in accordance with the Seniority Rules.
- (C) Management shall, if in its judgment there are applicants qualified for the vacancy or expected vacancy, fill same from among such applicants in accordance with the provisions of Sections 1 and 2 of this Article.

Section 4 Interplant and Intraplant Transfers.

It is recognized that conflicting seniority claims among employees

ARTICLE XVI - SENIORITY

may arise when plant or department facilities are created, expanded, added, merged, or discontinued involving the possible transfer of employees. It is agreed that such claims are matters for which adjustment shall be sought between Management and the appropriate grievance representatives or committees.

In the event the above procedure does not result in agreement, the International Union and the Company may work out such agreements as they deem appropriate, irrespective of existing seniority agreements existing pursuant to Section 2 of this Article or may submit the matter to arbitration under such conditions, procedures, guides, and stipulations as to which they may mutually agree.

Section 5 Temporary Promotions.

In accordance with the Seniority Rules, in cases of temporary vacancies involving temporary assignments within a seniority unit, the Company shall, to the greatest degree consistent with efficiency of the operation and the safety of employees, assign the employee with longest continuous service in the unit, provided such employee desires the assignment. Such temporary assignments shall be regarded as training by which the Company may assist employees older in service to become qualified for permanent promotion as promotion may be available.

Section 6 Shift Preference.

The Company agrees with the Union that wherever it is practical, shifts will be rotated. However, by mutual agreement of the Company and the Union, shifts may be stationary. On stationary shifts, shift preference will be granted, subject to existing agreements, to employees with the longest continuous service in the seniority unit involved when permanent vacancies occur as follows:

- (a) In the event of a permanent vacancy in a job classification (or craft job) on any shift, preference for this vacancy shall

ARTICLE XVI - SENIORITY

be given in accordance with length of continuous service in the seniority unit to qualified employees in the same job classification or craft.

- (b) Employees on stationary shifts will have the opportunity to select the shift of their preference and, notwithstanding the provisions of the preceding paragraph, once each year, an employee may request a transfer to another shift. Any employee's right to a shift shall be determined by his length of continuous service in the seniority unit and his qualifications to perform the work involved.
- (c) Apprentices will be assigned to turns consistent with their training requirements and the efficiency of the operation. In the absence of these considerations, apprentices will be assigned to turns pursuant to Article XVI, Section 6.

The foregoing provisions of this Section shall not be construed in any way to limit the Company from maintaining an adequate number of skilled and experienced employees in each section on each shift.

Section 7 Probationary Employees.

New employees and those hired after a break in continuity of service will be regarded as probationary employees for the first five hundred and twenty (520) hours of actual work and will receive no continuous service credit during such period. Probationary employees may initiate complaints under this Agreement, but may be laid off, discharged, or terminated as exclusively determined by Management; provided that this will not be used for purposes of discrimination because of race, color, religious creed, national origin, or sex, or because of membership in the Union. Probationary employees continued in the service of the Company subsequent to the first five hundred and twenty (520) hours of actual work shall receive full continuous service credit from date of original hiring; provided, however, where a probationary employee is relieved from work because of lack of

ARTICLE XVI - SENIORITY

work and his employment status terminated in connection therewith, and he is subsequently rehired within one year from the date of such termination, the hours of actual work accumulated by such probationary employee during his first employment shall be added to the hours of actual work accumulated during his second employment in determining when the employee has completed five hundred and twenty (520) hours of actual work; provided, however, that should such an employee complete five hundred and twenty (520) hours of actual work in accordance with this sentence, his continuous service date will be the date of hire of his second hiring. If, however, such an employee is rehired within two weeks of his last termination from employment at the same plant, his continuous service date will be the date of hire for his prior employment.

Section 8 Calculation of Continuous Service.

Continuous service shall be calculated from date of first employment or reemployment following a break in continuous service in accordance with the following provisions; provided, however, that the effective date of employment prior to the date of this Agreement shall be the date of first employment or reemployment after any event which constituted a break in service under the practices in effect at the time the break occurred;

- (1) There shall be no deduction for any time lost which does not constitute a break in continuous service except as provided in Paragraph (3) below.
- (2) Continuous service shall be broken in the manner set forth in Paragraph (3) below, and by:
 - (a) An employee who voluntarily quit.
 - (b) An employee who is discharged for just cause, provided that if the employee is rehired within six (6) months, the break in continuous service shall be removed.

ARTICLE XVI - SENIORITY

- (c) Termination in accordance with Article XV, Severance Allowance.
 - (d) An employee who is absent for five (5) working days without notifying the Company (unless the employee can establish that it was physically impossible for him to do so) or an employee who has been laid off, fails to notify the Company of his intention to return to work after being recalled within two (2) working days, or fails to report for work within seven (7) days after written notice of recall (letter or telegram) has been sent to the address appearing on the Company's records. The Union shall be given a list of employees on the checkoff list who are recalled as provided here.
 - (e) An employee who fails to report for work at the termination of a leave of absence.
 - (f) Absence in excess of two (2) years, except as provided in Paragraphs (3) and (4) below.
- (3) If an employee is absent because of layoff or physical disability in excess of two years, he shall continue to accumulate continuous service during such absence for an additional period equal to (i) three (3) years, or (ii) the excess, if any, of his length of continuous service at commencement of such absence over two (2) years, whichever is less. Any accumulation in excess of two (2) years during such absence shall be counted, however, only for purposes of this Article XVI, including local agreements thereunder, and shall not be counted for any other purpose under this or any other agreement between the Company and the International Union. Notwithstanding the foregoing, an employee, who at the commencement of an absence solely due to layoff has three (3) or more years of continuous service, shall continue to accumulate continuous service for all purposes during such absence for a period

ARTICLE XVI - SENIORITY

not exceeding three (3) years. In order to avoid a break in service within the above period after an absence in excess of two years, an employee absent because of layoff or physical disability must report for work promptly upon termination of either cause, provided, in the case of layoff, the Company has mailed a recall notice to the last address furnished to the Company by the employee.

- (4) Absence due to a compensable disability incurred during course of employment shall not break continuous service, provided such individual is returned to work within thirty (30) days after final payment of statutory compensation for such disability or after the end of the period used in calculating a lump sum payment.

Section 9 Decrease of Force.

In the event a decrease of work, other than decreases which may occur from day to day, results in the reduction to an average of thirty-two (32) hours per week for the employees in the seniority unit and a further decrease of work appears imminent, which in the Company's judgment may continue for an extended period and will necessitate a decrease of force or a reduction in hours worked for such employees below an average of thirty-two (32) hours per week, the Management of the plant and the Grievance Committee will confer in an attempt to agree as to whether a decrease of force shall be effected in accordance with this Article or the available hours of work shall be distributed as equally between such employees as is practicable with due regard for the particular skills and abilities required to perform the available work. In the event of disagreement, Management shall not divide the work on a basis of less than thirty-two (32) hours per week.

Section 10 Seniority Status of Grievance Committeemen and Local Union Officers.

When the Company decides that the workforce in any seniority unit is to be reduced, a member of the plant Grievance Committee, if

ARTICLE XVI - SENIORITY

any, in that unit, shall, if the reduction in force continues to the point at which he would otherwise be laid off, be retained at work, and for such hours per week as may be scheduled in the unit in which he is employed, provided he can perform the work on the job to which he must be demoted. The intent of this provision is to retain in active employment the plant Grievance Committeemen for the purpose of continuity in the administration of the labor contract in the interest of employees, so long as a workforce is at work, provided that no Grievance Committeeman shall be retained in employment unless work which he can perform is available for him in the plant area which he represents on the Grievance Committee.

This provision shall apply also to employees who hold any of the following offices in the Local Union: President, Vice President.

Section 11 Interplant Job Opportunities.

(A) Priority in the filling of job vacancies (other than temporary vacancies) at the Chicago and Riverdale Plants and covered by an agreement between the Company and the International Union shall be afforded employees at such plants in accordance with the following:

1. Such priority shall be afforded to eligible employees who have applied for employment at the plant other than their home plant. Eligible employees are those who:
 - (a) have two (2) or more years of Company continuous service at the date of shutdown and who:
 - (1) have elected not later than the end of thirty (30) days from the date of shutdown to continue on layoff; and

ARTICLE XVI - SENIORITY

- (2) cannot qualify for immediate pension and have not attained the age of 60; and
 - (3) have no employment and no recall rights to a job in their home plant as a result of a permanent shutdown of a plant, department, or subdivision thereof; and
 - (4) have applied for employment hereunder; or
- (b) have two (2) or more years of Company continuous service at the time of layoff from their home plant and who:
- (1) in the opinion of the Management are not likely to be returned to active employment in their home plant within one (1) year from the date of layoff; and
 - (2) cannot qualify for immediate pension and have not attained the age of 60; and
 - (3) within thirty (30) days after being advised by the Management of such option, apply for employment hereunder.
2. The job vacancies for which employees shall be eligible under these provisions shall be only those that are not filled from the particular plant in accordance with the foregoing Sections of this Article.

ARTICLE XVI - SENIORITY

3. In filling such job vacancies hereunder, the following provisions shall be applicable:
 - (a) An employee shall be given such priority only if he files with the Management of his home plant a written request for such employment at the other plant. Such application shall be on a form provided by the Company.
 - (b) Employees who thus apply may thereafter be given priority in the filling of job vacancies (other than temporary vacancies) over new hires after they have been continuously on layoff for sixty (60) days and shall be given such priority in the order of their Company continuous service (the earliest date of birth to control where such service is identical), in each case provided such employees have the necessary qualifications to perform the job and to advance in the promotional sequence involved. In determining the necessary qualifications to advance in the promotional sequence involved, the normal experience acquired by employees in such sequence shall be taken into consideration. It is recognized that there are circumstances under which it is impractical to afford such priority to an applicant because of the imminence of his recall to his home plant. In such a case, the Company shall not incur liability for failure to give priority to such applicant if the period does not exceed four (4) weeks.
 - (c) An employee laid off from his home plant who is offered and who accepts a job at

the other plant in accordance with the foregoing provisions will have the same obligation to report for work there as though he were a laid off employee at that plant. During his employment at that plant, he will be subject to all the rules and conditions of employment in effect at that plant. He will be considered as a new employee at that plant for all purposes except that his plant continuous service for determining his seniority for purposes of promotion, decrease in force, or recalls after layoff at that plant after completion of his probationary period shall be no less than his continuous employment at that plant plus sixty (60) days. At any time during the first sixty (60) days of his employment at that plant, he may elect to terminate such employment without affecting his continuous service at his home plant provided he gives reasonable notice to plant management and provided further that such an election will affect his right to further consideration under this Section 11 in the same manner as if he had rejected a job offer to him. If he is laid off from that plant, his continuous service at that plant will be cancelled when he is recalled to his home plant. If his home plant is closed permanently, his continuous service at his home plant will be cancelled and the plant to which he was assigned will become his home plant, subject to the election provided in the following sentence. If his home plant is closed permanently or if his home plant department or substantial portion thereof is permanently discontinued, and the employee has less

ARTICLE XVI - SENIORITY

than two (2) years of continuous service for layoff purposes at the new plant and meets the eligibility requirements for severance allowance, he may elect within ninety (90) days of such closing or discontinuance to be assigned back to his former home plant for the purpose of receiving severance pay and thus terminating his continuous service with the Company for all purposes.

- (d) If an employee rejects a job offer to him under these provisions, or if he does not respond within five (5) days of the time the offer is made, directed to his last place of residence as shown on the written request referred to in Paragraph 3(a) above, his name shall be removed from those eligible for priority hereunder, and he may thereafter apply, pursuant to Paragraph 3(a), for reinstatement after he is recalled to active employment at his home plant and again laid off.
- (e) An employee who accepts employment at the other plant under these provisions will continue to accrue continuous service for seniority purposes at his home plant in accordance with the applicable seniority rules until recalled to work at his home plant, in which event his continuous service at the other plant will be cancelled.
- (f) When he has completed one (1) year of employment at that plant, his continuous service at his home plant will be cancelled and the plant to which he was assigned will then become his home plant.

ARTICLE XVI - SENIORITY

- (B) The operation of this Section 11 will be subject to periodic review by a joint committee, consisting of equal numbers of representatives of both parties (not more than three (3) each), who shall meet periodically to review the operation of this Section 11 and to consider and resolve any problems that may arise from its operation. The Company shall supply to such committee pertinent information relating to the operation of these provisions.
- (C) The following procedure shall apply only to complaints or grievances relating to the application of this Section 11:
1. Any employee who believes that he has a justifiable request or complaint shall promptly refer the matter to a Staff Representative designated by the Union for this purpose, who in turn will promptly arrange to discuss the request or complaint with the Company designated representative.
 2. If not satisfactorily resolved, the Union's designated Staff Representative may refer the matter to the Company's Fourth Step representative certified to the Union by the Company to handle Fourth Step grievances for the home plant of the complaining employee, or if appropriate, the Fourth Step representative for the other plant involved in the complaint. Such referral shall be made in writing within ten (10) days of completion of the final discussion pursuant to (1) above and shall set forth the Union's statement of fact, the action of the Company which the Union challenges, the clause or clauses of this Section 11 which are alleged to be violated, the relief sought, and the Union's position. The appealed grievance shall be handled in the regular grievance procedure established under this Agreement starting at the Fourth Step.
 3. In order to facilitate the operation of the program

ARTICLE XVI - SENIORITY

provided for in this Section 11, it is agreed that:

- (a) back pay shall not be awarded in any grievance based on those paragraphs unless the arbitrator finds that there has been willful and deliberate non-compliance therewith; and
 - (b) the Company and the International Union may, upon recommendation of the committee provided for in Paragraph C2 above, amend this Section 11 at any time during the period of this Agreement and that such amendment shall be effective with respect to any pending grievance.
4. The Company will not be liable for any retroactive pay with respect to any period prior to four (4) days or the beginning of the payroll week, whichever is later, after receipt by the Company of specific written notice (on a form to be provided therefor) of its alleged error.
5. By agreement between the Company and the International Union, the provisions of this Section 11 may at any time be suspended and employees who are working at other than their home plant under these provisions may be laid off if it becomes necessary to do so to provide employment for long service employees who are permanently displaced or for other valid reasons.

Section 12 Manning of New Facilities.

- (1) In the manning of jobs on new facilities in the plant, the jobs shall be filled by qualified employees who apply for such jobs in the order of length of service from the following categories in the following order but subject to Paragraph

ARTICLE XVI - SENIORITY

(2) below.

- (a) Employees displaced from any facility being replaced in the plant by the new facilities.
- (b) Employees being displaced as the result of the installation of the new facilities.
- (c) Employees presently employed on like facilities in the plant.
- (d) Employees presently on layoff from like facilities in the plant.

- (2) The local parties will meet, prior to manning the new equipment, to seek agreement on whether the length of service considered shall be plant service, division service or sectional service; and on the standards to be used to determine the qualifications entitling employees otherwise eligible to be assigned to the jobs in question.

Should the local parties fail to agree on the standards for determining qualifications, Management shall have the right to require applicants to have the necessary qualifications for performing the job, for absorbing such training as is to be offered and for advancement in the promotional sequence to the extent necessary to assure efficient operation of the new facilities.

- (3) Should Management deem it necessary to assign an employee to his regular job on the old facility in order to continue its efficient operation, it may do so on the basis of establishing such employee on the new job and temporarily assigning him to his former job until a suitable replacement can be trained for the job or its performance is no longer required. In such event, such employee shall be entitled to earnings not less than what he would have made had he been working on the job on which he has been established.

ARTICLE XVIII - SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN

ARTICLE XVIII

SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN

Section 1 Description of Plan.

The Supplemental Unemployment Benefit Plan, effective September 1, 1989 (the Plan), is contained in a booklet entitled "1989 SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN," a copy of which will be provided each employee. Such booklet constitutes a part of this Section as though incorporated herein. The 1989 Supplemental Unemployment Benefit Plan shall remain in effect during the term of this Agreement.

Section 2 Coverage.

- (A) The Plan shall, for the period specified in the termination provisions of this Agreement, be applicable to the employees covered by this Agreement.

- (B) The Plan, without change, may be applicable to such other groups of employees of the Company who are entitled to overtime compensation on the basis of law, contract, or custom as were covered on August 31, 1989 by the Prior Plan (the Supplemental Unemployment Benefit Plan in effect prior to September 1, 1989) and to any other such group, and under such conditions as the Company and the Union may agree. Any modification of the Plan necessitated by the requirements of federal or state law shall also apply to such other groups to which it is applicable.

- (C) There shall be one trust fund under the Plan applicable to all employees covered by the Plan, and any determinations under the Plan will be based on the experience with respect to everyone covered thereby.

ARTICLE XVIII - SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN

Section 3 Reports to the Union.

The Company will provide the Union with information on the forms agreed to by the parties and at the times indicated thereon, and such additional information as will reasonably be required for the purpose of enabling the Union to be properly informed concerning operations of the Plan.

ARTICLE XIX - LOCAL WORKING CONDITIONS

ARTICLE XIX

LOCAL WORKING CONDITIONS

The term "local working conditions," as used herein, means 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 and includes local agreements, written or oral, on such matters. It is recognized that it is impracticable to set forth in this Agreement all these working conditions, which are of a local nature only, or to state specifically in this Agreement which of these matters should be changed or eliminated. The following provisions provide general principles and procedures which explain the status of these matters and furnish necessary guideposts for the parties hereto and the arbitrator.

- (1) It is recognized that an employee does not have the right to have a local working condition established, in any given situation or plant where such condition has not existed, during the term of this Agreement or to have an *existing local working condition* changed or eliminated, except to the extent necessary to require the application of a specific provision of this Agreement.
- (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 of the benefits of this Agreement, he shall have recourse to the grievance procedure and arbitration, if necessary, to require that the local working condition be changed or eliminated to provide the benefits established by this Agreement.
- (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

ARTICLE XIX - LOCAL WORKING CONDITIONS

in accordance with Paragraph (4) below.

- (4) The Company shall have the right to change or eliminate any local working condition if, as the result of action taken by Management under Article III, 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; provided, however, that when such a change or elimination is made by the Company, any affected employee shall have recourse to the complaint and grievance procedure and arbitration, if necessary, to have the Company justify its action.
- (5) No local working condition shall hereafter be established or agreed to which changes or modifies any of the provisions of this Agreement, except as it is approved in writing by the President of the Local Union and an International Officer of the Union and the Human Resources Executive of the Company.
- (6) The settlement of a grievance prior to arbitration under this Article XIX shall not constitute a precedent in the settlement of grievances in other situations in this area.
- (7) Each party shall, as a matter of policy, encourage the prompt settlement of problems in this area by mutual agreement at the local level.

ARTICLE XX - SUB AND INSURANCE GRIEVANCES

ARTICLE XX

SUB AND INSURANCE GRIEVANCES

The following procedure shall apply only to disputes concerning the *Supplemental Unemployment Benefit Plan (SUB)* and the *Insurance Agreement*, including the *Program of Insurance Benefits (PIB)*, but it shall not apply to a claim for life insurance.

If any difference shall arise between the Company and any employee as to the benefits payable to him:

- (a) pursuant to the SUB, or
- (b) pursuant to the Insurance Agreement (including PIB) because his claim was denied in whole or in part, or between the Company and the Union as to the interpretation or application of or compliance with the provisions of the SUB and such difference is not resolved by discussion with a representative of the Company at the location where it arises, it shall, if presented in writing under the following provisions, become a SUB grievance or an Insurance grievance (in either case hereinafter referred to as grievance), and it shall be disposed of in the manner described below:
 - (1) A grievance must, in order to be considered, be presented in writing in Step 3 within 30 days after the action giving rise to such difference on a *Complaint/Grievance Form* which shall be dated and signed by the employee involved and the representative designated by the Local Union to handle such grievances and presented to a local representative of the Company designated to receive and handle such grievances. The grievance shall be discussed by such representatives within 10 days after it has been

ARTICLE XX - SUB AND INSURANCE GRIEVANCES

presented to the representative of the Company. Step 3 minutes of any discussion between the Union and the Company shall be prepared and signed by the local representative of the Company within 10 days after the discussion is held and shall be signed by the representative of the Local Union. If the representative of the Local Union shall disagree with the accuracy of the minutes as prepared by the Company, he shall set forth and sign his reasons for such disagreement and the minutes, except for such disagreement, shall be regarded as agreed to. Unless the grievance is appealed as set forth below within 10 days after the date of delivery of the minutes to the representative of the Local Union, it shall be deemed to have been settled and no appeal therefrom shall thereafter be taken. Notwithstanding the first sentence of this paragraph, (a) a grievance relating to Short Week Benefits under the SUB must be presented within 30 days after the date of the Short Week Benefit draft if the dispute relates to the amount of the benefit or within 60 days from the end of the week in question if the dispute relates to eligibility for the benefit, and (b) a grievance relating to the Insurance Agreement (including PIB) must be presented within 30 days after the earliest date on which the grievant knew or reasonably should have known of the action on which it is based.

For the purpose of processing grievances under this Article, the "representative designated by the Union" shall be the Union Chairman of the SUB and Insurance Committee.

- (2) In order for a grievance to be considered further, written notice of appeal shall be served, within 10 days after receipt of the minutes described

ARTICLE XX - SUB AND INSURANCE GRIEVANCES

above, by the representative of the District Director of the Union, certified to the Company in writing, upon the representative of the Company, similarly certified to the Union by the Company. Such notice shall state the subject matter of the grievance, the identifying number, and objections taken to the previous disposition. A grievance which has been so appealed shall be discussed within 30 days of such notice by such representatives, in an effort to dispose of the grievance. Minutes of the discussion, which shall include a statement of the disposition of the grievance by the representative of the Company, his reasons therefor, and the date thereof, shall be prepared and signed by him and delivered to the representative of the Union within 10 days after the discussion is held. The representative of the Union shall sign such minutes and shall deliver a copy to the representative of the Company, and in the event he shall disagree with the accuracy of the minutes as prepared by the Company, he shall set forth and sign his reasons for such disagreement and the minutes, except for such disagreement, shall be regarded as agreed to. If an appeal from the action taken with regard to the grievance in accordance with the foregoing procedure is not made in the manner set forth below, the grievance shall be deemed to have been settled in accordance with such action and no appeal therefrom shall thereafter be taken.

- (3) If the procedure described in Paragraphs (1) and (2) above has been followed with respect to a grievance and it has not been settled, it may be appealed by the District Director, or his representative, to arbitration by written notice to the certified representative of the Company

ARTICLE XX - SUB AND INSURANCE GRIEVANCES

described in Paragraph (2) above within 20 days after the date of delivery of the minutes to the representative of the Union.

- (4) The decision of the Arbitrator on any grievance which has properly been referred to him shall be final and binding upon the Company, the Union, and all employees involved in the grievance.

ARTICLE XXI - PRIOR AGREEMENTS

ARTICLE XXI

PRIOR AGREEMENTS

The terms and conditions established by this Agreement replace those established by the Agreement of September 1, 1992, effective as of September 1, 1993, except as otherwise expressly provided in this Agreement.

Any complaint or grievance, which as of the effective date of this Agreement has been presented in writing and is in the process of adjustment under the complaint and grievance procedure of the Agreement of September 1, 1992, may be continued to be processed under the complaint and grievance procedure of this Agreement and settled in accordance with the applicable provisions of the applicable prior Agreement for the period prior to the effective date of this Agreement and for any period thereafter in accordance with the applicable provisions of this Agreement.

Any complaint or grievance filed on or after the effective date of this Agreement which is based on the occurrence or non-occurrence of an event which arose prior to the effective date of this Agreement must be a proper subject for a complaint or grievance under this Agreement and processed in accordance with the complaint and grievance procedure of this Agreement. Such complaint or grievance shall be settled in accordance with the applicable provisions of the Agreement of September 1, 1992, for the period prior to the effective date of this Agreement, and for any period thereafter in accordance with the applicable provisions of this Agreement.

ARTICLE XXII - TERMINATION DATE

ARTICLE XXII

TERMINATION DATE

Except as otherwise provided below, this Agreement shall terminate at the expiration of 60 days after either party shall give written notice of termination to the other party but in any event shall not terminate earlier than August 31, 1999 (11:59 P.M.).

December 31, 2005

If either party gives such notice, it may include therein notice of its desire to negotiate with respect to Insurance, Pensions, and Supplemental Unemployment Benefits (existing provisions or agreements as to Insurance, Pensions, and Supplemental Unemployment Benefits to the contrary notwithstanding), and the parties shall meet within 30 days thereafter to negotiate with respect to such matters. If the parties shall not agree with respect to such matters by the end of 60 days after the giving of such notice, either party may thereafter resort to strike or lockout as the case may be in support of its position in respect to such matters as well as any other matter in dispute (the existing agreements or provisions with respect to Insurance, Pensions, and Supplemental Unemployment Benefits to the contrary notwithstanding).

Notwithstanding any other provisions of this Agreement, or the termination of any or all other portions hereof, the Supplemental Unemployment Benefit Plan shall remain in effect until expiration of 120 days after written notice of termination is served by either party on the other party on or after September 3, 1999.

December 31, 2005

Any notice to be given under this Agreement shall be given by registered mail; be completed by and at the time of mailing; and, if by the Company, be addressed to the United Steelworkers of America, Five Gateway Center, Pittsburgh, Pennsylvania 15222, if by the Union, to the Company at 13500 South Perry Avenue, Riverdale, Illinois 60627. Either party may, by like written notice, change the address to which registered mail notice to it shall be given.

**UNITED STEEL WORKERS OF AMERICA
AFL-CIO-CLC**

**ACME STEEL COMPANY
RIVERDALE PLANT**

**ACME PACKAGING
CORPORATION
RIVERDALE PLANT**

By: _____
Lynn F. Williams

By: _____
Richard J. Stefan

Edgar L. Ball

Joseph A. DiMauro

George Becker

Gerald J. Shope

Leon Lynch

Joseph P. Dula

Jack Parton

Anthony M. Kuchta

Tom Conway

Juan J. Aquirre

Bill Andrews

Jerry Bugg

Tom Eagan

Larry Lydon

Charles Tucker

A.J. Warner

Joseph Grippando

APPENDIX A**APPENDIX A****NON-INCENTIVE JOBS**

The standard hourly wage scale of rates for non-incentive jobs shall be as follows:

Job Class	Effective September 1, 1993	Effective September 1, 1995 ⁽¹⁾
1-2	12.245	12.745
3	12.392	12.892
4	12.539	13.039
5	12.686	13.186
6	12.833	13.333
7	12.980	13.480
8	13.127	13.627
9	13.274	13.774
10	13.421	13.921
11	13.568	14.068
12	13.715	14.215
13	13.862	14.362
14	14.009	14.509
15	14.156	14.656
16	14.303	14.803
17	14.450	14.950
18	14.597	15.097
19	14.744	15.244
20	14.891	15.391
21	15.038	15.538
22	15.185	15.685
23	15.332	15.832
24	15.479	15.979
25	15.626	16.126

APPENDIX A

<u>Job Class</u>	<u>Effective September 1, 1993</u>	<u>Effective September 1, 1995</u> ⁽¹⁾
26	15.773	16.273
27	15.920	16.420
28	16.067	16.567
29	16.214	16.714
30	16.361	16.861
31	16.508	17.008
32	16.655	17.155
33	16.802	17.302
34	16.949	17.449

(1) Reflects the \$.50/hour general wage increase effective September 1, 1995.

APPENDIX A-1**APPENDIX A-1****WAGES - INCENTIVE JOBS
(ICR, HOURLY ADDITIVE)****Effective September 1, 1993**

<u>Job Class</u>	<u>Standard Hourly Wage Scale (Incentive Calculation Rate)</u>	<u>Hourly Additive</u>
1-2	5.200	7.045
3	5.309	7.083
4	5.418	7.121
5	5.527	7.159
6	5.636	7.197
7	5.745	7.235
8	5.854	7.273
9	5.963	7.311
10	6.072	7.349
11	6.181	7.387
12	6.290	7.425
13	6.399	7.463
14	6.508	7.501
15	6.617	7.539
16	6.726	7.577
17	6.835	7.615
18	6.944	7.653
19	7.053	7.691
20	7.162	7.729
21	7.271	7.767
22	7.380	7.805
23	7.489	7.843

APPENDIX A-1

<u>Job Class</u>	<u>Standard Hourly Wage Scale (Incentive Calculation Rate)</u>	<u>Hourly Additive</u>
24	7.598	7.881
25	7.707	7.919
26	7.816	7.957
27	7.925	7.995
28	8.034	8.033
29	8.143	8.071
30	8.252	8.109
31	8.361	8.147
32	8.470	8.185
33	8.579	8.223
34	8.688	8.261

APPENDIX A-1**APPENDIX A-1****WAGES - INCENTIVE JOBS
(ICR, HOURLY ADDITIVE)****Effective September 1, 1995**

<u>Job Class</u>	<u>Standard Hourly Wage Scale (Incentive Calculation Rate)</u>	<u>Hourly Additive ⁽¹⁾</u>
1-2	5.200	7.545
3	5.309	7.583
4	5.418	7.621
5	5.527	7.659
6	5.636	7.697
7	5.745	7.735
8	5.854	7.773
9	5.963	7.811
10	6.072	7.849
11	6.181	7.887
12	6.290	7.925
13	6.399	7.963
14	6.508	8.001
15	6.617	8.039
16	6.726	8.077
17	6.835	8.115
18	6.944	8.153
19	7.053	8.191
20	7.162	8.229
21	7.271	8.267
22	7.380	8.305

APPENDIX A-1

<u>Job Class</u>	<u>Standard Hourly Wage Scale (Incentive Calculation Rate)</u>	<u>Hourly Additive ⁽¹⁾</u>
23	7.489	8.343
24	7.598	8.381
25	7.707	8.419
26	7.816	8.457
27	7.925	8.495
28	8.034	8.533
29	8.143	8.571
30	8.252	8.609
31	8.361	8.647
32	8.470	8.685
33	8.579	8.723
34	8.688	8.761

(1) Reflects the \$.50/hour general wage increase effective September 1, 1995.

APPENDIX A-2

INFLATION RECOGNITION PAYMENT

A. For purposes of this Agreement:

1. "Consumer Price Index" refers to the "Consumer Price Index" for Urban Wage Earners and Clerical Workers United States-All Items (C.P.I.-W) (1982-84 equals 100) published by the Bureau of Labor Statistics, United States Department of Labor.
2. The "Consumer Price Index Base" shall be determined as follows:
 - a. For the September 1, 1993; December 1, 1993; March 1, 1994; and June 1, 1994, Adjustment Dates, the Consumer Price Index Base refers to the Consumer Price Index for the month of April 1993, multiplied by 103%.
 - b. For the September 1, 1994; December 1, 1994; March 1, 1995; and June 1, 1995, Adjustment Dates, the Consumer Price Index Base refers to the Consumer Price Index for the month of April 1994, multiplied by 103%.
 - c. For the September 1, 1995; December 1, 1995; March 1, 1996; and June 1, 1996, Adjustment Dates, the Consumer Price Index Base refers to the Consumer Price Index for the month of April 1995, multiplied by 103%.
 - d. For the September 1, 1996; December 1, 1996; March 1, 1997; and June 1, 1997, Adjustment

APPENDIX A-2

Dates, the Consumer Price Index Base refers to the Consumer Price Index for the month of April 1996, multiplied by 103%.

- e. For the September 1, 1997; December 1, 1997; March 1, 1998; and June 1, 1998, Adjustment Dates, the Consumer Price Index Base refers to the Consumer Price Index for the month of April 1997, multiplied by 103%.
 - f. For the September 1, 1998; December 1, 1998; March 1, 1999; and June 1, 1999, Adjustment Dates, the Consumer Price Index Base refers to the Consumer Price Index for the month of April 1998, multiplied by 103%.
3. Adjustment Dates are September 1, 1993; December 1, 1993; March 1, 1994; June 1, 1994; September 1, 1994; December 1, 1994; March 1, 1995; June 1, 1995; September 1, 1995; December 1, 1995; March 1, 1996; June 1, 1996; September 1, 1996; December 1, 1996; March 1, 1997; June 1, 1997; September 1, 1997; December 1, 1997; March 1, 1998; June 1, 1998; September 1, 1998; December 1, 1998; March 1, 1999; and June 1, 1999.
4. "Increase in the C.P.I. over the Base" shall be defined as the change between (i) the Consumer Price Index Base and (ii) the Consumer Price Index for the second calendar month next preceding the month in which the applicable Adjustment Date falls.
5. "Inflation Recognition Payment" is calculated as below and will be payable for the three-month period commencing with the Adjustment Date.
6. Effective on each Adjustment Date a payment shall be earned equal to one percent (1.0%) of the Standard Hourly Wage Rates

APPENDIX A-2

(SHWR) for each full one percent (1.0%) increase in the C.P.I. over the Base.

1. The earned payment shall be determined by multiplying the percent determined in (B) above by the Standard Hourly Wage Rate for each position worked by an employee for all hours actually worked, overtime allowance hours, and for any reporting allowance hours credited before the next Adjustment Date. The Inflation Recognition Payment earned, if any, between Adjustment Dates will be paid promptly once each quarter by separate check.
 2. In calculating the payment for any September 1, December 1, March 1, and June 1 Adjustment Date, there shall be added to the percent calculated in (B) above the percent used to calculate the Inflation Recognition Payment, if any, which was payable on the June 1 Adjustment Date of the prior year.
- C. The Inflation Recognition Payment shall be an "add-on" and shall not be part of the employee's Standard Hourly Wage Scale Rate. Such Payment shall be payable only for hours actually worked, overtime allowance hours, and for reporting allowance hours but shall not be part of the employee's pay for any other purpose and shall not be used in the calculation of any other pay, allowance, or benefit.
- D. Should the Consumer Price Index, in its present form and on the same basis (including composition of the "Market Basket" and Consumer Sample) as the last Index published prior to June 1, 1993, become unavailable, the parties shall attempt to adjust this Agreement 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. The purpose of such conversion shall be to produce as nearly as possible the same result as would have been achieved using the Index in its present form.

APPENDIX A-3

SPECIAL PAYMENT CONDITIONED ON PROFITABILITY

August 31, 1993

**Jack Parton, Director
District 31, USWA
720 W. Chicago Avenue
Room 211
East Chicago, IN 46312**

Dear Mr. Parton:

This letter will confirm our understanding reached during negotiations regarding a special payment based on the profitability of the Company (Acme Steel Company, and Acme Packaging Corporation's Riverdale, Ill. operations). This special payment will be made in the event that a final decision is made to go forward with a new slab caster/hot strip mill facility and the pre-tax, pre-special payment income of the Company for 1995 is \$22.5 million or more and, if made, shall be paid on the first pay day after April 1, 1996. It being understood that expenses of retiree health programs shall be restated utilizing accounting methods used by the Company prior to the effective date of adopting FAS No. 106. Such payment will be made to an employee on the basis of \$.50 per hour worked, paid hours of vacation, paid holidays not worked and any hours paid by the Company for Union business, to a maximum total of 2000 hours per employee during 1995 (\$1000 maximum payment). Additionally, it is the understanding of the parties that any such payment(s) shall not be considered earnings for any other purpose, except as subject to applicable statutory taxes on income and are subject to the provisions regarding Union dues under the Basic Labor Agreements between parties,

APPENDIX A-3

and no part of such obligation shall be included in the regular rate of any employee.

Very truly yours,

For the Company:

G. J. Shope
Vice President-
Human Resources

CONFIRMED:

Jack Parton, Director
Negotiating Committee
United Steelworkers of America

APPENDIX A-4

SIGNING BONUS AND LUMP SUM BONUSES

I. Signing Bonus

On the first pay day after October 1, 1993, each active employee, as of August 31, 1993, or employee who is accruing continuous service for pension purposes on the effective date of the Agreement, will be paid cash payment of \$500.00. Additionally, it is the understanding of the parties that such payment(s) shall not be considered earnings for any other purposes, except as subject to applicable statutory taxes on income and are subject to the provisions regarding Union dues under the Basic Labor Agreements between the parties, and no part of such obligation shall be included in the regular rate of any employee.

II. Lump Sum Bonus

A. On the first pay day after April 1, 1994, each active employee as of March 31, 1994 will be paid a cash payment of \$500.00. Additionally, it is the understanding of the parties that any such payment(s) shall not be considered earnings for any other purposes, except as subject to applicable statutory taxes on income and are subject to the provisions regarding Union dues under the Basic Labor Agreements between the parties, and no part of such obligation shall be included in the regular rate of any employee.

B. On the first day after September 1, 1994, each active employee as of August 31, 1994 will be paid a cash payment of \$500.00. Additionally, it is the understanding of the parties that such payment(s) shall not be

considered earnings for any other purposes, except as subject to applicable statutory taxes on income and are subject to the provisions regarding Union dues under the Basic Labor Agreements between the parties, and no part of such obligation shall be included in the regular rate of any employee.

- C. On the first pay day after April 1, 1995, each active employee as of March 31, 1995 will be paid a cash payment of \$500.00. Additionally, it is the understanding of the parties that any such payment(s) shall not be considered earnings for any other purposes, except as subject to applicable statutory taxes on income and are subject to the provisions regarding Union dues under the Basic Labor Agreements between the parties, and no part of such obligation shall be included in the regular rate of any employee.

APPENDIX B

APPENDIX B

**MEMORANDUM OF UNDERSTANDINGS
ON MISCELLANEOUS MATTERS**

1. The understandings reflected in the prior Supplemental Agreement concerning so-called portal-to-portal claims are readopted for the term of the new Basic Labor Agreement.
2. The proposals made by each party with respect to changes in the Basic Labor Agreements and the 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 the Basic Labor Agreement.
3. When practicable, the beginning of each week of vacation for an employee shall be scheduled to coincide with the beginning of the payroll week applicable to the employee.

APPENDIX C

APPENDIX C

NON-INCENTIVE BONUS

An employee with 5 or more years of continuous service, as determined for pension purposes, shall be paid a \$.10 per hour bonus for hours worked on a non-incentive job. Such bonus shall be an "add-on," shall be payable only for hours actually worked, and shall be included in the calculation of overtime premium but shall not be part of the employee's pay for any other purpose and shall not be used in the calculation of any other pay, allowance, or benefit. For the purpose of applying this provision, a non-incentive job is a job within the scope of the August 1, 1969 Incentive Arbitration Award that is not covered by an incentive and does not qualify for Incentive under the terms of such Award. If, however, the Company elects to provide incentive coverage for a non-incentive job, payment of the foregoing bonus for hours worked on such job will be discontinued at that time.

APPENDIX D

APPENDIX D

During the period of the 1968 Labor Agreement, the parties agreed to the following:

MEMORANDUM OF UNDERSTANDING CONCERNING INCENTIVE ARBITRATION AWARD

The Riverdale Plant of the Acme Steel Company and the United Steelworkers of America hereby agree as follows:

1. Appendix D of the Labor Agreement dated August 1, 1968, is voided and replaced in its entirety by the attached Appendix D (Revised).
2. The August 1, 1969 Incentive Arbitration Award of the Arbitration Panel relating to issues arising under Appendix J of the July 30, 1968 Settlement Agreement between the Eleven Coordinating Committee Steel Companies and the United Steelworkers of America, hereinafter referred to as the "Award," is hereby made an appendix to the parties' Labor Agreement and will be applicable to the "Steel Producing Operations" covered by that Labor Agreement; provided that the date appearing in Part A-4-a of the Award for the Company's submission to the Union shall be January 2, 1970, rather than November 1, 1969. Such appendix shall be separately printed.
3. In administering the provisions of Parts A-4-c and A-4-d of the Award, there shall be one Joint Incentive Committee for the Riverdale Plant.

The size and composition of such committee shall be determined by the Chairman of the Company's and Union's Negotiating Committees, who shall co-chair the Joint Incentive Committee. The Joint Incentive Committee shall have the authority to resolve all disputes concerning coverage under the

APPENDIX D

Award at the Riverdale Plant. In the event that the Joint Incentive Committee is unable to resolve any dispute or disputes, either the Company or Union Chairman of such committee may refer such unresolved dispute or disputes to arbitration in accordance with Part A-4-e. Unless the parties otherwise agree, the arbitrator shall be the permanent arbitrator for the Company or, in the absence of a permanent arbitrator, a single arbitrator selected for that purpose.

4. The Company and the Union preserve all provisions of their current Labor Agreement. However, to the extent that any such provision conflicts with a specific provision of the Award or this Memorandum of Understanding, the Award or this Memorandum shall supersede such provision in such respect.
5. The Joint Incentive Committee will meet on or about March 15, 1970, to discuss procedures regarding the implementation of Part D of the Award.
6. Ten cents (10c) per hour, in the manner provided for in the attached Appendix D (Revised), will apply to hours worked on a non-incentive job that became newly covered by an incentive installed after August 1, 1968, which incentive is an existing incentive on August 1, 1969, for the period from August 1, 1968, until the date such incentive was applied to such job.

Dated: October 27, 1969

APPENDIX D (REVISED)

APPENDIX D (REVISED)

INCENTIVE STUDY

The eleven Coordinated Steel Companies and the Union have agreed to:

*Establish a joint incentive group composed of 3 Union representatives and 3 representatives of the Companies to study the wage incentive situation in the production and maintenance units of the Companies' steel producing operations, such study to be completed by August 1, 1969 and to develop and recommend to the parties guides with respect to:

- a. Types of jobs: (1) properly subject to coverage by direct measurement incentives, indirect incentives, or other incentives; and (2) not properly subject to incentive coverage.
- b. The definition of equitable incentive earning opportunities.
- c. The adjustment of incentive standards from time to time so that such standards are properly maintained.
- d. Procedures to be employed after August 1, 1969, for application of guides recommended with respect to paragraphs a, b, and c above to the then existing incentive situation in each company. Such procedures shall include the requirement that incentive earnings shall be adjusted to conform to such guides.

When a determination has been made by the joint incentive study group or by the Arbitration Panel referred to below that an incentive is to be applied to a job not theretofore on incentive, each employee who has worked on such job in 2 or more pay periods between August 1, 1968 and the date when such job is covered by incentive shall be paid 10 cents for each hour which he has worked on such job commencing August 1, 1968 and continuing until an incentive has

APPENDIX D (Revised)

been applied to the job.

Any dispute arising under a,b,c, or d above which the joint incentive study group is unable to resolve shall be submitted for arbitration to a panel of three arbitrators to be selected before October 1, 1968 by agreement of the Companies and the Union."

The Company and the Union agree to be bound by the conclusions of the joint incentive study group and the decisions of the arbitrator panel and to apply the retroactive pay provisions set forth in the above quoted agreement.

It is agreed that the above Memorandum of Understanding concerning Incentive Arbitration Award shall be continued in effect for the duration of the August 1, 1971 Basic Labor Agreement. Further, the Company and Union agree that no change will be made in existing incentives pursuant to Section D.2 of the Incentive Arbitration Award dated August 1, 1969 except by their mutual agreement or in accordance with an arbitration award governing this subject matter between the Union and United States Steel Corporation.

APPENDIX D-1

APPENDIX D-1

LETTER AGREEMENT REGARDING INCENTIVES

Mr. Paul Markonni
Staff Representative
United Steelworkers of America
950 W. 175th Street
Homewood, Illinois 60430

Dear Mr. Markonni:

This letter will serve to confirm the following understanding with respect to incentive coverage for new and changed jobs covered by the August 1, 1969 Incentive Award.

Where a new job is established or an existing job is changed or has been changed to the extent that it meets the Guides for Incentive Coverage in Part A of the August 1, 1969 Incentive Arbitration Award, incentive coverage shall be provided for such job in accordance with Guides for Equitable Incentive Earnings Opportunities in Part B of the Award. Such incentive shall be installed and become effective at the earliest practicable date.

Very truly yours,

R.J. Stefan
Vice President - Employee Relations

CONFIRMED:

Paul Markonni
Staff Representative
United Steelworkers of America

FILE COPY

APPENDIX E

APPRENTICESHIP TRAINING
MEMORANDUM OF UNDERSTANDING

1. **Objectives of Apprenticeship Training.** The objective of apprenticeship training is:
 - (a) To provide a full and fair opportunity for achievement of full craft status to interested and qualified employees of the Company, and
 - (b) To provide the Company with qualified craft personnel.
2. **Crafts - Training Periods - Job Classes.** The crafts involved, the training periods, and the job classes therefor are set forth in the Basic Labor Agreement. The Company may provide methods for advancements to craft status other than through the apprenticeship program.
3. **Posting and Filling Apprenticeship Vacancies.** Apprenticeship vacancies shall be filled in accordance with the selection procedures set forth in the "Riverdale Plant Apprenticeship Program" (unless revised by mutual agreement of the parties). Plant continuous service shall be the measure of the seniority factor "continuous service" used when applying that seniority factor in the selection process. Apprenticeship vacancies shall only be posted on a plantwide basis ("at the plant gate") for a period of three (3) working days (excluding Saturday, Sunday and holidays).

The parties agree that the purpose of an apprenticeship training program is to train and qualify individuals to perform the assignments of a given craft and that an applicant for apprenticeship must have the ability to absorb the appropriate

APPENDIX E

training.

4. **Craft Status.** Each apprentice, upon satisfactory completion of the apprenticeship program in which he is enrolled, shall hereafter be assigned to craft status and rate in accordance with Section VI-A-2 of the August 1, 1971 Manual and the provisions of the Basic Labor Agreement. Knowledge and on-the-job performance testing for the purposes of such assignment or subsequent advancement to the intermediate or standard rate shall not exceed the subject matter and skills for which on-the-job or other training is afforded by the applicable Apprenticeship Training Program.
5. The "Riverdale Plant Apprenticeship Program" is hereby made part of this Appendix E as though incorporated herein.

APPENDIX F

APPENDIX F

**LETTER OF UNDERSTANDING
EMPLOYEE HOURS OF PAY GUARANTEE**

Mr. Jack Parton, Director
District 31, USWA
720 W. Chicago Avenue
Room 211
East Chicago, In 46312

Dear Mr. Parton:

This will confirm our understanding that, for the term of the 1993 Basic Labor Agreements, a trade and craft employee working on a trade and craft job, as defined in the CWS Manual, shall be guaranteed 40 hours of pay per week at his SHWR so long as there are craft employees of contractors working in the plant on the same trade and craft functions and duties which would otherwise be performed by the employees for whom the guarantee is provided. This guarantee shall apply only to those trade and craft plant employees who receive less than 40 hours of pay in a week or who are on layoff and would otherwise perform the work so long as they are available for work.

The 40-hour guarantee provided by the preceding paragraph shall be extended to trade and craft helpers and to employees occupying maintenance non-craft jobs in Job Class 6 and above who would otherwise have been assigned to work with the trade and craft employees for those hours to which the 40-hour guarantee is applicable under the preceding paragraph.

An employee to whom the foregoing guarantee is applicable may be assigned to perform work in his craft, or in the case of other employees, to a job in the same job class or higher than the job to which the guarantee is applied at any location throughout the plant irrespective of

APPENDIX F

seniority unit rules or practices. An employee who elects not to accept such an assignment shall not be eligible for the guarantees provided herein.

The number of employees protected by this guarantee shall not exceed the lesser of the number of contractor employees of similar skill and job content or, alternately, exceed the number of plant trade and craft employees and eligible maintenance non-craft employees who are working less than 40 hours plus the number who are on layoff. The recipients and distribution shall be determined by the local parties. Such guarantee shall not be applicable with respect to outside contractors' employees working in the plant on new construction, including major installation, major replacement, and major reconstruction of equipment and productive facilities.

Any practice or local working condition requiring Management to retrieve work which has been contracted out shall be waived for the duration of this Agreement.

Notwithstanding the foregoing, nothing in this guarantee shall prevent Management from retrieving contracted out work.

Very truly yours,

R. J. Stefan
Vice President - Employee Relations

CONFIRMED:

Jack Parton
Director - District 31
United Steelworkers of America

APPENDIX G

INCENTIVE CHECK LIST

The Incentive Check List referred to in Article XIV, Section 4 of the Basic Labor Agreement is set out below:

In order to assist the parties in fact development and to come to grips in the grievance procedure on matters relating to incentive issues, this Incentive Check List has been prepared to serve as a guide for the parties in discussing and developing incentive cases through the grievance procedure and arbitration. It is important that the information developed from this list be embodied in Step 3 Minutes, except as other facts may be brought out in Step 4 and answered at that level.

The Check List covers the following major incentive items:

1. A claim that a new incentive installed pursuant to Article XIV, Subsection 4(A) fails to provide equitable incentive compensation.
2. A claim that a changed condition warranted or did not warrant an adjustment or that the adjustment under Article XIV, Subsection 4(B)(a) failed to preserve the integrity of the incentive.
3. A claim that a changed condition required or did not require a replacement under Article XIV, Subsection 4(B)(b) or that the replacement failed to meet the earnings requirement of Article XIV, Subsection 4(D).
4. A claim that a specified provision of an existing incentive was misapplied.

APPENDIX G

During the grievance procedure, the following information should be provided:

- A. Brief description of incentive application involved including:
 - 1. Date installed.
 - 2. Description of operation and crew covered.
 - 3. Type of incentive.
 - 4. Period of calculation.
 - 5. Summary of pertinent changes.
 - 6. Brief description of application prior to and after disputed adjustment or replacement, when applicable.
 - 7. Date of disputed adjustment or replacement, when applicable.
- B. Performance history by pay period in terms of measured and pay performance for:
 - 1. Period from date of installation to present date in case of new incentive or replacement.
 - 2. Representative period before and after change or alleged change of conditions involving adjustment or replacement.
 - 3. Three months immediately preceding the effective cancellation date of replaced incentive where earnings are disputed under Article XIV, Subsection 4(D).
 - 4. Period in dispute and for representative period before and after where misapplication of existing incentive is alleged.
- C. In the event the grievance involves changed or alleged changed conditions under an existing incentive, the following additional

APPENDIX G

information should be provided:

1. Precise Union and Company statement of the change or alleged change relied upon.
 2. Date(s) that change or alleged change took place.
- D. In the event of an alleged misapplication of a provision of an existing incentive plan, the Union should also identify and describe the specific incentive provision(s) it claims were misapplied or should have been applied. To the extent information is available, the Union should indicate specific instances of misapplication, such as dates, turns, pay periods, crews, or employees involved, etc., so that the Company representatives can reasonably identify the instance(s) protested.
- E. A statement and full explanation of position from both the Company and the Union should be provided, including the precise contractual provision or provisions relied upon.

It will be incumbent upon the Company to submit a copy of the involved incentive as an exhibit to its brief.

APPENDIX H

APPENDIX H

LABOR-MANAGEMENT PARTICIPATION TEAMS (LMPT) AGREEMENT

The strength and effectiveness of an industrial enterprise in a democratic society require a cooperative effort between labor and management at several levels of interaction. The parties hereto recognize that if steelworkers are to continue among the best compensated employees in the industrial world, and if steel companies are to meet international competition, the parties must pursue their joint objectives with renewed dedication, initiative, and cooperation.

Collective bargaining has proven to be a successful instrument in achieving common goals and objectives in the employment relationship between steel labor and steel management. However, there are problems of a continuing nature at the level of the work site which significantly impact that relationship. Solutions to these problems are vital if the quality of work for employees is to be enhanced and if the proficiency of the business enterprise is to be improved.

The parties recognize that a cooperative approach between employees and supervision at the work site in a department or similar unit is essential to the solution of problems affecting them. Many problems at this level are not readily subject to resolution under existing contractual programs and practices, but affect the ongoing relationships between labor and management at that level. Joint participation in solving these problems at the departmental level is an essential ingredient in any effort to improve the effectiveness of the Company's performance and to provide employees with a measure of involvement adding dignity and worth to their work life.

In pursuit of these objectives, the parties believe that local union and plant management at the plant can best implement this cooperative approach through the establishment of Participation Teams of employees and supervision in departments or similar units at the plant. Accordingly, it is

APPENDIX H

agreed that the following program will be undertaken with respect to Participation Teams:

- A. The Company and the International Union will determine the size of the Policy and Advisory Committees and the Participation Teams. These determinations shall be made in consultation with plant management and the local union and subject to their concurrence.

- B. The Policy Committee, established at the plant, will provide general direction for the LMPT effort at the Riverdale Plant. This Policy Committee will be made up of key Management and Union leadership of the Riverdale Plant and will also provide ongoing and more specific direction for the LMPT effort at the Riverdale Plant. In each participating division, an Advisory Committee will coordinate Participation Team activities within that division. Each such Advisory Committee will be made up of Management and Union leadership within that division and may include other Management and Union personnel as is deemed appropriate. Each such Advisory Committee may appoint sub-committees to deal with specific problems or areas as is deemed appropriate. A Participation Team will be made up of a Team Leader, who may be either a supervisor or an employee, and employee and supervision members of the department or unit. Employee members and supervision members need not be equal in number, and may be rotated periodically to permit broader employee involvement. Participation Team members will be selected by lottery from among an appropriate group of employee and supervisor volunteers for each such team. The members of each such Participation Team will select their Team Leader and such position may be rotated periodically to permit broader employee involvement.

- C. Each employee member of the Policy and Advisory Committees or a Participation Team shall be compensated for time spent in Committee or Team activities in accordance with the "LMPT Pay Guidelines" jointly developed by and agreed to

APPENDIX H

via the Policy Committee.

- D. Participation Team meetings shall be called by the Team Leader, preferably during normal working hours, as often as the employee and supervision members agree. A Participation Team shall be free to discuss, consider, and decide upon proposed means to improve department or unit performance, employee morale and dignity, and conditions of the work site. Appropriate subjects, among others, which a Team might consider include: Use of production facilities; quality of products and quality of the work environment; safety and environmental health; scheduling and reporting arrangements; absenteeism and overtime; incentive coverage and yield; job alignments; contracting out; and energy conservation and transportation pools. The Policy and Advisory Committees and the Participation Teams shall have no jurisdiction over the initiation of, or the processing of complaints or grievances. The Policy and Advisory Committees and the Participation Teams shall have no authority to add to, detract from, or change the terms of the Basic Labor Agreement.
- E. A Participation Team shall be free to consider a full range of responses to implemented performance improvement, including, but not limited to, such items as bonus payments or changes in incentive performance pay. A Participation Team may also consider one-time start up bonuses for employees on new facilities who reach target levels in specified periods.
- F. To facilitate the establishment of the Policy and Advisory Committees and the Participation Teams, and to assist them, a Participation Team Review Commission has been established comprised of a headquarters representative of the International Union and a headquarters representative of the Company.

APPENDIX I

DEALING WITH TESTING

1. While the Union preserves fully its right to challenge through the grievance procedure the present or future use of tests, the Union and the Company agree that where tests are used by the Company as an aid in making determinations of the qualifications of an employee, such a test must in any event be a job-related test. A job-related test, whether oral, written, or in the form of an actual work demonstration, is one which measures whether an employee can satisfactorily meet the specific requirements of that job, including the ability to absorb any training which may necessarily be provided in connection with that job.

A written test may not be used unless the job requires reading comprehension, writing, or arithmetical skills, and may be used to measure the comprehension and skills required for such job.

2. In the case of manning new facilities, transfers from one agreed-upon seniority area to another and transfers from one plant to another, the parties have agreed in specific provisions of the seniority section of the Basic Agreements that an employee may be required to have the ability to progress. To the extent that such a requirement is applicable, the parties agree that an employee may be tested as an aid in determining whether he can qualify for the job he is seeking, and in addition, is likely to become qualified to perform the next higher job in the line of progression or promotional sequence. Such testing shall be job-related as described above and specifically directed toward measuring the actual knowledge or ability that is a prerequisite to becoming satisfactorily qualified on the next higher job in the line of progression or promotional sequence, taking into consideration the normal experience acquired by employees in such promotional sequence.

APPENDIX I

3. All tests shall be:
 - (a) Fair in their makeup and in their administration;
 - (b) Free of cultural, racial, or ethnic bias.
4. Testing procedures shall in all cases include notification to an employee of his deficiencies and an offer to counsel him as to how he may overcome such deficiencies.
5. Where a test is used by the Company as an aid in making a determination of the qualifications of an employee and where the use of the test is challenged properly in the grievance procedure, the following is hereby agreed to:
 - (a) The Company will furnish to a designated representative of the International Union a copy of the disputed test and all such background and related materials as may be relevant and available.
 - (b) All such tests and materials will be held in strictest confidence and will not be copied or disclosed to any other person; provided that such tests and materials may be disclosed to an expert in the testing field for the purpose of preparation of the Union's position in the grievance procedure and to an arbitrator, if the case proceeds to that step. All tests and materials will be returned to the Company following resolution of the dispute.
 - (c) Copies of transcripts and exhibits presented in the arbitration of cases involving the challenge to a test will also be held in strictest confidence and will not be copied or otherwise published.
6. In the determination of ability and physical fitness as used to fill apprenticeship vacancies in accordance with the applicable seniority provisions of the Basic Labor Agreement, the Company shall be limited to the use of such examinations and testing procedures which are:

APPENDIX I

- (a) job-related,
- (b) fair in their makeup and their administration, and
- (c) free of cultural, racial, or ethnic bias.

Any tests used by the Company as an aid in making determinations of the qualifications of an applicant must be job-related tests. A job-related test, whether oral, written or in the form of an actual work demonstration, is one which measures whether an applicant can satisfactorily meet the specific requirements of the given craft, including the ability to absorb the appropriate training. Testing procedures shall in all cases include notification to an applicant of his deficiencies and an offer to counsel him as to how he may overcome such deficiencies.

**APPENDIX J
MEMORANDUM OF UNDERSTANDING
CONCERNING
TRAINING AND EDUCATION**

In recognition of the nationwide and worldwide competitive challenges that confront the Company and the entire work force, the parties have agreed to establish the Acme Steel Company Training and Education Program (the "Program") and the "Overtime Control Program" for the term of the 1993 Labor Agreement which shall consist of Company paid educational assistance reimbursement as set forth below.

I. PURPOSE

The purpose of this Program is to provide the means for eligible employees to pursue education and training, beyond what is provided at the plant, at recognized, accredited educational institutions.

II. OBJECTIVE

The objectives of this Program are:

- A. To upgrade the basic skills and educational levels of active employees to enhance their ability to absorb training, their ability to progress in the workplace, their ability to perform their assigned work tasks to the full extent of their potential and their ability to adapt to new technological and other changes in our highly competitive, changing work environment; and
- B. To provide employees with the opportunity to pursue coursework directed toward their personal development.

III. ELIGIBILITY

An eligible employee is an active employee who has one (1) or more

APPENDIX J

years of Plant continuous service. Any employee who ceases active employment due to layoff or leave of absence shall become ineligible for full participation in this Program effective with such layoff or leave of absence and shall not become eligible for full participation in the Program until he/she returns to active employment. Such an employee will be eligible for participation on the basis of two (2) courses per year while absent from work due to layoff or leave of absence during the three (3) year period applicable to accumulation of his/her continuous service for pension purposes. An employee who is absent from work on "special leave of absence status" (as described in the "Employment Security Plan") shall be ineligible for participation in the Program until he/she returns to active employment.

IV. ELIGIBLE COURSES

Eligible courses will consist of both credit and non-credit courses involved in either degree or non-degree programs offered at recognized, accredited educational institutions. Such educational institutions shall consist of approved institutions offering High School Adult Education/G.E.D. coursework, recognized and accredited colleges (including junior and community colleges), recognized and accredited universities, approved vocational and trade schools, and coursework offered by the USW/multi-employer "Institute." The Joint Union/Management Educational Committee (described below) may, by mutual agreement, add other types of educational institutions to this list. However, it is specifically understood that coursework such as that provided by correspondence schools or any other coursework that does not require the employee's presence and active participation at the educational institution, whether or not such institution is otherwise approved, recognized and/or fully accredited, shall be considered as coursework eligible for reimbursement from the Company.

V. JOINT UNION/MANAGEMENT EDUCATION COMMITTEE

A Joint Union/Management Education Committee (the "Committee") shall be formed at the Plant which will consist of not more than four (4) persons (except that the Committee may be enlarged to six (6) persons

APPENDIX J

by local agreement), half of whom shall be members of the bargaining unit designated by the Local Union in writing to the Plant Management and the other half designated in writing to the Local Union by the Plant Management. Such Committee shall meet as necessary to discuss and attempt to resolve problems in connection with the operation, application and administration of this Program and the "Overtime Control Program." In addition, this Committee may, by mutual agreement, approve the addition of other types of recognized, accredited educational institutions to those institutions specified in (IV) above and review and approve payments made from the fund referred to in VIII below.

VI. APPLICATION FOR EDUCATIONAL ASSISTANCE REIMBURSEMENT

- A. Courses of study must be approved prior to the employee's registration and enrollment in each course. An eligible employee must submit, on an application form provided by the Company, required information concerning the course(s) and the educational institution before registering and enrolling in the course(s).
- B. Each application must be submitted to the Human Resources Department at least 15 working days (excluding Saturdays, Sundays and holidays) prior to the deadline for registration in order to provide adequate time for approval before the registration deadline.
- C. Each applicant will be notified, in writing, of whether or not his/her application has been approved within 10 working days following the date that the application was received by the Human Resources Department.
- D. Any unusual cases which require an interpretation or review will be referred to the Committee for expedited handling on a case-by-case basis.

APPENDIX J

VII. REIMBURSEMENT

- A. Costs eligible for reimbursement consist of tuition, laboratory fees and required textbooks. The cost of meals, travel, equipment and other expenses are not reimbursable.
- B. The Company will pay for eligible costs as follows:

100% - Grades A, B, or C or a "Pass" in the case of an ungraded Pass/Fail course*

50% - Grade D

0% - Failure, or Incompletion of course

*A "Pass" grade is eligible for reimbursement at 100% if the course is graded on a Pass/Fail system only. If the course is graded on a letter basis with an option to take a Pass/Fail grade, and the employee chooses to take a Pass/Fail grade, it will be paid at 50% if it is passed.

- C. 1. Fifty percent (50%) of the eligible costs will be paid to the employee by the Company as soon as practicable after the time the course is begun, provided proper documentation of registration and enrollment is received from the employee. The remaining portion will be paid following the completion of the course in accordance with the schedule in (B) above. Receipts for all eligible costs and the official grade record must be presented to the Human Resources Department within eight (8) weeks of the course completion date. Failure to comply with the above will result in the advance payment being deducted from the employee's paycheck as soon as possible. Failure or incompletion of a course will also result in the advance payment being deducted from the employee's paycheck.
2. Employees who receive advance payment and who are discharged for cause or terminate their employment for

APPENDIX J

any reason prior to the completion of the approved course(s) will have the advance deducted from their final paycheck or from any other monies due. Any eligible employee who ceases to be an active employee due to layoff or leave of absence will be reimbursed for approved coursework started while the employee was an active employee if he/she meets all other necessary eligibility criteria for final (the last 50%) reimbursement. Such an employee will then be ineligible for full participation in this Program until he/she returns to active employment as set forth in III above.

3. Payments under this Program will not be made for any costs which are financed by any other source (e.g., G.I. Bill, scholarships, grants, etc.).
4. The income tax consequences of any payments made to employees under this Program will be determined by the law in effect at the time payments are made.

VIII. OVERTIME CONTROL PROGRAM

- A. Effective September 1, 1993, for one-half (50%) of the number of hours worked in excess of 56 hours within a payroll week that an employee is compensated for at overtime rates, the Company shall contribute \$10.00 per hour to the fund set forth in Subsection VIII B below.
- B. Such contributions shall be accumulated in a fund to be used for payment of expenses associated with the Company's Employee Assistance Program (including a substance abuse educational/awareness program); the "tuition" cost of safety seminars for bargaining unit members of the Joint Union/Management Safety Committee who attend such seminars; job-related training and education such as pre-apprenticeship preparation programs, apprenticeship programs, craft training, and non-craft described and classified job training; training undertaken to man the proposed new slab caster/hot strip mill facility; and/or

APPENDIX J

for other purposes that are mutually agreed to by the Local Union and Management. This fund will be administered by the Company. The Company shall furnish the Joint Union/Management Education Committee a quarterly calendar report itemizing credits and charges to the Plant's fund and stating the current level of the Plant's fund. In addition, the Company shall furnish both to the Union's Chairman of the Negotiating Committee and to the Joint Union/Management Education Committee a quarterly payroll report showing, by each division in the Plant, the total number of hours worked in the pay periods paid in the quarter for which an overtime control credit has been incurred pursuant to this Section.

- C. If the fund described above accumulates monies beyond that which is reasonably necessary to provide one year of future payments for the purposes described in (B) above (as determined by the average payments made from this fund per year for the two (2) years next preceding), then the Company may, with the approval of the International and Local Union, apply all or the excess amount of such funding toward the cost of other training and education programs, such as LMPT expenses or for other purposes determined by mutual agreement of the International Union, the Local Union and Management. During such discussion, the International Union and the Local Union shall be provided with appropriate information regarding the amount of money in such fund, the amount to be applied toward the cost of other programs, and the programs to which such monies will be applied.

IX. MISCELLANEOUS

- A. It is not the Company's intent to provide a leave of absence to an employee eligible for this Program for the purpose of attending an approved educational institution.
- B. Any situation which requires an interpretation of the eligibility requirements of this Agreement or any unusual circumstances will

APPENDIX J

be promptly brought to the attention of the Committee for review and attempted resolution in an expedited manner on a case-by-case basis. If the Committee is unable to resolve a dispute concerning the interpretation or application of, or compliance with the provisions of this Agreement, a grievance may be filed regarding such dispute directly into the Third Step of the grievance procedure within thirty (30) days of the date that the Committee determined that such dispute could not be resolved by the Committee.

APPENDIX K

MISCELLANEOUS UNDERSTANDINGS ON SAFETY
AND HEALTH MATTERS

I. LETTER AGREEMENT REGARDING SAFETY AND HEALTH
INFORMATION

Dear Mr. Markonni:

This will confirm our understanding that the Company will provide the Union with information on Safety and Health matters as provided below:

- A. Accident Notification - The Union Co-Chairman of the Safety and Health Committee or his designee shall be notified of accidents which result or could have resulted in death or disabling injury to bargaining unit employee(s) that require a formal fact finding investigation.
- B. Fatality Notice to the International Union Safety and Health Department - The Company will provide the International Union Safety and Health Department with prompt notification of any accident resulting in a fatality to a Union member. This notification shall be either oral or written and include the date of the fatality, the plant or unit location of the fatality, and, if known, the cause of the fatality. When it becomes available, the Company will

APPENDIX K

provide the International Union Safety and Health Department with a copy of the fatal accident report that is given to the Local Union Safety and Health Committee.

It is understood that any necessary discussion or other communication on this data between the Company and the International Union will be with the individual designated to provide such information.

- C. OSHA Form 200 - Each year, the Company will, from the same source described in B above, provide the International Union Safety and Health Department with the OSHA Form 200 Summary of Occupational Injuries and Illnesses or its equivalent.**

Very truly yours,

R. J. Stefan
Vice President - Employee Relations

CONFIRMED:

Paul Markonni
Staff Representative
United Steelworkers of America

II. MEMORANDUM OF UNDERSTANDING ON SAFETY AND HEALTH TRAINING

A. General

The Company recognizes the special need to provide appropriate safety and health training to all employees. The Company presently has safety and health training that provides either the training described below or the basis for such training as it relates to the needs of the Company.

Training programs shall recognize that there are different needs for safety and health training for newly hired employees, employees who are transferred or assigned to a new job, and employees who require periodic retraining.

B. Training of Newly Hired Employees

Newly hired employees shall receive training in the general recognition of safety and health hazards and the purpose and function of the Company's Safety, Health and Medical Departments, and the Joint Safety and Health Committee. In addition, upon initial assignment to a job, they shall receive training on the nature of the operation or process, the safety and health hazards of the job, the safe working procedures, the purpose, use and limitations of personal protective equipment required, and other controls or precautions associated with the job.

The Union Co-Chairman of the Safety and Health Committee or a designee shall, upon request, be afforded the opportunity to review the training program for newly hired employees at the Plant level.

APPENDIX K

C. Training of Other Employees

The training of employees other than those newly hired by the Company shall be directed to the hazards of the job or jobs of which they are required to work. Such training shall include hazard recognition, safe working procedures, purpose, use and limitations of special personal protective equipment required, and any other appropriate specialized instruction.

D. Retraining

As required by the employees' job and assignment area, periodic retraining shall be given on safe working procedures, hazard recognition, and other necessary procedures and precautions.

III. MEMORANDUM OF UNDERSTANDING ON TOXIC MATERIALS

Where the Company uses toxic materials, it shall inform the affected employees what hazards, if any, are involved, and what precautions shall be taken to insure the safety and health of the employees. Upon the request of the Union Co-Chairman of the Safety and Health Committee, the Company shall provide in writing requested information from material safety data sheets or their equivalent on toxic substances to which employees are exposed in the work place; provided that when the information is considered proprietary, the Company shall so advise the Union Co-Chairman, and provide sufficient information for the Union to make further inquiry.

IV. MEMORANDUM OF UNDERSTANDING ON SAMPLING

The Company will continue its program of periodic in-plant air sampling and noise testing under the direction of qualified personnel. Where the Union Co-Chairman of the Safety and Health Committee alleges a significant on-the-job health hazard due to in-plant air pollution, or noise, the Company will also make such additional tests and investigations as are necessary and shall notify the Union Co-Chairman of the Safety and Health

APPENDIX K

Committee when such a test is to take place. A report based on such additional tests and investigations shall be reviewed and discussed with the Safety and Health Committee. For such surveys conducted at the request of the Union Co-Chairman of the Safety and Health Committee, a written summary of the sampling and testing results and the conclusions of the investigation shall be provided to the Safety and Health Committee.

V. MEMORANDUM OF UNDERSTANDING ON MEDICAL RECORDS

The Company shall maintain the confidentiality of reports of medical examinations of its employees and shall only furnish such reports to a physician designated by the employee upon the written authorization of the employee; provided, that the Company may use or supply such medical examination reports of its employees in response to subpoenas, requests to the Company by any governmental agency authorized by law to obtain such reports, and in arbitration or litigation of any claim or action involving the Company.

Whenever the Company physician detects a medical condition which, in his judgment, requires further medical attention, the Company physician shall advise the employee of such conditions or to consult with his personal physician.

VI. MEMORANDUM OF UNDERSTANDING ON SAFETY SHOES

During the periods of September 1, 1993, to February 1, 1995; February 2, 1995, to August 31, 1997; and from September 1, 1997, to August 31, 1999, each employee who has at least two (2) years of continuous service may procure during any such time period at local vendor(s) designated by the Company one (1) pair of safety shoes to wear at the Plant, for which the Company will defray up to \$70.00 of the cost of such shoes. Employees may not carry over shoe allowance from one time period to another. This benefit is in lieu of and supersedes any local practice or

APPENDIX K

agreement to pay for shoes or metatarsals.

VII. LETTER AGREEMENT REGARDING INDEMNIFICATION

September 3, 1993

Mr. Jack Parton
Director, District 31
United Steelworkers of America
720 W. Chicago Avenue, Room 211
East Chicago, IN 46312

Dear Mr. Parton:

During the negotiations leading to the September 1, 1993 Agreement, the parties discussed the Union's role under Article 9, Safety and Health, of the Acme Steel Company-Riverdale Plant Basic Labor Agreement and the applicable federal and state laws.

The Union has reaffirmed that it is the Company's responsibility to make reasonable provisions for the safety and health of its employees at the plant during the hours of their employment and that the Union's role in this regard will be supportive in promoting safe and healthful practices and programs. Further, the Union has reaffirmed that it will make every reasonable effort to encourage the active cooperation of its representatives and members with such practices and programs and will discourage premature and/or unnecessary appeals to governmental bodies to intervene in the resolution of any issues.

The parties agree that it is their intention that the Union is not liable for any work-connected injuries, disabilities or diseases which may be incurred by employees. In order to effectuate this intent, whether or not it is expressly stated in the Basic Labor Agreement, and to encourage the Union to discharge its obligation to cooperate with and assist the Company in fulfilling its responsibilities under the Basic Labor Agreement

APPENDIX K

and the law, the Company shall indemnify the Union, its committees, officers, agents, and employees, against claims and suits for damages when such claims or suits involve or arise from the Union's participation or involvement in contractual safety and health matters and are based on any injury or illness, including death, of employees of the Company arising or growing out of and in the course of the employment of such employees by the Company, except that this obligation shall not apply to a claim or suit based on an explicit overt act of negligence on the part of the Union or any agent of the Union or to a claim or suit based upon an agreement by the Union to indemnify or insure employees of the Company.

The obligation of the Company to indemnify the Union shall be subject to the following conditions:

1. The Union shall give the Company immediate written notice of any claim made against the Union, its committees, officers, agents and employees and shall effectively tender to the Company control of the defense and settlement of such claim; and
2. The Union, its locals, committees, officers, agents, attorneys, and employees shall bring forth all information relevant to any claims and shall cooperate fully with the Company, at no expense to the Company, in the investigation and defense of all claims, and shall not have taken and will take no action prejudicial to the successful defense of the claim; and
3. The Company shall have all rights of defense, setoff, counterclaim and subrogation in connection with such claims which may be available to the Union, its committees, officers, agents and employees and any necessary person shall execute such instruments as may be reasonable and appropriate to enable the Company to exercise such rights; and
4. The Company shall have no duty to indemnify the Union, its committees, officers, agents, or employees against any claim resulting in whole or in part from the failure or refusal of a member of the Union to use equipment or procedures established and made

APPENDIX K

known to the employees by the Company in any manner by the Union; and

5. Failure of the Union to comply with Paragraphs 1, 2 and 3 hereof shall relieve the Company of any obligation to indemnify the Union against any claim subject to such failure.

6. The Company may terminate on thirty (30) days' notice its duty to indemnify the Union against claims of which the Company has not had written notice at the time of giving the Union notice of termination. Such termination shall not relieve the Company of any obligation to indemnify the Union against any claim of which the Company had written notice before giving the Union notice of termination.

The provisions of this Agreement shall be subject to and effective according to the applicable provisions of federal and state laws.

Very truly yours,

ACME STEEL COMPANY
Gerald J. Shope
Vice President-Human Resources

CONFIRMED:

/s/J. Parton
Chairman
Negotiating Committee
United Steelworkers of America

APPENDIX L

APPENDIX L

NATIONAL POLICY FOR STEEL AGREEMENT

September 1, 1993

Mr. Lynn R. Williams, President
United Steelworkers of America
Five Gateway Center
Pittsburgh, Pa 15222

Dear Mr. Williams:

The domestic steel industry, despite its current profitability, has not fully recovered from the severe financial losses of recent years. It remains an industry in transition. Recognizing the need to deal with the problems facing the industry, the United Steelworkers of America ("the Union") and Acme Steel Company ("the Company") agree to establish a National Policy for Steel Committee ("the Committee") to develop and support both traditional and innovative means to create an environment in which the domestic steel industry may achieve sustained profitability and help ensure the well-being of employees, customers, shareholders, suppliers and the steel communities.

The Committee will be chaired by Mr. B. W. H. Marsden, Chairman and CEO, Acme Metals, Incorporated, and you. Successful implementation of its objective will require an integrated approach to numerous problems facing the American economy. In attempting to meet its objective and achieve such integration, the Committee will focus on the following areas:

- the development and implementation of a national trade policy;
- the consideration of and possible development of an appropriate national health policy;

APPENDIX L

- recognition of the critical need to restore America's infrastructure and industrial base;
- development of a national fiscal and monetary policy; and
- institution of a sound environmental policy which recognizes the interrelationship between the need to protect our environment and the essential need for a healthy economy to assure an acceptable standard of living for our citizens.
- the establishment of a Steel Tripartite Committee to coordinate the responses of government, industry, and labor to problems facing the steel industry.
- the consideration of public policies supporting the ability of the steel industry to meet its obligations for the legacy costs of pensions and retiree health insurance.

Within each of these areas, the Committee will:

National Trade Policy

- Promote strict enforcement by the Executive Branch of all existing trade laws, including the imposition of sanctions pursuant to #301, and support the enactment of legislation and other programs dealing with indirect steel imports.

National Health Policy

- Seek to develop and support an appropriate national health policy which will assure essential care to all citizens, control health care costs and equitably distribute those costs across the various sectors of the economy.

APPENDIX L

Industrial Infrastructure

- Encourage public awareness of the need to rebuild America's industrial base through the repair and reconstruction of the nation's infrastructure, including bridges, highways and other essential facilities, utilizing American-made products.

Fiscal & Monetary Policy

- Work towards an overall national monetary policy which will address the need to reduce both the national debt and the trade deficit, control inflation and interest rates and encourage individual savings.

Environment

- Support responsible legislation and enforcement activities to protect and preserve the world's resources in a manner consistent with continuing a healthy and growing economy.

Steel Tripartite Commission

- Urge the Administration to establish a Steel Tripartite Committee uniting labor, industry, and government in improving the competitiveness of the steel industry in areas such as trade, technology, health care, training, etc.

Legacy Costs

- In recognition that our retirement system imposes costs on American companies well above those faced by our international competitors, seek to develop public policies supporting the ability of steel companies to meet benefit obligations.

APPENDIX L

In furtherance of these endeavors, the Committee will draw upon existing legislative, employee and community groups, expand their public information programs and take the initiative in formulating and advancing viable solutions. Acme Steel Company and the Union have a shared interest in achieving these goals and agree to work diligently to achieve them during the term of this Agreement.

Very truly yours,

ACME STEEL COMPANY:

R. J. Stefan
Vice President-Employee Relations
Acme Metals Incorporated

CONFIRMED:

Lynn R. Williams, President
United Steelworkers of America

APPENDIX M

APPENDIX M

UNDERSTANDINGS ON CORPORATE ISSUES

**I. LETTER OF UNDERSTANDING - RIGHT OF FIRST OFFER ON
SALE OF ACME STEEL COMPANY COMMON STOCK**

August 11, 1993

Mr. Jack Parton
Director, District 31
United Steelworkers of America
First National Bank Building, Room 211
720 W. Chicago Avenue
East Chicago, IN 46312

RE: Right of First Offer on Sale of Acme Steel Company Common
Stock

Dear Mr. Parton:

In connection with the recently completed negotiations between the United Steelworkers of America ("USWA") and Acme Steel Company and Acme Packaging Corporation (collectively the "Company"), the parties have reached the following understandings applicable to the Company's Riverdale and Chicago Plants:

1. a. Should Acme Metals, Incorporated ("AMI") or the Company, through a single transaction or series of transactions, decide to sell or otherwise transfer (i) ownership or control of shares of stock representing voting control of the Company

APPENDIX M

("Common Stock") or (ii) all or a significant portion of the Riverdale or Chicago Plants (the "Facilities" or individually, a "Facility"), it will consider the USWA and its members as the first potential buyer therefor. AMI or the Company, as applicable, will advise the USWA in writing of its intent to sell such Common Stock or a Facility (collectively, the "Assets"). The tendering to AMI or the Company of an unsolicited offer to purchase Common Stock or the Facilities shall only be considered a decision to sell or otherwise transfer ownership of such Assets if AMI or the Company commences negotiations with such offeror or its representatives. In no case, however, shall AMI or the Company enter into any agreement or understanding to sell the Assets without first complying with the provisions of this letter.

b. Subject to the USWA and AMI or the Company, as applicable, entering into a confidentiality Agreement substantially in accordance with the provisions of Exhibit A attached hereto and incorporated herewith (to be mutually agreed upon), AMI or the Company will provide the USWA with information and access to Company personnel and facilities needed to determine whether it wishes to make an offer. Such information and access shall be of the type customarily provided to prospective purchasers of such Assets.

c. During the first thirty (30) days from the date AMI or the Company notifies the USWA pursuant to Paragraph 1a above, AMI and the Company will not entertain or enter into a contract for sale of the Assets. The USWA shall be entitled to submit a written offer to purchase the Assets at any time during such thirty (30) day period.

d. During the next sixty (60) day period, AMI and the Company will be free to entertain offers from other entities for the Assets, and the USWA will also be entitled to submit an offer during such period, but AMI or the Company, as applicable, will not enter into a contract for sale of the Assets to any entity other than the USWA during such sixty (60) day period.

APPENDIX M

e. In the event the thirty (30) and sixty (60) day periods referred to in Paragraphs 1c and 1d, respectively, have elapsed, AMI or the Company shall be entitled, subject to this Paragraph 1e and Paragraph 11, to enter into an agreement to sell such Assets to any purchasers, including the USWA, provided that such a transaction must close within one year after the end of such periods. If the Assets have not been sold during such one year period, AMI or the Company, as applicable, must comply again with the provisions of this letter agreement before selling such assets.

f. In the event that the USWA submits an offer pursuant to Paragraphs 1c or 1d above, neither AMI nor the Company, as applicable, shall be under any obligation to accept such offer or to negotiate with the USWA concerning such offer. However, AMI or the Company, as applicable, shall be entitled to enter into a binding purchase agreement with regard to the Assets with an entity other than the USWA, provided that the transaction contemplated by such purchase agreement is in the reasonable judgment of the Board of Directors of AMI or the Company, as applicable, more favorable to AMI or the Company than the USWA offer, taking into account the purchase price, form of consideration, structure, timing, risk of non-consummation, impact on the business of AMI or the Company, other obligations of AMI or the Company, and other relevant legal and financial considerations. Nothing contained herein shall require AMI or the Company to accept any offer by any entity, including the USWA, for the purchase of the Assets.

2. The rights granted the USWA under this letter agreement may not be transferred or assigned by the USWA except that its rights may be assigned to and exercised by an acquisition entity established by or for the benefit of the appropriate USWA-represented employees; and, further provided, that said employees shall own directly or indirectly through an employee stock ownership plan (or similar plan) not less than thirty-three percent (33%) of the voting equity interests in such acquisition entity.

APPENDIX M

3. This agreement shall not be deemed to cover any sales or issuances by AMI of its own securities, or any sales or issuance of debt securities, convertible securities, preferred stock or warrants by the Company, provided that AMI retains at least fifty-one percent (51%) voting control of the Company.
4. Nothing herein shall be deemed to release, relieve or otherwise affect any of the rights and obligations of the parties pursuant to the Memorandum of Understanding on Successorship set forth in Appendix N of this Agreement.
5. This agreement shall remain in effect for the term of the Agreement between the USWA and the Company dated September 1, 1993 (the "Collective Bargaining Agreement") and shall expire at the termination date of said Collective Bargaining Agreement.

If the foregoing confirms our mutual understandings and agreements, please sign and return to me the duplicate original copy of this letter agreement at your earliest opportunity.

ACME STEEL COMPANY:

By G. J. Shope

ACME PACKAGING CORPORATION:

By G. J. Shope

ACME METALS, INCORPORATED:

By R. J. Stefan

ACKNOWLEDGED AND AGREED TO:

UNITED STEELWORKERS OF AMERICA, AFL-CIO-CLC:

By J. Parton

APPENDIX M

II. LETTER OF UNDERSTANDING - ACME METALS, INCORPORATED'S AND ACME PACKAGING CORPORATION'S SIGNATURES ON THE COLLECTIVE BARGAINING AGREEMENT

August 11, 1993

Mr. Jack Parton
Director, District 31
United Steelworkers of America
First National Bank Building, Room 211
720 W. Chicago Avenue
East Chicago, IN 46312

Dear Mr. Parton:

The parties recognize and agree that Acme Metals, Incorporated's (AMI) and Acme Packaging Corporation's (APC) signatures on the Collective Bargaining Agreement shall not cause the terms and conditions of employment set forth in the Agreement dated September 1, 1993 to apply to employees other than those employed at the Riverdale and Chicago Plants. Nor shall AMI's and APC's signature on the Agreement affect, in any manner whatsoever, AMI's or APC's rights, obligations or responsibilities with regard to operations other than those of the Chicago and Riverdale Plants.

AMI shall not, and shall not permit, cause, or suffer any subsidiary of AMI to conduct any business or enter into any transaction or series of transactions with or for the benefit of any of their respective affiliates, except in good faith and on terms that are no less favorable to AMI or such subsidiary as the case may be than those that could have been obtained in a comparable transaction on an arms' length basis from a person not an affiliate of AMI or a subsidiary.

APPENDIX M

AMI's signature on the Benefit Agreements evidences AMI's responsibility for pension, retiree health benefits, and retiree life insurance benefits provided to retired Union-represented employees, surviving spouses or their beneficiaries who, as of August 31, 1993, are receiving or are eligible to receive such benefits under the Agreements or any prior settlement agreements between the Union and Acme Steel Company.

Very truly yours,

Richard J. Stefan
Vice President-Employee Relations
ACME METALS INCORPORATED

ACKNOWLEDGED AND AGREED TO:

Jack Parton
Director, District 31
UNITED STEELWORKERS OF AMERICA, AFL-CIO-CLC

APPENDIX M

III. LETTER AGREEMENT - BOARD OF DIRECTORS

August 31, 1993

**Mr. Lynn R. Williams, International President
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222**

**Dear Mr. Williams:
RE: Board of Directors**

This will confirm our agreement whereby an individual designated by the International President of the United Steelworkers of America will be elected to the Board of Directors of Acme Metals Incorporated as set forth herein. The person designated shall be acceptable to the Company, and such acceptance shall not be unreasonably withheld. Such person shall be elected at the first regular meeting of said Board of Directors following (1) designation of such an individual by the Union or (2) the expiration of the August 1, 1989 Collective Bargaining Agreement, whichever occurs later, to serve until the next annual meeting of stockholders and until his or her successor is so designated, elected, and qualified. Thereafter, during the term of this agreement, such an individual, so designated, will be nominated by the Board of Directors for election as a director at any meeting of the stockholders of the Company at which directors are elected. If any such individual is unwilling or unable or for any reason ceases to serve or be nominated for election as a director of the Company, the Board of Directors will promptly elect or nominate for election by the stockholders, as the case may be, another individual so designated by the Union.

It is the intention of the Company and the Union that the individual to be designated by the Union hereunder shall be a prominent member of the business, labor, or academic community who is capable in his or her role as a director of contributing broadly to the management and direction of

APPENDIX M

the business and affairs of the Company.

It is further understood that such individual shall satisfy reasonable and objective qualifications observed by the Nominating Committee of the Board of Directors of the Company in the selection of nominees for election as directors and will also have all of the duties and responsibilities generally applicable to a director of a corporation, under Delaware law or otherwise, including those relating to loyalty, conflicts of interest, and matters requiring confidentiality. Such individual shall not be, or become while serving as a director, an officer or employee of the Union or any of its locals or affiliated organizations. The preceding sentence shall not preclude the Union from designating persons who have been or are consultants or professional advisers to the Union.

Unless otherwise extended by the Company and the Union, this agreement shall terminate August 31, 1999.

Please acknowledge your agreement with respect to this matter by signing and returning to me the enclosed copy of this letter.

Very truly yours,

Acme Metals, Incorporated

*B. W. H. Marsden
Chairman and Chief Executive Officer*

APPENDIX N

MEMORANDUM OF UNDERSTANDING ON SUCCESSORSHIP

1. Except as provided in Section 2 below, the Company agrees that it will not sell, convey, assign or otherwise transfer any plant or significant part thereof covered by a Labor Agreement between the Company and the United Steelworkers of America to any other party (Buyer) who intends to operate the plant or significant part thereof in the same business the Company operated it, unless the following conditions have been satisfied prior to the closing date of the sale:
 - a. The Buyer shall have entered into an agreement with the Union recognizing it as the bargaining representative for the employees within the existing bargaining units or units affected;
 - b. The Buyer shall have entered into an agreement with the Union establishing the terms and conditions of employment to be effective as of the closing date;
 - c. If requested by the Company, the Union will enter into negotiations with the Company on the subject of releasing and discharging the Company from any obligations, responsibilities and liabilities to the Union and the employees, except as the parties otherwise mutually agree.

This provision is not intended to apply to any transaction solely between the Company and any of its subsidiaries or affiliates, or its parent company, including any of its subsidiaries or affiliates; nor is it intended to apply to transactions involving the sale of stock, except that the provision shall apply to a transaction or a series of transactions that result in a change of control.

APPENDIX N

2. In the case of a plant that has been permanently shut down for more than ninety (90) days prior to its sale, conveyance, assignment or transfer, the provisions of Subparagraph 1b shall not apply unless the Union establishes that the conditions of employment insisted upon by the Union in its final position with the Buyer are not unreasonable in all the circumstances. In the case of a plant that has been permanently shut down for more than one year prior to the sale, conveyance, assignment or transfer, the provisions of Paragraph 1 shall not apply.

APPENDIX O

MEMORANDUM OF AGREEMENT
CONCERNING
BIDDING RIGHTS OF EMPLOYEES WHILE
ON LAYOFF FROM THE PLANT

The intent of this Agreement is to provide employees, while on layoff from the plant, the opportunity to bid on jobs (permanent vacancies) posted at the "Plant Gate" level of the bidding procedure. In order to effectuate the foregoing, the following understandings have been reached by the parties:

- (1) Employees (excluding "transitional employees") who are on layoff from the plant shall be eligible to bid, along with other presently eligible employees, on jobs (permanent vacancies) posted at the "Plant Gate" level of the bidding procedure only. However, employees, while on layoff from the plant, will continue to be ineligible to bid on jobs (permanent vacancies) posted at the "Division" level of the bidding procedure.
- (2) The procedure for posting and awarding permanent vacancies and for handling all other related matters, including the cancellation of and crediting of continuous service, will be as set forth in the relevant provisions of the Labor Agreement, such as Paragraph (C) of the Seniority Rules, as well as Article XVI, Section 1 and Article XVI, Section 3 of the Labor Agreement.
- (3) This Agreement will not, in any manner, alter or affect the "absentee bid" provision of Paragraph (C)5 of the Seniority Rules. Those categories of employees who are presently eligible to file an absentee bid will continue to utilize that procedure. Employees on layoff from the plant will continue to be ineligible to file an absentee bid.
- (4) An additional bulletin board setting forth job postings posted at the "Plant Gate" level has been placed outside of Building 28 in order

APPENDIX O

to provide employees on layoff from the Plant the opportunity to find out which jobs are posted at the "Plant Gate" level.

- (5) It will be the sole responsibility of each employee, while on layoff from the Plant, to actively check this bulletin board for such job postings, and it is understood that the Company will not be obligated to provide any information of any kind concerning such postings over the telephone or by any means other than the posting itself.
- (6) Bids filed by employees who are on layoff from the Plant that are filed in a timely manner will be accepted at the Employment Office and bid forms will be available at that office. Bids that are not timely will not be accepted or considered.
- (7) This Agreement will continue in effect for the duration of the September 1, 1993 Labor Agreement. During this period, this Agreement may be cancelled or modified by mutual agreement of the parties. Thereafter, this Agreement is subject to renewal by mutual agreement of the parties.

APPENDIX P

APPENDIX P

PROFIT SHARING PLAN

1. Description of the Plan

The Profit Sharing Plan ("the Plan") is designed to reward all eligible Steelworker participants in the Plan for their collective and successful efforts when Acme Steel Company's Chicago and Riverdale Plants and Acme Packaging Corporation's Riverdale Plant (collectively, the "Company" for purposes of the Plan) are profitable as a consolidated entity.

The profit to be shared under this Plan will be based upon the pre-tax, pre-Plan income of the Company determined in accordance with generally accepted accounting principles, excluding non-recurring, unusual and extraordinary items. The funds provided for distribution to eligible Steelworker participants will be determined annually and will be dependent upon the Company's attainment of profitability during a Plan Year.

Whenever there are changes in accounting principles or standards which are material, the Company will consistently follow, for the purposes of calculating pre-tax, pre-Plan income, the same methods of accounting utilized in the presentation of Acme Metals, Incorporated's 1992 financial statements, except for FAS 106, throughout the term of the Plan. For Plan purposes, pre-tax, pre-Plan income will be calculated by presenting post-retirement employee health benefit expenses in operating results utilizing the method of accounting used prior to the adoption of FAS 106.

No later than thirty (30) days following the filing of Acme Metals, Incorporated's annual Form 10-K with the Securities and Exchange Commission, the pre-tax, pre-Plan income of the Company, the total of all eligible participants' eligible Plan hours, the Plan payment per eligible Plan hour, and the amount made available to the Profit Sharing Plan, determined in accordance with Subsection 4b below, shall be certified to the Union Negotiating Committee Chairman in a format agreed upon by the parties. Up to ten percent (10%) of the pre-tax, pre-Plan income of the Company during the Plan Year in question, as determined in accordance with Subsection 4b below, shall be made available to the Plan

APPENDIX P

and distributed to the eligible participants in the Plan in accordance with Section 4 below.

The method of determining the individual Profit Sharing Plan payment to eligible participants will be based on a calculation of the individual eligible participant's annual eligible Plan hours multiplied by an amount (the Plan payment per eligible Plan hour) determined in accordance with Subsection 4b(2) below.

2. Eligibility

Participation in the Plan will be extended to all hourly paid employees of the Company at its Chicago and Riverdale Plants represented for collective bargaining purposes by the United Steelworkers of America who are active in the Plan Year for which a Profit Sharing Plan payment is calculated. Any such employee whose continuous service or length of transitional employment is broken during a Plan Year for a reason other than death, immediate pension, termination in accordance with the Severance Allowance provisions, termination under the "Attrition Inducement" program, or termination (of a transitional employee) due to lack of work shall not be an eligible participant in the Plan Year in which such break occurred, unless such break is subsequently removed.

3. Definitions

a. Pre-Tax, Pre-Plan Income

The pre-tax, pre-Plan income of the Company is the consolidated net income of Acme Steel Company's Chicago and Riverdale Plants and Acme Packaging Corporation's Riverdale Plant determined in accordance with generally accepted accounting principles, before taxes and Plan expenses, excluding non-recurring, unusual and extraordinary items, calculated in accordance with the understandings set forth in the third paragraph of Section 1.

APPENDIX P

b. Eligible Plan Hours

An eligible participant's straight-time hours actually worked (including the straight-time portion of overtime, Sunday, and holiday hours worked), paid hours of vacation, hours paid for holidays not worked, and hours for which an eligible participant was paid by the Company for Union business, limited to a maximum of 2,000 eligible Plan hours for an eligible participant in a Plan Year.

c. Plan Year

The fiscal year specified in Acme Metals, Incorporated's filing of its annual 10-K form with the Securities and Exchange Commission. For example, the 1996 Plan Year shall be the fiscal year specified in the filing of Acme Metals, Incorporated's 1996 10-K filing with the Securities and Exchange Commission.

4. Determination and Distribution of Profit Sharing Plan Payments

- a. The Plan shall be effective beginning on the first day of Plan Year 1996.
- b. The Plan provides that up to ten percent (10%) of the pre-tax, pre-Plan income of the Company for a Plan Year, subject to the effect of specified maximums, shall be made available to the Profit Sharing Plan and distributed to the eligible participants in the Plan. The amount that shall be made available to the Profit Sharing Plan for a Plan Year shall be determined in the following manner:
 - (1) Each eligible participant's total eligible Plan hours, up to a maximum of 2,000 eligible Plan hours for an eligible participant, will be accumulated for the pay periods ending in a Plan Year.

APPENDIX P

- (2) The amount of the Plan payment per eligible Plan hour for a Plan Year shall be calculated by dividing ten percent (10%) of the pre-tax, pre-Plan income of the Company for the Plan Year by the sum of all eligible participants' eligible Plan hours during that Plan Year, subject to the maximum Plan payment per eligible Plan hour that is in effect for that Plan Year as set forth in the table below:

<u>Plan Year</u>	<u>Maximum Plan Payment Per Eligible Plan Hour</u>
1996	\$ 1.00
1997	\$ 1.25
1998	\$ 1.50

Accordingly, the maximum Profit Sharing Plan payment to an eligible participant for the corresponding Plan Year (assuming the maximum of 2,000 eligible Plan hours) would be as set forth in the table below:

<u>Plan Year</u>	<u>Maximum Profit Sharing Plan Payment</u>
1996	\$2,000
1997	\$2,500
1998	\$3,000

3. The amount determined by multiplying the sum of all eligible participants' eligible Plan hours during the Plan Year by the Plan payment per eligible Plan hour for that Plan Year determined in accordance with Subsection 4b(2) above shall be the amount made available to the Profit Sharing Plan.

APPENDIX P

- c. The Profit Sharing Plan payment for each eligible participant shall be determined by multiplying his/her eligible Plan hours during the Plan Year by the Plan payment per eligible Plan hour for that Plan Year determined in accordance with Subsection 4b(2) above.
- d. Any Profit Sharing Plan payment determined in accordance with the Plan shall be distributed to each eligible participant in a single payment, separate from the eligible participant's paycheck, during the second fiscal quarter of the year following the Plan Year or, at the option of the Company, may be distributed at that time in the form of an equivalent amount of common stock of Acme Metals, Incorporated.
- e. Any payment from the Plan shall not be considered earnings for any other purpose, except as subject to applicable statutory taxes on income and is subject to the provisions regarding Union dues under the Basic Labor Agreement between the parties, and no part of such payment shall be included in the Standard Hourly Wage Scale Rate of any employee or used in the calculation of any other pay, allowance, or benefit.

5. Sample Calculation (Example - 1996 Plan Year)

- a. **To Determine the Amount Made Available to the Profit Sharing Plan**

Pre-Tax, Pre-Plan Income of the Company = \$27 Million

10% of Pre-Tax, Pre-Plan Income of the Company = \$2.7 Million

Total Eligible Plan Hours of All Eligible Participants = 3 Million

APPENDIX P

$(\$2.7 \text{ million divided by } 3 \text{ million} = \$0.90)$

**Plan Payment Per Eligible Plan Hour (before adjustment)
= \$0.90**

**Plan Payment Per Eligible Plan Hour (after adjustment for
maximum of \$1.00 in effect for 1996 Plan Year) = \$0.90**

$(3 \text{ Million} \times \$0.90 = \$2.7 \text{ Million})$

**Amount Made Available to the Profit Sharing Plan = \$2.7
Million**

**b. To Determine an Eligible Participant's Profit Sharing
Plan Payment**

**Plan Payment Per Eligible Plan Hour (after adjustment for
maximum) = \$0.90**

**Eligible Participant's Eligible Plan Hours During Plan Year
= 1,980**

$1,980 \times \$0.90 = \$1782 \text{ Distributed to Eligible Participant}$

6. Administration of the Plan

The Plan will be administered by the Company in accordance with the Plan's terms, and the cost of administration shall be the responsibility of the Company.

The Union, through its Negotiating Committee Chairman or his designee, shall have the right, upon proper notice, to review any calculations under the Plan for the purpose of verifying its performance.

In the event that further verification of Plan performance is requested by the Union Negotiating Committee Chairman, the parties, by mutual agreement, shall select a qualified independent

APPENDIX P

third party to verify any performance calculations. In the event that a discrepancy exists, said third party shall report to the parties regarding said discrepancy. The Company Chairman and Union Chairman of the respective Negotiating Committees shall then, in good faith, reach agreement regarding the discrepancy or, in the event that they cannot resolve a dispute, either party may submit such dispute to final binding arbitration before an arbitrator mutually agreeable to both parties. All costs incurred as a result of a review by a third party or by arbitration shall be borne equally by the parties.

No Profit Sharing Plan payments shall be made until the completion of any audit elected hereunder and resolution of any dispute described in the preceding paragraph.

7. Duration of the Plan

This Plan shall remain in effect for the Plan Years 1996, 1997 and 1998.

8. Rulings and Consents

The establishment of this Plan is subject to the Company's obtaining required determinations and rulings, if any, from the Internal Revenue Service. If said determinations and rulings are required and are not obtained, then the Company and the Union will negotiate a comparable plan which does not require IRS determinations or rulings.

Likewise, the Company and the Union will jointly request an opinion from the Wage-Hour Administrator of the U.S. Department of Labor declaring that the Plan is a "bona fide Profit Sharing Plan" under Section 7(a)(3)(b) of the Fair Labor Standards Act.

In the event that the opinion of the Wage-Hour Administrator is that the Plan is not a "bona fide Profit Sharing Plan," then the parties will meet promptly to modify the Plan to requirements for establishing and maintaining a "bona fide Profit Sharing Plan"

APPENDIX P

prior to the distribution of any payments under the Plan.

9. Miscellaneous

- a. The Company shall have the authority to recover overpayments and correct underpayments.
- b. An employee who believes that he or she was eligible for and entitled to (but was not paid) a Profit Sharing Plan payment for a Plan Year for which a Profit Sharing Plan payment is determined to be payable under the Plan, or an eligible participant who believes that the Profit Sharing Plan Payment he or she received was not correctly calculated in accordance with the Plan, may initiate such claim directly into Step 3 of the grievance procedure in accordance with the grievance and arbitration provisions of the applicable Labor Agreement. Such grievance must be filed not later than thirty (30) days following the distribution date of the Profit Sharing Plan payments for that Plan Year.
- c. All Plan determinations for a Plan Year for which no Profit Sharing Plan payment is payable under the Plan shall become final ninety (90) days after the Union Negotiating Committee Chairman has been provided the information set forth in the fourth paragraph of Section 1 if (i) no audit has been elected in accordance with Section 6 or, if elected, has been completed, and (ii) there is no dispute then pending.
- d. All Plan determinations and the Profit Sharing Plan distribution for a Plan Year in which a Profit Sharing Plan payment is payable under the Plan shall become final ninety (90) days after the date on which the Profit Sharing Plan distribution was made if (i) there is no dispute then pending and (ii) the Company has not theretofore given notice in writing of an error.

APPENDIX P

- e. In the case of the death of an eligible participant, any Profit Sharing Plan payment which he or she was otherwise entitled to under the terms of the Plan shall be paid to his or her estate when, or as soon as possible after, such Profit Sharing Plan distribution is made, once such estate is identified and legally verified.

APPENDIX Q

APPENDIX Q

LETTER OF UNDERSTANDING REGARDING VEBA

August 31, 1993

Jack Parton, Director
District 31, USWA
720 W. Chicago Avenue
Room 211
East Chicago, IN 46312

Dear Mr. Parton:

During these negotiations, the Union expressed concern over future payments, by the Company, of health care benefits for retirees despite the Company's history of providing such benefits in the past. The Union proposed the establishment of a dedicated trust, in the form of a Voluntary Employee Beneficiary Association (VEBA). Accordingly, the Company (Acme Steel Company's and Acme Packaging Corporation's Riverdale, Ill. operations) agrees to establish a dedicated trust fund for the purpose of payment of post-retirement medical and life insurance benefits for retirees, and for pre-funding the Company's obligations for current and future retirees. This fund will start: (a) following the first full quarter (after the first marketable coil is produced at the proposed new slab caster/hot strip mill facility) that the Company achieves a positive net income; or (b) if the Board of Directors of Acme Metals, Incorporated decides not to go forward with the proposed new slab caster/hot strip mill facility, following the first quarter that the Company achieves a positive net income. The VEBA will be funded over time, taking into account the Company's interest in having flexibility in removing high-cost debt from the balance sheet and the Union's interest in addressing its concern by having the Company pre-fund

APPENDIX Q

the VEBA and provide a security interest in Company assets. The fund will be started using the following concepts:

1. Payment of current liability will be made out of the fund, provided, however, that the amount of cash benefit paid in any year shall not exceed the amount of cash contributions made to the fund in such year by the Company.
2. Annual contribution of stock and/or cash.

In the event that the parties are unable to agree on a funding formula, either party may refer such dispute to "final offer" interest arbitration, utilizing the arbitrator specified in Appendix Z ("Reopener Negotiations and Interest Arbitration"). The arbitrator will consider the Company's financial health (level of debt, liquidity, profitability) and the Company's commitment to pre-fund its obligation for retiree medical benefits.

Very truly yours,

G. J. Shope
Vice President-Human Resources
Acme Steel Company

CONFIRMED:

Jack Parton, Director
Negotiating Committee
United Steelworkers of America

APPENDIX R-1

EMPLOYMENT SECURITY PLAN

A. EFFECTIVE DATE

1. The effective date of this Employment Security Plan (the "Plan") shall be the first day of the transitional period (as defined in appendix CC, the "Memorandum of Agreement Concerning Transitional Period Matters") for eligible employees as defined in Section C below.

B. GUARANTEE

1. Employees covered by this Employment Security Plan will not be laid off from the plant during the term of this agreement except in the case of a disaster or as otherwise set forth below. If a disaster occurs resulting in the layoff of employees, the Plan will be terminated. For the purpose of this Agreement, a disaster is defined as:
 - a. The permanent shutdown of the plant.
 - b. A petition in bankruptcy for reorganization or liquidation is filed, and the Court finds that is necessary to reject this Agreement and issues a order under the bankruptcy laws authorizing such rejection.
 - c. Severe financial difficulties short of bankruptcy filing. Such financial difficulties must represent a clear and present danger to the Company's viability. Disputes concerning this paragraph

APPENDIX R-1

shall be subject to arbitration pursuant to a special emergency procedure to be agreed upon by the parties. Termination can occur under this paragraph only by mutual agreement of the parties or upon a finding by the arbitrator that the financial difficulty asserted by the Company does in fact represent a clear and present danger to the Company's continued viability.

2. In addition, in the event of a strike or work stoppage by employees covered by this Plan, the Plan will be suspended for the duration of such strike or work stoppage.
3. In addition, in the event of a breakdown, or a repair downturn, or an outage which is expected to last for one (1) full schedule week or more, the Plan may, by mutual agreement of the parties, be suspended for affected employees only for the duration of the breakdown, downturn or outage.
4. For the purpose of this Agreement, and except as provided above, employment security is defined as the opportunity to earn forty (40) hours of pay (including hours paid for but not worked, work opportunities declined by the employee, disciplinary time off, time off for Union business, relief from duty pursuant to the Company's alcohol and drug policy, and absenteeism - but excluding the premium pay portion of overtime, Sunday and holiday premiums) during any payroll week. An employee on approved leave of absence or medically laid off during any payroll week shall be considered as having been provided employment security during that week, recognizing that the pay (if any) that such an employee is entitled to receive while on approved leave of absence or medical layoff will be that provided by applicable law or the Collective Bargaining Agreement, not the earning opportunity set forth in this Plan.

APPENDIX R-1

5. Effective utilization of employees is a key element of this Agreement. It is recognized that the provisions of B4 above present the Company with changed circumstances and problems than had existed prior to the Employment Security Plan when dealing with short duration "lack of work" type situations that occur after work schedules have been posted. In the past, such situations often resulted in employees being "sent home" or in the ineffective utilization of employees due to traditional assignment barriers or restrictions. Moreover, the provisions of B4 above also present the Company with changed circumstances and problems when dealing with situations where, because of anticipated operating levels or other relevant factors at the time work schedules for a particular week are posted, an employee's "opportunity" described in B4 can only be partially but not fully satisfied on the job or jobs that the employee is entitled to via the relevant provisions of the Labor Agreement. An example of this situation would be an operating level that would result in an employee being scheduled for only thirty-two (32) hours on the job(s) that he/she is entitled to via the relevant provisions of the Labor Agreement during a particular payroll week and none of the Inclusions/offsets/exceptions described in Section B are applicable. The changed circumstances presented by B4 above require the parties to strike a new balance with respect to their needs when dealing with such situations, using the following principles:
- a. The provisions of B4 are not intended to provide pay for time not worked or to require the ineffective utilization of employees in order to satisfy this guarantee.
 - b. (1) In light of B5f below, the provisions of Article VII, Section 6, of the Agreement concerning assignment or re-assignment to a job of at least equal job class shall not apply

APPENDIX R-1

to assignments or re-assignments made or offered to satisfy the provisions of (B)(4) above.

- (2) Production employees may be utilized to assist maintenance employees during situations contemplated in this (B)(5) in accordance with a mutually agreed to list of examples developed by the "Employment Security / Productivity Committee." the following general guidelines will be used to develop an initial mutually agreed to list that will be completed on or before November 1, 1993:

- Visually inspecting equipment, lubrication levels, and fluid levels and report items that require attention.
- Making minor adjustments to equipment, lubrication, and fluid additions.
- Performing and/or assisting on changeovers (e.g., rolls, cutters) where reasonable.
- Operating hoists and remote control cranes in conjunction with maintenance work.
- Observing equipment and monitoring devices or acting as a safety person in conjunction with maintenance work.

APPENDIX R-1

- Cleaning work (e.g., parts, equipment, area) or ground level painting work in conjunction with maintenance work.
- The safety of employees (both direct and indirect) is a primary and unalterable principle.

The desired effect is to effectively utilize such employees while providing assistance that enables maintenance personnel to expand their impact and reduce equipment downtime. Additional items that are consistent with these guidelines may be added to this list by mutual agreement on an ongoing basis. No incentive plan will be changed as a result of implementing production - assist -maintenance pursuant to this B5b2. The provisions of this B5b2 are not intended to apply to or eliminate any pre-existing situations where production employees assist maintenance employees.

- c. That employees are assigned to perform jobs or tasks which are compatible with their skills, physical capabilities and qualifications.
- d. During such situations, affected employees may be effectively utilized to fill jobs or perform tasks in their division. Such assignments shall not be made in a manner that would deny another employment security eligible employee a temporary promotion that he was entitled to under the terms of the Agreement. Such employees will not be assigned

APPENDIX R-1

to fill jobs in other divisions during such situations, but may be assigned to general plant cleanup or snow removal work.

- e. Neither the Company nor the Union will use or refer to in the grievance/arbitration procedure any of the work assigned pursuant to the above as a justification of work exclusivity or non-exclusivity.

- f. Employees assigned work pursuant to the above will be paid the standard hourly wage rate (including incentive pay when applicable under the terms of the subject incentive plan) of their scheduled job or the job to which they are assigned, whichever is greater, for the duration of the assignment. The manhours of employees assigned under the above circumstances to a job covered by a manhour control based incentive plan shall not be charged to or paid under that plan to the extent that such manhours exceed the standard manhours allowed under that plan. It is intent of this Subsection B5 to provide the opportunity for an employee to earn at least the standard hourly wage rate (job class rate) of the job that the employee is entitled to via the relevant provisions of the Labor Agreement during that payroll week for each hour worked by that employee to satisfy the "opportunity" described in B4 above during that payroll week.

- g. Employees assigned such work shall accept such work unless:
 - (1) The employee requests to be released and the Company determines that his

services are not necessary for operational reasons, in which case the employee will be released and such time will be offset against the B4 guarantee; or

- (2) The employee is unable to perform any available work because of a valid medical restriction, in which case such time will be offset against the B4 guarantee; or
- (3) The employee declines the work opportunity for a valid safety and health reason as defined in Article IX, Section 3, of the Agreement, in which case he shall be obligated to accept other work.
- (4) An employee who is released pursuant to B5g will not be charged for an absence under the absenteeism policy.

h. Dispute Resolution

Disputes concerning the day-to-day application of the above principles shall be initially referred to the "Employment Security/Productivity Committee" for resolution. Such disputes that cannot be resolved therein after reasonable discussion may be initiated directly into Step 3 of the grievance procedure, thereafter subject to further processing in accordance with Article V of the Agreement.

- 7. An employee who, except for his eligibility for the Employment Security Plan, would have been "non-scheduled" will be assigned to other work (either traditional or non-traditional assignments) during such

APPENDIX R-1

period in order to satisfy the "opportunity" described in B4 above. "Non-scheduled," as used herein, means not scheduled for work for a period which is known at the outset to be of at least one (1) full payroll week's duration, but no more than four (4) full consecutive payroll weeks' duration, due to lack of work on the job(s) that he is entitled to via the relevant provisions of the Labor Agreement. This B7 shall not apply to an employee laid off from the Plant pursuant to Paragraph E of the "Seniority Rules," which is a matter dealt with in Section D of the Plan. An employee assigned to other work pursuant to this B7 will be paid the standard hourly wage rate (job class rate) of his regularly assigned job or the established rate of pay for the job to which he is assigned, whichever is greater, for each such hour worked by that employee to satisfy the "opportunity" set forth in B4 above. The understandings set forth in B5a, B5b(2), B5c, B5e, B5g, and B5h above shall also apply to assignments made pursuant to this B7. In addition, such assignments shall not be made in a manner that would deny another employment security eligible employee a temporary promotion that he was entitled to under the terms of the Labor Agreement.

C. ELIGIBILITY

1. Employees eligible for employment security are:
 - a. All employees hired on or before February 11, 1993 who are active employees as of the effective date of the Plan.
 - b. All employees hired on or before February 11, 1993 who are on layoff or on approved leave of absence as of the effective date of the Plan, after they return to active employment.

APPENDIX R-1

- c. All employees hired between February 12, 1993 and August 31, 1993 (both inclusive) and all employees hired for a trade or craft job during the transitional period as follows:
 - (1) Such employees who are active employees during the first full schedule week following the last day of the transitional period shall then become eligible for employment security.
 - (2) Such employees who are on layoff or on approved leave of absence during the first full schedule week following the last day of the transitional period shall become eligible for employment security after they return to active employment.
 - d. All active employees hired after the end of the transitional period who accumulate one (1) year of continuous service; provided, however, that any such employees who are on layoff or on approved leave of absence at the time they accumulate one (1) year of continuous service shall not be eligible for employment security until such time as they return to active employment.
2. Employees eligible for employment security must continue to fully satisfy the terms and conditions of employment.
 3. Under the Plan, there is no option for employees to elect voluntary layoffs.
 4. Any employee in the Employment Security Pool ("Pool") who refuses to accept a job or perform an assignment described below in Section D, except for a safety and health reason as defined in Article IX, Section 3 of the Agreement, shall immediately lose his

APPENDIX R-1

employment security status.

- a. Such employee shall thereupon be placed in special leave of absence status commencing with his refusal and terminating on the earlier of: (1) the date the employee would have been recalled pursuant to the Seniority Rules had he been laid off, or (2) the date the employee would have broken service under Article XVI, Section 8 had he been laid off.
- b. On termination of the special leave of absence, the employee will be recalled in accordance with his seniority rights, provided his continuous service has not been broken.
- c. While in special leave of absence status, an employee's status under the Program of Insurance Benefits will be as set forth in Paragraph 9.18 therein. Such an employee shall not be eligible for SUB. An employee in special leave of absence status shall continue to accrue continuous service only so long as he would have been on layoff, subject to the provisions of Article XVI, Section 8 and the Pension Agreement. If such an employee is determined to be eligible for unemployment benefits by the "state system," then his special leave will terminate and the employee will be required to immediately return to the Pool and any failure to return or refusal upon return to accept a job or perform an assignment from the Pool will result in a break in continuous service and termination of employment with the Company.
- d. This special leave of absence option described immediately above shall not be available to any employee who is in training following placement

in the Pool.

D. PLACEMENT

1. During the term of the Agreement, an eligible employee who would otherwise be laid off from the plant will be retained in the Pool. Employees assigned to the Pool will be utilized in a variety of ways at the Riverdale Plant or, if necessary, at the Chicago Plant (see assignment examples referenced below). The seniority provisions of the Agreement shall continue to apply except as expressly modified in this Agreement. The "Employment Security/Productivity Committee" shall jointly develop a procedure whereby basic seniority principles will be applied to assignments from the Pool, with the understanding that any problems arising from application of the procedure will be resolved by the "Employment Security/Productivity Committee."

a. Assignment examples:

- (1) Traditional assignments, such as:
 - (a) Temporary vacancies - including vacancies that would otherwise be filled by overtime.
 - (b) Work that otherwise could be contracted out.
 - (c) Vacancies that remain after the bidding procedure has been exhausted that would otherwise be filled by a new hire.
- (2) Non-traditional assignments, such as:

APPENDIX R-1

- (a) Training and Retraining
- (b) Customer Service Assignments
- (c) Problem Solving Teams/Task Forces
- (d) Training Instructors/Facilitators
- (e) Work Redesign Teams
- (f) Productivity/Cost Reduction Teams

2. For purposes of assignment of employees in the Pool, the parties agree that employees will only be assigned to perform jobs or tasks which are compatible with their skills, physical capabilities, and qualifications consistent with Paragraph D1.
3. The following shall govern rates of pay in association with assignments to the Pool and assignments from the Pool:
 - (a) The "rate of pay" applicable to the job that the employee last held (was regularly assigned to) prior to his/her placement in the Pool shall be paid to an employee assigned to non-traditional work or training. "Rate of pay," as used herein, shall be the Appendix A job class rate if that job is a non-incentive job or, if that job is an incentive job, shall include the average incentive earnings applicable to that job during the week last worked by the employee prior to his/her placement in the Pool.
 - (b) While assigned to a traditional job, an employee shall be paid the higher of:
 - (1) the established rate of pay for the job performed; or
 - (2) the "rate of pay" calculated in accordance with D3(a) above.

APPENDIX R-1

4. The provisions of the Earnings Protection Plan (EPP) will continue as specified in the Basic Labor Agreement.

E. SAFEGUARDS

If the Plan is terminated during the term of the Agreement, the SUB Plan shall be deemed to be 100% funded as of the date of such termination, and the Company shall be required to begin to accrue liability and make cash contributions as required by the SUB Plan.

F. PROCEDURES

1. The parties agree and commit themselves to the immediate and ongoing implementation of the Plan by establishing the following structure:
 - a. A Joint Labor/Management Committee called the "Employment Security/Productivity Committee" will be established at the plant within 60 days from the effective date of this Agreement. This Committee shall consist of an equal number of Union and Company members. The Union designates their representatives to include: an International Union Staff Representative, the Local Union President, and any additional resource individuals as may be necessary to ensure implementation at the plant level. The Company representatives will be designated by the Vice President of Human Resources.
 - b. The Committee shall also be responsible for investigating, determining, and implementing productivity, efficiency and cost reduction improvement plans and options. The Committee will also address such issues as

APPENDIX R-1

training/retraining of employees, and ways or methods to promote and accommodate a more self-directed workforce team concept. The Committee will meet on an as-needed basis, but not less than biweekly.

- c. Employee members of the Committee will be compensated by the Company, limited to the time actually spent in such Committee activities.
- d. Matters related to contracting out will be addressed by a separate committee.

G. GENERAL PROVISIONS

- 1. Except as expressly provided by this Agreement or in rules approved by the Employment Security/Productivity Committee or Review Board, the application of the Plan shall not interfere with, limit, or in any way adversely affect the rights or obligations of the Union, any employee, or the Company.
- 2. Jobs to which employees in the Pool are assigned under Section D of the Plan shall be considered "temporary vacancies." The filling of such a vacancy shall not alter an employee's recall rights. Experience in such assignments shall not be used as a presumption of greater ability in favor of a junior employee who bids for any permanent vacancy on such a job unless the assignment was made available to and refused by the senior employee.

H. APPEAL PROCESS AND REVIEW BOARD

It is understood that during the term of this Agreement, there may be disputes as to the intent of the parties as to this Agreement.

APPENDIX R-1

Therefore, a Review Board shall be established to foster full cooperation and implementation. The membership of the Review Board will be the Company and Union Chairpersons of the Negotiation Committee. The Board will meet on an as-needed basis, but not less than once per calendar quarter. The Board may develop appropriate procedures and mechanisms to ensure that the parties are satisfying their joint obligations and that their actions are consistent with the full intent of this Agreement. In the event that the Review Board fails to resolve a dispute, either party may submit such dispute to final binding arbitration.

I. NO BREAK IN CONTINUOUS SERVICE

As long as the Plan remains in effect, for purposes of the seniority provisions of the Agreement only, no employment security eligible employee (other than an employee in "special leave of absence") or an employee who is laid off from the plant as of the effective date of the Plan shall break continuous service because of absences due to layoff during the term of the Agreement.

APPENDIX R-2

MEMORANDUM OF UNDERSTANDING ON PRODUCTIVITY

The Company and the United Steelworkers of America (USWA) believe that a strong and viable company is one of the foundations for guaranteeing employment security, superior working conditions, and a high standard of living for the plant's employees and retirees.

Although the Union, via this Memorandum, has accepted a real and substantial responsibility to actively work with the Company in effecting the matters set forth herein, it is clearly understood that this Memorandum shall not be construed as enlarging the Company's existing rights with respect to such matters; nor shall it be construed to diminish the Company's ability to ultimately exercise such rights.

The Company agrees to provide employment security at this plant in return for the Union's agreement to participate in substantially improving productivity, decreasing manhours per ton, and increasing operational effectiveness. No employment security eligible employee will be laid off during the term of the Agreement, as provided in the Employment Security Plan. Manpower will be decreased, only by attrition. Employees will be fully utilized through a variety of mutually agreed-to assignment alternatives and will be appropriately compensated for their efforts.

The USWA recognizes that the Company is committed to and has already embarked upon a capital investment plan in excess of \$200 million to help reach the above goals; however, investment alone will not ensure competitive, high-quality products and superior working conditions. Intense international and domestic competition demands aggressive steps to allow Acme to quickly become competitive in a world market so that the Company will be able to attract investment funds and be able to guarantee its employees the quality of life they deserve. The two parties agree that even though Acme employees have made great contributions to improve productivity, Union and Management are committed to increasing their ef-

APPENDIX R-2

fort to increase productivity to meet our joint goal of continuous improvement.

In addition to capital investment, significant gains in productivity can be made through reducing the workforce; but, it is in the best interests of both parties that workforce reductions be accomplished through attrition. The Union recognizes that the Company has recently made substantial reductions in the Riverdale Plant's non-bargaining unit workforce without proportional reductions in its bargaining unit workforce, and that the Company's efforts to staff the Riverdale Plant's non-bargaining unit workforce as leanly and efficiently as possible will continue on an ongoing basis. In view of the implementation of the Employment Security Plan, manpower reductions resultant from this Memorandum affecting eligible bargaining unit employees will be managed through attrition. The parties further agree that manpower reduction at the Riverdale Plant will have an equitable impact upon bargaining unit and non-bargaining unit employees. In addition, the parties further agree that as part of the "Employment Security/Productivity Committee" (referenced in the "Employment Security Plan"), the Union will be free to raise and the Company agrees to discuss and seriously consider additional reductions in the non-bargaining unit employee workforce. The Company agrees to provide the Union with requested information regarding the non-bargaining unit workforce relevant to the subject of manning and manpower reductions.

However, Union and Management are in agreement that, in the process of achieving this goal, no undue burden will be placed on the employees. The parties believe that the contributions of all employees will result in achievement of our productivity goals and all employees must work together to find and implement ways of improving operations, making effective labor-saving investments, and fully and flexibly utilizing the employees' talents and abilities, and maintaining the workforce by recalling or hiring employees when necessary to perform the work.

Acme Management recognizes that this task presents a major challenge requiring its utmost efforts and that more is required than sacrifices on the part of the employees. Therefore, management is committed to ensuring that there are no abuses in overtime, no adverse effects to production, and that the quality of worklife for the employees is maintained and

APPENDIX R-2

improved. In summary, the USWA Leadership and Acme Management recognize that total commitment by all employees, from top management to the shop floor, will be necessary to ensure that Acme becomes and continues to be a strong and innovative Company, not bound by the past - but dedicated to innovative approaches to reach our joint goals.

The USWA is committed to work with the Company to identify and implement actions to improve productivity, and the Company recognizes and is willing to offer incentives to achieve productivity. The parties believe that these commitments will serve to strengthen and foster the viability of the Company and the Union.

The USWA recognizes that to assure employment security, substantial productivity improvements must be made to reduce costs and to enable Acme to operate with increased effectiveness. The parties shall pursue and implement new approaches to enhance effectiveness, such as: redesigning work; restructuring jobs; job combinations; increasing assignment flexibility; modifying restrictive work rules and practices; and providing flexibility in seniority and scheduling procedures to facilitate productivity improvements. The above is not intended to be all inclusive or intended to restrict the parties from being innovative and creative in finding other ways to improve effectiveness and productivity. The parties realize that such improvements are not intended to place unreasonable workload burdens on any employee. These principles shall also apply in the operation and staffing of new and changed facilities/equipment resulting from capital investment. The parties agree that substantial productivity improvements can most effectively be achieved by a process of full participation and agreement.

To ensure implementation pursuant to this productivity agreement, the following procedures will be used before the Company exercises its rights under the Basic Labor Agreement, to implement while at that same time, protecting the Union/employees from abuse:

- * Communication of the Company's intent in writing to take necessary action will be made to the appropriate Union representatives.

APPENDIX R-2

- The appropriate Company/Union representatives will meet to identify and discuss any issues and/or concerns associated with the Company's intent to take necessary action.
- After notification and a review of the facts, the Company will make a decision based on the findings.

The joint "Employment Security/Productivity Committee" referenced in the "Employment Security Plan" will establish yearly productivity goals based on an annual review of attrition history and projected attrition. Each year, these goals will be forwarded to the "Employment Security Plan" Review Board for their review. If progress is not considered sufficient, a visit will be made to the plant to gain a better understanding and take corrective action, if necessary.

Self-Direction

All employees must accept more responsibility for their individual work performance.

The bargaining unit position of Crew Coordinator shall be established and implemented. Crew Coordinators will assign, instruct, coordinate, and work with crews, as well as participate in planning and decision making with supervision. A three job classification additive shall be paid. Selection and performance review procedures shall be adopted by the "Employment Security/Productivity Committee" to assure Crew Coordinator effectiveness.

The Company and the Union agree to utilize the self-directed work team concept in the proposed new slab caster/hot strip mill facility and to promote, accommodate and expand the use of self-directed work teams in other areas of the Riverdale Plant. In conjunction with the introduction/expansion of the self-directed work team concept, the parties agree to promote the use of skill-based compensation and innovative gainsharing type plans in such areas instead of traditional narrow focus jobs and traditional incentive plans.

APPENDIX R-2

Training and Retraining

It is the obligation of the Company to provide training necessary to achieve the successful implementation of these productivity provisions, including the necessary training to assure the replacement depth required to effectively staff plant operations. The Union will participate fully in the development and implementation of training programs and procedures. As in the past, the parties will continue to solicit assistance from federal, state, and local government authorities to aid in the implementation of this Agreement.

Benefits

The parties foresee that full implementation of the provisions of the Employment Security/Productivity Agreement will result in significant benefits to both the employees and the Company. These benefits include:

1. Employment security for employees of the Company.
2. Substantial gains in productivity, decreased manhours per ton and increased operational effectiveness.
3. Reduction of excessive overtime.
4. Retrieving work that would otherwise be contracted out to fully utilize the employment security pool.
5. Increase the viability of the Union and the Company.
6. Increase employee job satisfaction and pride.
7. Attrition Inducements.
8. Increase promotional opportunities and job levels for many employees.
9. Union and employee involvement in the Company

APPENDIX R-2

decision-making process and increased responsibility for individual work performance.

- 10. A Productivity Gainsharing Plan which recognizes measurable productivity improvements resulting from implementation of this Agreement and resulting in monetary incentives for all employees.**
- 11. A Profit Sharing Plan which allows employees to be rewarded for their contributions to improved productivity.**

APPENDIX R-3

MEMORANDUM OF UNDERSTANDING
ON ATTRITION INDUCEMENTS

1. It is agreed that a special severance allowance will be provided to eligible employees. Eligible employees are those whose position has been eliminated via a "mutual agreement position elimination" in accordance with 4(a) below and those who are identified (by agreement of the local parties) as being eligible pursuant to 4(b) below. Transitional employees shall not be eligible for special severance allowance.
2. Payments under the program are not contingent, directly or indirectly, upon the employee's retirement. An employee who elects to receive a lump sum special severance allowance payment will be paid same within forty-five (45) days following his effective date of termination, or he may defer receipt of such payment until January of the following calendar year. Benefits under the program may be paid out to an eligible employee regardless of that employee's eligibility to retire and receive immediate pension benefits.
3. Special lump sum severance allowance payments will be made in accordance with the plant continuous service of the eligible employee offered such an inducement according to the following schedule:

APPENDIX R-3

COMPLETED YEARS OF PLANT CONTINUOUS SERVICE	SPECIAL SEVERANCE ALLOWANCE PAYMENT
20 OR MORE	\$ 9,600
15-19	\$ 7,200
10-14	\$ 4,500
5-9	\$ 3,000
1-4	\$ 1,500

4. (a) Beginning with the effective date of the Agreement, special severance allowance payments may be offered at each plant for mutual agreement position eliminations. "Mutual agreement position eliminations," as used herein, are those which the Company could not unilaterally effect pursuant to the exercise of its rights and which required the agreement of the Local Union to effect. It is anticipated that such mutual agreement position eliminations will be handled via the "Memorandum of Understanding on Productivity" or via local agreements. The number of such special severance allowances offered at the plant during the term of the Agreement shall not exceed the number of such mutual agreement position eliminations implemented at the plant during the term of the Agreement.
- (b) Remaining special severance allowances may be offered at each plant by mutual agreement of the local parties. Employees eligible therefore will be identified by mutual agreement of the local parties.
5. An employee otherwise eligible for a severance allowance pursuant to the provisions of Article XV will not be eligible to receive both a special severance allowance and a severance allowance pursuant to Article XV. Such an employee may choose either the (Article XV) severance allowance or this special severance allowance.
6. For employees voluntarily terminating under this attrition

APPENDIX R-3

inducement program who are also eligible for immediate pension benefits, their pension and special pension payment will be calculated in accordance with the terms of the Pension Agreement for service up to the date of termination and will commence payment in accordance with the terms of the Pension Agreement. The amount of this special severance allowance will not be deducted from the Pension Benefit.

7. Any payments made under this attrition inducement program may not exceed the equivalent of twice the employee's annual W-2 wages during the 52 week period immediately preceding the employee's termination of service.
8. All offers of special severance allowances to employees in order to induce the termination of their employment must be made in such a manner to ensure that the offered employees make fully informed and totally voluntary decisions concerning their employment status.
9. The Employment Security/Productivity Committee will approve any additional guidelines necessary for the proper implementation and administration of this program.

APPENDIX S

APPENDIX S

MEMORANDUM OF UNDERSTANDING ON COOPERATIVE PARTNERSHIP

A. Purpose and Intent

The Union and the Company (i.e., Acme Steel Company's and Acme Packaging Corporation's Riverdale, Ill. operations) agree that their goal is to attain the objectives set forth in this Memorandum. They also agree that their goals can best and perhaps only be accomplished if decision-making authority is shared at all levels of the enterprise. Accordingly, the parties have agreed to work toward the objective of establishing a strategic partnership.

The purpose of this Memorandum is to provide a framework for Union and employee participation in joint decision making; for full and continuing access by appropriate Union representatives to all books, records, and information relevant to the purposes and objectives of this Memorandum; and for the establishment of a comprehensive training and education program, all as further described herein.

Further, the parties recognize that the changes contemplated by this Memorandum must evolve, especially at the Plant level. Accordingly, the parties must have the flexibility to design participative structures that best meet their needs at any given time and that can change as changed circumstances and experiences warrant.

B. Objectives

In furtherance of their understandings on long-term employment security, the parties have agreed to pursue the following objectives and commitments:

APPENDIX S

1. Increasing the quality, profitability and competitiveness of the enterprise and its products;
2. Assuring that Union representatives and employees receive full and early access to information concerning Company decisions affecting their working lives, including early notification concerning, significant Company transactions, such as mergers, acquisitions, dispositions, joint ventures, etc.;
3. Creating a less authoritarian, safer, fairer, more equitable and less stressful work environment;
4. Responding to technological change through joint mechanisms which will cause technology to serve the interests of both the enterprise and the workers affected by the change;
5. Reduction of managerial, supervisory, and related overhead costs;
6. Increasing worker responsibility and control over the workplace;
7. Continual training, education and upgrading of the skills of the workforce;
8. Creation of better jobs through higher skills;
9. Ensuring that the Company operates responsibly with respect to the environment and other areas of public policy;
10. Acceptance and support by the Company of the Union and acknowledgment of its role as an essential vehicle in attaining these objectives.

APPENDIX S

it will be reflected in the plans and activities of the division.

The results of these meetings, including the information and opinions exchanged, the conclusions reached, and the level of participation achieved, will be conveyed to all employees by the Union representatives and supervision.

3. Shop Floor Level

The objective of the parties is to improve both the quality of worklife for the employees and the effectiveness of the plants. To achieve that objective, the parties concur that each plant must be managed to allow employees at all levels in the organization to meaningfully participate in decision making to support the Company's ability to be the lowest cost producer of quality products. This is particularly critical at the shop floor level where there must be a high degree of cooperation and commitment between Management and the bargaining unit employees.

Pursuant to this Memorandum, each Management and bargaining unit employee is responsible to contribute his/her ideas and efforts to improve quality of worklife and the effectiveness of the operation. Shop floor employees are responsible for participating in problem solving on a continuing basis.

4. Problem-Solving Process/Teams

The Company and Union agree that employees at all levels of the organization must be involved in the decision-making process and provide their input, commitment, and cooperation to improve productivity and help the Company to become the lowest cost producer of quality products delivered on time. To facilitate employees' input into the decision-making process, the parties agree that employees will participate with Management and the Union in problem-solving activities.

By joint agreement, the CPLC or Divisional-Level CPCs may create one or more Problem-Solving Teams on a continuing basis

APPENDIX S

or to study and report back on a specific problem or project. They shall receive the resources (including problem-solving training and information) necessary for them to determine the best solution to specific problems. These teams may operate on an ad hoc or continuing basis, as appropriate.

This process will not replace the grievance procedure in the Basic Labor Agreement.

5. Payment Procedures

a. Monthly Meetings (CPLC)

The Local Union Presidents and Chairpersons of the Grievance Committee will be compensated for time lost from scheduled work as a result of their attendance at CPLC meetings. Such payment for any such lost time will be in accordance with existing local payment procedures.

b. Divisional-Level CPCs and Problem-Solving Teams

Employees will be compensated, in accordance with local payment procedures, for participating in problem-solving teams and attending Divisional-Level CPC meetings.

D. Full and Continuing Access to Information

Appropriate Union representatives (including consultants and advisors) shall have access to financial and operational information that is relevant to the development and implementation of the Company's Business Plans, as well as access to Company employees and advisors who are responsible for such information.

As used in this Memorandum, the term "Business Plan" shall refer

APPENDIX S

C. Elements of the Cooperative Partnership Agreement

1. Cooperative Partnership Leadership Committee

There shall be a Cooperative Partnership Leadership Committee (CPLC) consisting of the Local Union President, Chairperson of the Grievance Committee and the Manager-Human Resources at both plants; the Presidents and the Vice Presidents of Operations of Acme Steel Company and of Acme Packaging Corporation; the Director-USWA District 31; the USWA Staff Representative servicing the Local Union at each plant; and the Vice President-Human Resources.

The CPLC shall hold its meetings in conjunction with the monthly "Business Review Meetings" of the Acme Steel Company and the Acme Packaging Corporation. All members of the CPLC shall have the opportunity to attend and participate in the above referenced meetings.

CPLC meetings are designed to provide a forum to enhance Union-Management relations through improved communications and the discussion of significant business and labor issues, and developments that are important to our employees, the Union, and the Company. The CPLC shall also discuss and review the strategic issues of the Company. The strategic issues shall include, but not be limited to, items such as: new technology, capital investment, market strategies, plant configuration, cash flow, profit and loss, strategic planning and business planning.

The Union members of the CPLC shall have the opportunity to offer input, comment, and advice concerning strategic decisions; current and future plans; and the performance of the Riverdale and Chicago Plants. Such input, comment, and advice shall be considered and, where possible and appropriate, will be reflected in the plans and activities of the Riverdale and Chicago Plants. In any event, the Union will be provided feedback with regard to their input.

APPENDIX S

The results of CPLC meetings shall be conveyed to Local Union and Management personnel by committee participants in order that the Local Union leadership and Management are positioned to keep all employees informed and to allow further discussion of issues related to the plants.

The CPLC shall monitor and evaluate the progress of Cooperative Partnership at both plants, facilitate joint efforts to ensure that the workforce is being managed effectively in a cooperative and participative mode, and shall monitor the implementation of productivity improvement actions at both plants.

The CPLC (including Union advisors) may appear before and be heard by Acme Metals, Inc.'s Board of Directors at appropriate times on matters being considered by the Board that are of concern to the CPLC, and such access shall be given prior to the Board reaching a decision on such matters.

2. Divisional-Level Cooperative Partnership Committees

Each major division shall have a Cooperative Partnership Committee (CPC) to be made up of equal members of Management and Union representatives. The Division Manager and the Grievance Committee person(s) for that division shall be members of this committee along with other members appointed by the CPLC.

Each Divisional-Level Cooperative Partnership Committee shall meet monthly in conjunction with that division's monthly "Division Review Meeting." Members of that division's CPC shall have the opportunity to attend and participate in that meeting, which will consist of a review of that division's performance and future outlook. In this committee, the parties are encouraged to engage in an open and candid exchange of ideas and information. All members should have adequate opportunity to consider new information and to provide whatever input, comment, or advice they deem appropriate. Such input, comment, or advice shall receive due consideration and, where possible and appropriate,

APPENDIX S

to the Company's short-term business plan and long-term strategic and operating plan, including such elements as those involving products, pricing, markets, capital spending, short and long-term cash flow forecasts, and the method and manner of funding or financing the Business Plans. Without limiting the foregoing, the Company shall provide the Union with early notification of any contemplated significant transactions involving mergers, acquisitions, and continuing updates regarding dispositions, joint ventures, and new facilities to be constructed or established by the Company, its subsidiaries, joint ventures, or other entities in which the Company has a financial interest.

For its part, the Union will provide the Company with appropriate information regarding Union activities, organizational changes, bargaining and political objectives, and other plans or developments that might affect the Company.

The use of the information contemplated by this Section will be covered by a confidentiality agreement in form and substance satisfactory to the parties.

E. Comprehensive Training and Education Program for Committee Members, Bargaining Unit Employees, and Non-Bargaining Unit Employees

The parties recognize that the goals of Cooperative Partnership can be attained only by a commitment to comprehensive and ongoing training and education. Accordingly, the CPLC shall take steps to establish training programs necessary to the purposes of this Memorandum. All training shall be focused on the following objectives: the long-range joint goals of the parties; problem-solving techniques; communication activities; skills, attitudes, behaviors and techniques for increasing the effectiveness of participation and involvement activities; and methods for determining and achieving joint goals. Without limiting the comprehensiveness or continuity of the training and education

APPENDIX S

required by this Memorandum, such activities will include at least the following minimum standards and guidelines:

1. Both Company and Union representatives shall receive training by their respective organizations in how, consistent with their organization's goals, they can accomplish the objectives of this Memorandum through participation and involvement activities, and such training shall include the following minimum levels:
 - All members of the CPLC, Divisional-Level CPCs and Problem-Solving Teams: 12 total days per year.
2. By mutual agreement, the CPLC shall sponsor a program for at least annual orientation and appropriate training of all members of joint committees created under this Memorandum.
3. The CPLC shall develop a training program designed to increase the skills of bargaining unit and non-bargaining unit employee participants concerning the subjects identified in this Section E. Such a program shall commence with instruction on how best to pursue organizational objectives through participation activities, such instruction to satisfy the following minimum levels; for bargaining unit employees, a one-day Union-taught orientation session; for front line supervisors, managers, and other excluded personnel, a one-day Management-taught orientation session.
4. The Company shall fund all training programs referred to in this Section, including employee time spent in such training, as though it were time worked at the employee's rate of earnings as determined for vacation pay.

APPENDIX S

F. Workplace Restructuring

1. Authorization

Either at the request of a Divisional-Level CPC (which shall include the assenting vote of a majority of the Union members of the CPC) or by decision of the CPLC (which shall include the assenting vote of a majority of the Union members of the CPLC), the CPLC may decide upon a Workplace Restructuring Program to restructure traditionally structured units or groups in the bargaining unit. An "Approved Workplace Restructuring Program" *within the meaning of this Memorandum* is a Workplace Restructuring Program that includes: the establishment of operating work groups or teams, or self-directed work teams or groups; or the implementation of other new and improved ways of performing work as attrition removes bargaining unit and excluded personnel from the plant or facility. Approval must be obtained from the CPLC (which shall include the assenting vote of a majority of the Union members of the CPLC).

2. Required Elements

Any Workplace Restructuring Program in the bargaining unit that involves the establishment of operating work groups or teams, or self-directed work teams or groups, must: be a joint endeavor; cause the workplace to be less authoritarian, more safe, more equitable and less stressful; reduce substantially the level of supervision; change the role of supervisors from directing to coaching; and give the workers greater influence, responsibility and control over day-to-day operations, including, if the CPLC so determines, planning, scheduling and administrative functions not traditionally performed by bargaining unit members. Without regard to any other employment or earnings guarantees provided by other sections of the Basic Labor Agreement, any Workplace Restructuring Program shall include appropriate guarantees.

APPENDIX S

G. Technological Change Program

The CPLC shall establish a new technology development and implementation program (Technological Change Program) which shall include the following elements:

1. Advance Notice

The Company shall provide the CPLC or appropriate Division-Level CPC with advance notice of any proposed technological change no later than the beginning of the Company's process for evaluating such proposal. Such notice shall be in writing, shall to the extent and when available contain supporting information outlined below, and shall include updates of new or revised information necessary for full and current understanding of the proposed change. In the case of emergency technological changes, the Company shall give the maximum notice and information possible under the circumstances.

2. Information

Within the time periods noted above, the Company shall give the CPLC the following information:

- a description of the purpose and function of the technological change, and how it would fit into existing operations and processes; the estimated cost of the technology, a cost justification of it, and the proposed timetable for it;
- disclosure of any service or maintenance warranties or contracts provided or required by the vendor (if any);
- the number and type of jobs (both inside and outside the bargaining unit) which would be changed, added, or eliminated by the technological change;

APPENDIX 3

- the anticipated impact on the skill requirements of the workforce;
- details of any training programs connected with the new technology (including duration, content, and who will perform the training);
- an outline of other options which were considered by the Company before formulating its proposed changes; and
- the expected impact of the change on job content, pace of work, safety and health, training needs, and contracting out.

Union representatives on the CPLC may request and receive access to Company personnel knowledgeable about any proposed technological change (including outside consultants) to review, discuss, and receive follow-up information concerning any technological changes proposed by the Company or Union or their effects on the bargaining unit.

The use of the information contemplated by this subsection will be covered by a confidentiality agreement in form and substance satisfactory to the parties.

3. Union Involvement in Company Decisions to Make Technological Changes

With respect to any Company decision whether to make a technological change, Union representatives on the CPLC may initiate discussion and consideration of technological changes that are new or different from those proposed by the Company. In all events, the views expressed by the Union members of the CPLC shall be considered by the Company.

4. Union Joint Decision-Making Authority with Respect to Effects of Technological Change

APPENDIX S

The Union members of the CPLC shall have joint decision-making authority with their Company counterparts over the effects of Company decisions under the immediately preceding Subparagraph 3 above, including the following: the number and type of jobs required by the changed technology; the skill and training requirements for each such job; the details of any new or changed training associated with the technology; the inclusion of such job in the bargaining unit; any new work rules or operating procedures associated with the technology; and any health, safety, or environmental programs required by the technology.

5. Definitions

As used herein, the term "technology" shall include machinery, equipment, controls, materials, and software; the phrase "technological change" shall refer to introductions of new technology, changes in existing technology, or both.

H. Safeguards and Resources

- 1. Except as may be approved by the CPLC, no joint committee may amend or modify the Basic Labor Agreement.**
- 2. No committee authorized by this Memorandum may effect any action with respect to contractual grievances.**
- 3. Service on any committee or team created under this Memorandum shall be voluntary.**
- 4. The Union will strive to be a full participant in the processes and mechanisms established by this Memorandum, and bargaining unit employees will be encouraged and expected to perform their duties within the parameters established hereunder. However, no employee may be disciplined or discharged for lack of commitment to the participation or involvement processes.**

APPENDIX S

5. Employee participation and training shall normally occur during normal work hours, and the employee shall suffer no loss of earnings as a result thereof.
6. No committee established under this Memorandum may recommend or effect the hiring, discipline, or discharge of any employee.
7. At the invitation of the Union Co-Chair of any committee created hereunder, the following Union representatives may attend a committee meeting: the Union's District Director-District 31 or his designee; Union headquarters personnel; or outside Union experts.
8. All meeting time and necessary and reasonable expenses of joint committees shall be paid for by the Company and no employee attending such meetings shall suffer a loss of earnings as a result. The parties will develop procedures for handling expenses.
9. Union members on joint committees shall be entitled to: adequate opportunity on Company time to caucus for purposes of study, preparation, consultation, and review, and shall, consistent with Subparagraph H8, have their expenses defrayed by the Company. Requests for caucus time shall be made to the appropriate Company Management representative in a timely manner, and such requests shall not be unreasonably denied.
10. Joint committees may agree to employ experts from within or outside the Company as consultants, advisors or instructors, and such experts shall be jointly selected and assigned.
11. Nothing in this Memorandum shall permit the Union members of any committee to participate in the portion of any meetings in which the subject matter involves the Company's strategy for collective bargaining negotiations.

grievances and other labor relations issues or legal claims, including, without limitation, lawsuits or administrative proceedings involving the Union or employees of the Company, salaried compensation, Management development activities, and similar personnel matters.

I. Final Decision Making Authority

The parties have entered into this Memorandum for the purpose of making the Union and the employees full participants in the joint decision-making process of the Company. However, it is understood that the parties will not always agree.

After the Union members of the CPLC have been given a full opportunity to be heard and their views fully considered, the Management person responsible for the matter shall have the right to make the final decision in the event of disagreement regarding a matter as to which, absent this Memorandum, Management has the right to make a unilateral decision, and such decision shall not be subject to the grievance procedure. Similarly, with respect to other committees on which Union representatives will participate by reason of this Memorandum, after the Union representatives have been given a full opportunity to be heard and their views fully considered, the Management person responsible for the matter shall have the right to make the final decision in the event of disagreement regarding a matter as to which, absent this Memorandum, Management has the right to make a unilateral decision, and such decision shall not be subject to the grievance procedure.

With respect to any provision of this Memorandum which deals with a matter which Management has not heretofore had the unilateral right to make decisions, this Memorandum gives Management no greater right to make unilateral decisions regarding such matters than it would have in the absence of this Memorandum. Similarly, this Memorandum gives the Union no greater right to make decisions regarding such matters or to

APPENDIX S

protest, delay, or prevent the implementation of Management decisions regarding such matters than it would have in the absence of this Memorandum.

Finally, while the final decisions of Management with respect to matters over which, absent this Memorandum, Management has the unilateral right to make a decision are not subject to the grievance procedure, the process of decision making (including the full participation of the Union representatives and employees in the process as provided in this Memorandum and the Company's commitments concerning information, access, and training in this Memorandum) is subject to the grievance procedure and arbitration. As to a particular decision, the Company's failure to follow the procedural requirements of this Memorandum shall not be the basis for preventing the implementation of that decision. Should the parties be unable to agree on a specially designated arbitrator to hear and decide any such dispute, the dispute shall be heard by the arbitrator provided for under Article V (Riverdale) or Article VIII (Chicago) of the applicable Labor Agreement.

J. Implementation

The parties recognize that the participation mechanisms described in this Memorandum cannot be implemented until the CPLC and the Divisional-Level CPCs have been formed and the initial members of those committees have completed the training referenced in E1 above.

K. Cooperative Partnership Evaluation

The Cooperative Partnership Leadership Committee will be responsible for evaluating the Cooperative Partnership process. This Committee will visit each Plant on an annual basis for the purpose of experiencing, firsthand, how the Cooperative Partnership effort is progressing.

APPENDIX T

APPENDIX T

LETTER OF UNDERSTANDING ON NEUTRALITY IN UNION ORGANIZING CAMPAIGNS

Mr. Jack Parton
Director, District 31
United Steelworkers of America
First National Bank Building
Room 211
720 W. Chicago Avenue
East Chicago, IN 46312

Dear Mr. Parton:

This letter will serve to confirm certain understandings reached in our 1993 negotiations.

A. *Neutrality*

Over the years the Company (Acme Steel Company and Acme Packaging Corporation) and the Union have developed a constructive and harmonious relationship built on trust, integrity and mutual respect. The Company places high value on the continuation and improvement of its relationship with the United Steelworkers of America, as well as with all of its employees.

We also know from experience that when both parties are involved in an organizing campaign directed at unrepresented Company employees, there is a risk that election conduct and campaign activities may have a harmful effect on the parties' relationship. Therefore, it is incumbent on both parties to take appropriate steps to ensure that all facets of an organizing campaign will be conducted in a constructive and positive manner which does not misrepresent to employees the facts and

APPENDIX T

circumstances surrounding their employment and in a manner which neither demeans the Company or the Union as an organization nor their respective representatives as individuals.

To underscore the Company's commitment in this matter, it agrees to adopt a position of neutrality in the event that the Union seeks to represent any non-represented employees of the Company.

Neutrality means that the Company shall neither help nor hinder the Union's conduct of an organizing campaign, nor shall it demean the Union as a organization or its representatives as individuals. Also, the Company shall not provide any support or assistance of any kind to any person or group opposed to Union organization.

Consistent with the above, the Company reserves the right:

1. To dispute to the extent permitted under the law any issues relating to the scope and makeup of the unit sought by the USWA.
2. To communicate fairly and factually to employees in the unit sought concerning the terms and conditions of their employment with the Company and concerning legitimate issues in the campaign.

For its part, the Union agrees that all facets of its organizing campaign will be conducted in a constructive and positive manner which does not misrepresent to employees the facts and circumstances surrounding their employment and in a manner which neither demeans the Company as an organization nor its representatives as individuals.

The Company's commitment to remain neutral shall cease if the Union or its agents intentionally or repeatedly misrepresent to the employees the facts and circumstances surrounding their employment or conduct a campaign which comments on the

APPENDIX T

motives, integrity or character of the Company or its representatives.

B. Access to Company Facilities

Upon written request, the Company shall grant access to its facilities to the Union for the purpose of distributing literature and meeting with unrepresented Company employees. Distribution of Union literature at entrances and exits of Company facilities shall not compromise safety or disrupt access or egress. Distribution of Union literature inside Company facilities and meeting with unrepresented Company employees inside Company facilities shall be limited to organizing tables in non-work areas during non-work time. Union representatives shall notify appropriate Company labor relations officials before engaging in the above organizing activities to schedule access to Company facilities and arrange for organizing tables in non-work areas and shall not disrupt the normal business of the facility.

In situations where an election is scheduled pursuant to NLRB representation procedures for the purpose of determining whether employees, as defined above, desire representation by the USWA for collective bargaining purposes, the Company agrees that it will not engage in an election speech on Company time to groups of twenty (20) or more employees within seventy-two (72) hours before the scheduled time for conducting the election. This provision shall not be construed in any fashion to confer upon the USWA a right to engage at any time in an election speech on Company time or on Company property. Notwithstanding the foregoing, the Company reserves the right:

1. To engage in an election speech on Company time within seventy-two (72) hours before the scheduled time for conducting the election, where not otherwise prohibited by law, in response to Union misrepresentations or acts of coercion relating to the election, the employees' terms and conditions of employment or any aspect of Union

APPENDIX T

representation.

2. To engage in discussions on Company time regarding the Union or the election within seventy-two (72) hours before the scheduled time for conducting the election (a) with individual employees on a one-to-one employee-to-Company representative basis or (b) with groups of employees where such discussions are initiated by the employees with members of Management.

C. Dispute Resolution

Any disputes involving this letter shall be brought to a joint committee of one Headquarters representative of the Company and Union. If the alleged violation or dispute cannot be satisfactorily resolved by the parties, either party may request that the permanent arbitrator resolve such dispute. The arbitrator shall resolve such dispute by means of a bench decision to be rendered at a hearing to be held within fourteen (14) days of the making of the request at a site mutually agreeable to by the parties.

Very truly yours,

Acme Steel Company
Gerald J. Shope
Vice President
Human Resources

CONFIRMED

/s/ J. Parton
Chairman
Negotiating Committee
United Steelworkers of America

APPENDIX U

APPENDIX U

MEMORANDUM OF UNDERSTANDING AND COMMITMENT

Acme Metals, Incorporated and the United Steelworkers of America recognize the need to continuously invest in new technology to ensure the long term success of the steel business. A successful steel business provides future security for its employees and maximizes returns for all stakeholders in the company.

Acme Metals, Incorporated is planning to install a new state-of-the-art thin slab caster/modern strip mill facility at its Riverdale works. Both parties recognize that it is in their best interests to install and operate these leading-edge facilities as cheaply, effectively, and expeditiously as possible.

Therefore, the parties agree that they will mutually extend their best efforts to:

1. Encourage and support all forms of investment in the project by equity partners, lenders, suppliers, and customers to ensure successful financing and completion of the project;
2. Work cooperatively with all levels of government to explore and take advantage of all forms of funding which may be available, and to ensure the necessary permitting is obtained;
3. Work harmoniously to jointly create the proper working environment to ensure the long-term success of the facilities and maximize returns for all stakeholders, including investors, employees, and customers.

Signed this 1st day of September, 1993.

Lynn A. Williams
International President
United Steelworkers of America

Brian W.H. Marsden
Chairman and CEO
Acme Metals, Incorporated

APPENDIX V-1

APPENDIX V-1

**LETTER OF UNDERSTANDING
REGARDING
THE FAMILY AND MEDICAL LEAVE ACT OF 1993**

August 31, 1993

Jack Parton, Director
District 31, USWA
720 W. Chicago Ave.
Room 211
East Chicago, IN 46312

Dear Mr. Parton:

The parties agree that the provisions of the Family and Medical Leave Act of 1993 (FMLA) will replace and supersede the "Medical Leave of Absence Procedure - Hourly Employees" effective September 1, 1993. The parties agree that not later than September 17, 1993, the local parties will meet for the purpose of mutually agreeing on the terms of the new policy.

Applying the requirements set forth in the FMLA, the parties agree that the following principles will be applied in the discussions referred to above:

1. All bargaining unit employees with six (6) or more months of continuous service and all bargaining unit transitional employees with 26 weeks or more of active transitional employment since his/her last effective date of hire as a transitional employee will be eligible for FMLA coverage.
2. Seniority will continue to accrue during the statutory portion of the leave, and the statutory portion of the leave will not constitute a break in continuous service.

APPENDIX V-1

3. Program of Insurance Benefit coverage will be continued by the Company during the statutory portion of the leave.
4. The Company will not require that vacation time be used for family and medical leave purposes.

Very truly yours,

G.J. Shope
Vice President-Human Resources
Acme Steel Company

CONFIRMED:

Jack Parton, Director
Negotiating Committee
United Steelworkers of America

APPENDIX V-2

APPENDIX V-2

**LETTER OF UNDERSTANDING
REGARDING
AMERICANS WITH DISABILITIES ACT**

August 31, 1993

Jack Parton, Director
District 31, USWA
720 W. Chicago Avenue
Room 211
East Chicago, IN 46312

Dear Mr. Parton:

During these negotiations the Company and the Union pledge to cooperate in making any necessary and reasonable accommodations required by the Americans with Disabilities Act (ADA) for disabled bargaining unit members and, if possible, to amicably resolve possible conflicts between the terms of the Labor Agreement and the ADA.

Notwithstanding any provision of this letter, the Union reserves its rights under the law and the Labor Agreement.

Very truly yours,

G. J. Shope
Vice President-Human Resources
Acmte Steel Company

CONFIRMED:

Jack Parton, Director
Negotiating Committee
United Steelworkers of America

APPENDIX W

MEMORANDUM OF UNDERSTANDING
ON
TRADE OR CRAFT USAGE AND TRAINING PROGRAM

The Union and the Company are jointly committed to the improvement of the overall effectiveness of all maintenance functions to support continual improvement in maintenance productivity. To implement these objectives, the parties agree to work together to implement productivity improvements in the maintenance workforce under an Employment Security umbrella. The parties are further committed to the establishment and preservation of a highly skilled, efficient maintenance workforce in sufficient number to carry out a successful maintenance program at the plants covered by this Memorandum. It is also their purpose to accomplish the foregoing as much as possible with bargaining unit employees and without excessive overtime.

A. STUDY OF MAINTENANCE WORKFORCE

The parties recognize that they cannot achieve the objectives of this Memorandum at this time due to the uncertainties created by the proposed new slab caster/hot strip mill facility. Accordingly, commencing one (1) year after the first marketable coil is produced by that facility, or January 1, 1997, whichever date is earlier, the Maintenance Excellence Committee ("MEC") at each plant, made up of three (3) representatives designated by the Local Union, at least two (2) of whom shall be experienced plant maintenance employees, and an equal number of representatives designated by the Company, at least two (2) of whom shall be experienced in maintenance supervision or maintenance management, will meet regularly and will receive required technical assistance from appropriate Company or Union sources. Each MEC will be responsible for examining the present maintenance workforces, considering such future changes in maintenance requirements that can be identified, and developing the specific information described below for each plant. However, if the Board of Directors of Acme Metals, Inc. decides not to go forward with the new slab caster/hot strip mill facility, each MEC shall, at that point, commence this Study and thereafter develop the Plan in accordance with Section B.

APPENDIX W

1. Determine the numbers of maintenance employees in each trade or craft job for both assigned and unassigned maintenance;
2. Develop an age profile for all trade or craft employees;
3. Assess the anticipated attrition rates for the maintenance workforce over the next five (5) years;
4. Assess the availability of employees who are qualified to enter apprentice programs in the plant's workforce;
5. Identify potential avenues by which employees can receive basic education training to qualify for apprenticeship programs;
6. Evaluate the necessity of developing additional apprenticeship training programs and evaluate the current apprenticeship programs to determine if the current training structure is meeting the overall goals of the parties;
7. Examine current craft overtime levels and assess whether certain crafts are working excessive overtime;
8. Examine improvement methods by which craft efficiencies and productivity can be achieved through additional craft training, maintaining a proper balance of forces and coordination of activities for assigned and non-assigned forces, and reduction of overtime usage;
9. Examine the plant's projected new construction and major construction, replacement and rehabilitation programs during the next five (5) years to assess the potential involvement of existing Plant maintenance workforces on such work;
10. To the extent practicable, assess maintenance practices at the plant under this review versus those of other major steel producers represented by the Union; and
11. Assess the level of plant trade or craft forces necessary to meet reasonably anticipated long-term future maintenance needs, bearing in mind all the above items.

APPENDIX W

During the interim period, each MEC shall examine present maintenance requirements and the maintenance forces necessary to address these needs during this interim period. It is recognized that the Union's concerns about erosion of the maintenance workforce during this interim period must be balanced against the Company's concern about having excessive maintenance personnel at the end of the transitional period.

B. MAINTENANCE TRAINING PLAN

Within six (6) months from the commencement of the Study, each MEC will submit a written report to the Co-Chairpersons of the Negotiating Committee of its findings and recommendations with respect to the matters set forth in Section A. In addition, each MEC will develop a recommendation for implementation of a Maintenance Training Program ("MTP") designed to fill anticipated maintenance needs for that plant. Each recommended MTP will include an implementation date, the minimum number of employees to be trained or retrained in each trade or craft within a defined period, the method of training, and provisions for upgrading the skills of incumbent trade or craft employees. In developing each MTP, the following guideline/goal shall apply:

Provide sufficient number of trained trade and craft employees to meet reasonably anticipated long-term future maintenance needs without excessive overtime and in accordance with the contracting out provisions of the Agreement.

Each MEC report will include separate statements by the parties with respect to any finding or recommendation to which they disagree.

C. ACTION BY THE CO-CHAIRPERSONS

Within sixty (60) days of receipt of the report submitted by each MEC, the Union and Company Co-Chairpersons of the Negotiating Committee may: (1) approve an agreed-upon Plan submitted by the parties; (2) modify any Plan as they may mutually agree; or (3) disagree, in whole or in part, with respect to any findings or recommendations contained in a submitted Plan. With respect to any matters as to which the Co-Chairpersons disagree, the dispute will be promptly referred to arbitration pursuant to procedures to be agreed upon by the Co-Chairpersons. The dispute will be resolved on the basis of a "final offer" submission by the parties at a hearing. The Plan arbitrator will determine which of the submissions best meets

APPENDIX W

the maintenance needs of the Company in light of the guidelines and goals spelled out in this Memorandum of Understanding.

D. PRESERVATION OF PLAN

Except where the training or continued training of additional trade and craft employees at a plant is no longer justified due to changed conditions such as depressed economic periods and/or facility shutdowns, the Plan shall not be discontinued during the term of the Agreement.

APPENDIX X

APPENDIX X

**LETTER AGREEMENT
REGARDING
NATIONAL HEALTH CARE**

August 25, 1993

Mr. Jack Parton, Director
District 31, USWA
720 West Chicago Avenue
Room 211
East Chicago, IN 46312

Dear Mr. Parton:

In the event that a National Health Care program is enacted, and such program provides insurance benefits which had been provided by the Program of Insurance Benefits (PIB) for both active employees and Eligible Pensioners and Surviving Spouses and/or the Program of Hospital-Medical Benefits (PHMB) for Eligible Pensioners and Surviving Spouses in effect at the time of enactment, the parties will meet to discuss the impact of the legislation and any modifications to the insurance programs which may be necessary or desirable.

Where, by agreement, certain benefits under the insurance programs are provided under law rather than under the PIB or PHMB, the Company will pay the amount required to be paid to ensure that participants' coverage is no less than their coverage under the PIB or PHMB in which they were enrolled that are in effect at the time of enactment. The Company shall, after consultation with the Union, reduce the benefits under the PIB or PHMB to the extent that benefits provided under law would otherwise duplicate any of the benefits provided under the PIB or PHMB in effect at the time of enactment. Except as specifically excluded under the PIB or PHMB (for example, Medicare Part B premiums for a Medicare-eligible retiree), this shall not result in persons covered by the PIB or PHMB having to pay additional deductibles, copayments, or contributions in excess of the amounts provided for in the PIB or PHMB. Any resulting personal tax liability is the responsibility of the employee, retiree or surviving spouse; however, the Company and the Union will meet thereafter to explore methods of reducing this liability.

If the Company is required under the law to provide benefits to participants in excess of the benefits provided under the PIB or PHMB in which they are enrolled

APPENDIX X

or as required by law at the time of enactment, the amounts required to be paid for these benefits shall be paid entirely by employees or retirees/surviving spouses.

As soon as practicable following enactment, an actuary selected by the Company will perform a calculation using reasonable actuarial assumptions and methods to determine the amount of savings realized. These savings will be reduced by any premiums, payroll taxes or contributions specifically designated for the purpose of financing the national program which are required of the Company by law. The resulting net savings, if any, will be used to offset the increased employee and retiree/surviving spouse costs referenced in the preceding paragraphs via methods mutually agreed to by the Company and the Union. Any net savings in excess of the offset amount will be shared equally between the Company and the employees and retirees/surviving spouses.

If any difference shall arise between the Company and the Union regarding the implementation of the matters described above, such matters shall be referred to the Chairperson of the Union's Negotiating Committee and the Chairperson of the Company's Negotiating Committee for resolution. If the Chairpersons are unable to resolve the disputes, the disputes shall be referred to a mutually agreeable third party for binding arbitration.

Furthermore, the parties agree that during the negotiations for a successor Labor Agreement to the 1993 Labor Agreement, they shall attempt to reach agreement regarding the application of any cost savings to the Company resulting from benefits being provided under law which would otherwise duplicate any of the benefits provided under the PIB or PHMB in effect at the time of enactment.

Very truly yours,

ACME STEEL COMPANY

Gerald J. Shope
Vice President-Human Resources

CONFIRMED:

Jack Parton
Director, District 31
United Steelworkers of America

APPENDIX Y

APPENDIX Y

**LETTER OF UNDERSTANDING
REGARDING
USWA/PAC CHECKOFF AGREEMENT**

August 31, 1993

Jack Parton, Director
District 31, USWA
720 W. Chicago Avenue
Room 211
East Chicago, IN 46312

Dear Mr. Parton:

This will reconfirm the agreement made as part of the settlement of the parties' 1993 negotiations that the Company will make designated payroll deductions for voluntary contributions by active employees who have authorized such deductions and will transmit such voluntary contributions to the United Steelworkers of America Political Action Committee (USWA/PAC) pursuant to the following:

The Union will be responsible for the cost of printing and distributing voluntary USWA/PAC wage deduction authorization forms. It is specifically agreed that the USWA/PAC checkoff plan will be implemented as follows:

1. Effective (to be determined), the Company shall deduct, on a (to be determined) basis, voluntary contributions to the USWA/PAC from the wages of those employees represented by the United Steelworkers of America who voluntarily authorize such deductions and contributions on forms provided for that purpose by the USWA/PAC. The amount and timing of such USWA/PAC wage deductions and the transmittal of such voluntary contributions to the

APPENDIX Y

USWA/PAC may be as specified in such forms and in conformance with any applicable state or federal statute.

2. The Company shall mail to the USWA/PAC Administrative Office (5 Gateway Center, Pittsburgh, PA 15222) within fifteen (15) days following the ending date of any pay period in which any deduction is made pursuant to this Agreement, a report which will list the names, Social Security numbers, addresses and amounts of deductions of USWA/PAC contributions which have been withheld pursuant to this Agreement during and immediately preceding the payroll period.
3. The Company shall remit to the Treasurer of the USWA/PAC voluntary contributions to the USWA Political Action Fund (5 Gateway Center, Pittsburgh, PA 15222) within fifteen days following the ending date of each (to be determined) basis, following (to be determined), during which any deduction has been made for USWA/PAC contributions which have been deducted.
4. The signing of a USWA/PAC checkoff form and the making of voluntary contributions are not conditions of membership in the Union or of employment with the Company.
5. 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 this Agreement.
6. The United Steelworkers of America Political Action Committee supports various candidates for federal, state and other elective offices, and is connected with the United Steelworkers of America, a labor organization, and solicits and accepts only voluntary contributions, which

APPENDIX Y

are deposited in an account separate and segregated from the dues fund of the Union, in its own fundraising efforts and in joint fundraising efforts with the AFL-CIO and its Committee on Political Education (COPE).

Very truly yours,

G.J. Shope
Vice President-Human Resources
Acme Steel Company

CONFIRMED:

Jack Parton, Director
Negotiating Committee
United Steelworkers of America

APPENDIX Z

APPENDIX Z

REOPENER NEGOTIATIONS AND INTEREST ARBITRATION

It is highly desirable to provide long-term stability of steel operations, production and employment for the benefit of the employees, customers, suppliers and stockholders. To attain these objectives, the Company and the United Steelworkers of America have entered into an extended term 1993 labor agreement ("the 1993 Agreement"). In addition, the parties hereby provide for reopener negotiations and, if necessary, interest arbitration to be conducted in accordance with the following:

A. Strikes and Lockouts

Throughout the proceedings described below and in conjunction with reopener negotiations and interest arbitration, the Union, on behalf of the employees covered by the 1993 Agreement, agrees not to engage in strikes, sympathy strikes, work stoppages or concerted refusals to work in support of its bargaining demands, and the Company agrees not to resort to lockouts of employees to support its bargaining position; and the procedures below shall be the exclusive means by which changes in the terms and conditions of employment shall be made effective during the life of the 1993 Agreement.

B. Scope of Reopener Negotiations and Interest Arbitration

1. As used herein, "specified payroll items" refers to the following economic items:
 - a. Standard Hourly Wage Rate (ICR and Hourly Additive)
 - b. Shift Differential

APPENDIX Z

- c. Overtime Premium
 - d. Sunday Premium
 - e. Lump Sum Payments
 - f. Holidays and Vacations
 - g. EPP
 - h. Allowances for time not worked (military encampment, jury or witness service, funeral leave and reporting allowance)
2. As used herein, "specified employee benefits" refers to SUB.
3. The parties agree that any reopener negotiations or interest arbitration instituted in accordance with the provisions of Section D below during the life of the 1993 Agreement shall be limited to "specified payroll items" and "specified employee benefits" as defined in Subsections B1 and B2 above. The parties agree that no other matters relating to terms and conditions of employment shall be made the subject of reopener negotiations or interest arbitration. If matters other than "specified payroll items" and "specified employee benefits" are submitted by one party in reopener negotiations or in interest arbitration, the other party shall not be required to negotiate concerning those matters and the arbitrator shall have no authority to resolve issues pertaining to such matters.
4. It is the intention of the parties that issues pertaining to "specified payroll items" and "specified employee benefits" as defined in Subsections B1 and B2 above shall either be resolved by them in any reopener negotiations instituted in accordance with the provisions of Section D below or decided by interest arbitration as provided for in Section E below. In this regard, the parties shall make every good faith effort to resolve any issues pertaining to "specified payroll items" and "specified employee benefits" in reopener negotiations

APPENDIX Z

prior to commencement of interest arbitration proceedings.

C. Effective Date of Economic Changes During the 1993 Agreement

Unless the parties agree otherwise, changes in "specified payroll items" and "specified employee benefits" arrived at pursuant to Sections D or E below shall be effective with the payroll period commencing nearest to September 1, 1996, and shall continue in full force and effect for the remainder of the 1993 Agreement.

D. Negotiations

1. Not later than May 1, 1996, either party may give the other written notice of its desire to negotiate with respect to "specified payroll items," "specified employee benefits," or both, and the parties shall meet as soon as practicable thereafter to negotiate with respect to such matters.
2. Any notice to be given under this Section shall be given by registered mail; be completed by and at the time of mailing; and if by the Company, be addressed to the United Steelworkers of America, 5 Gateway Center, Pittsburgh, Pennsylvania 15222, and if by the Union, to the Company at 13500 South Perry Avenue, Riverdale, Illinois 60627.
3. Not later than June 1, 1996, the parties shall either (a) reach a full settlement on all issues raised with respect to "specified payroll items" and "specified employee benefits," or (b) submit all unresolved issues regarding "specified payroll items" and "specified employee benefits" to final offer interest arbitration in accordance with the procedure set forth in Section E.

APPENDIX Z

E. Interest Arbitration

1. If arbitration is required, it shall be a final offer package interest arbitration proceeding and the parties shall, not later than July 7, 1996, submit to the Interest Arbitrator their respective final offer packages on all unresolved issues. Within twenty (20) days thereafter, each party shall submit to the Interest Arbitrator and to each other a detailed written statement supporting its position on their respective final offer packages before the Interest Arbitrator for determination. Within ten (10) days subsequent to the filing of written statements of position with the Interest Arbitrator, the parties may file and exchange written replies to each other's statements, which shall be restricted to responses to the other party's written statement. Subsequent to the receipt of the written statements of position and replies, the Interest Arbitrator shall conduct hearings and shall render his decisions in accordance with the Agreement.
2. Prior to the commencement of hearings, representatives of the parties shall meet with the Interest Arbitrator and establish procedures to be followed at the hearing with respect to the following matters: (i) order of presentation, (ii) allocation of time for the presentation, (iii) designation of persons to present and comment on parties' positions, and (iv) such other procedural matters as the Interest Arbitrator and the representatives of the parties may agree upon.
3. The Interest Arbitrator shall have no authority to add to, subtract from or modify the final offer packages submitted by the parties, and the Arbitrator shall not be authorized to engage in mediation of the dispute.
4. The Interest Arbitrator's decision shall be to select one or the other of the final offer packages submitted by the parties on the unresolved issues presented to arbitration.

APPENDIX Z

The decision shall be in writing.

5. The Interest Arbitrator's decision shall be rendered no later than midnight, twenty-one (21) days after the close of the hearing. Subsequent to the issuance of the Interest Arbitrator's decision, the parties shall have ten (10) days to reach agreement as to any contract language and any other steps required to implement the Interest Arbitrator's decision. Absent final agreement by the parties as to such language or other implementing steps, either party may immediately refer any such unresolved questions to the Interest Arbitrator, who shall make a final and binding determination on such questions within ten (10) days thereafter.

F. Conduct and Costs of the Interest Arbitration Hearing

1. The record of the hearing shall include all documents, written statements and exhibits submitted, together with a stenographic record. The Interest Arbitrator shall, in the absence of agreement of the parties, have authority to make whatever reasonable rules are necessary for the conduct of an orderly hearing. In the formulation of such rules, the Interest Arbitrator shall be guided by the need to gather full information on all issues in an expeditious, orderly and informal manner. The Interest Arbitrator shall have the authority to limit the number of witnesses which the parties may call in support of their respective positions on any issue before the Interest Arbitrator when, in his judgment, it is necessary to the expeditious inquiry into the dispute.
2. The Interest Arbitrator, at the hearing, may participate in the examination of witnesses for the purpose of expediting the hearings or eliciting material facts. The Interest Arbitrator may also request the parties to produce any evidence which he deems relevant to the issues

APPENDIX Z

before him.

3. The hearing may be conducted informally and narrative presentations by witnesses may be permitted in appropriate circumstances. The receipt of evidence at the hearing need not be governed by statutory or common law rules of evidence.
4. The compensation, costs and expenses of the Interest Arbitrator shall be borne equally by the Union and the Company.

G. Termination

The provisions of this Appendix shall have no application to any negotiations conducted by the parties, other than those initiated in 1996 in accordance with Section D above, prior to the termination date of the 1993 Agreement, and in no event shall the provisions of this Appendix Z survive the termination date of the 1993 Agreement, unless otherwise agreed to by both parties.

H. Interest Arbitrator

The Interest Arbitrator for the reopener shall be Mr. John Paul Simkins. In the event of his death, resignation or unwillingness to serve, the parties shall jointly select a successor Interest Arbitrator who has experience in the steel industry and is able to comply with the timetable set forth above.

APPENDIX AA

**APPENDIX AA
LETTER AGREEMENT
CONCERNING
FLOATING HOLIDAY**

August 31, 1993

Jack Parton, Director
District 31, USWA
720 W. Chicago Avenue
Room 211
East Chicago, IN 46312

Dear Mr. Parton:

This letter will confirm our understanding that one floating holiday will be provided in each of the contract years 1994, 1995 and 1996. The parties shall agree on which day the floating holiday shall be observed by not later than October 1 of the preceding year.

Very truly yours,

G. J. Shope
Vice President-Human Resources
Acme Steel Company

CONFIRMED:

Jack Parton, Director
Negotiating Committee
United Steelworkers of America

APPENDIX BB
LETTER OF UNDERSTANDING
REGARDING
"AS IS, WHERE IS"

August 21, 1993

Jack Parton, Director
District 31, USWA
720 W. Chicago Avenue
Room 211
East Chicago, IN 46312

Dear Mr. Parton:

This will confirm our understanding that an "As Is, Where is" sale of assets is a legitimate commercial transaction that is a business decision not designed to deprive bargaining unit employees of work assignments.

If such sale of assets involves the use of a vendor or contractor to perform a service (e.g., scrap preparation) and such assets are subsequently returned for use or sale by the Company, such transaction shall be considered as contracting out and subject to the provisions of Article II, Section C of this Agreement.

Very truly yours,

G. J. Shope
Vice President-Human Resources
Acme Steel Company

CONFIRMED:

Jack Parton, Director
Negotiating Committee
United Steelworkers of America

APPENDIX CC

MEMORANDUM OF AGREEMENT
CONCERNING
TRANSITIONAL PERIOD MATTERS

During the negotiation of the 1993 Agreement, a joint Union-Management Sub-Committee, consisting of representatives from both the Riverdale and Chicago Plants, met and developed the following provisions. These provisions are designed to minimize the impact that the shutdown of operations affected by the proposed new slab caster/hot strip mill facility (hereinafter referred to as the "new facility") will have on Employment Security Plan eligible employees.

A. TRANSITIONAL EMPLOYEES

Until the new facility is built and fully operational and the units affected by this new facility are discontinued, the employees and the Plants will be in a period of transition. Although it will be necessary to hire new employees to maintain production during this transitional period, the parties recognize that these employment needs will only be temporary in nature given the need to provide continued employment for Employment Security Plan eligible employees that will be displaced from affected units. Therefore, the parties have agreed that during the "transitional period" defined in A1 below, the Company may utilize the following limited-term hiring mechanism to fill its hiring needs, hereinafter referred to as "transitional employees."

1. The transitional period will commence on September 1, 1993, and will end on the date when all units affected by the new facility are discontinued (shut down) or one (1) year after the first marketable coil is produced at the new facility, whichever is the earlier date. In no event shall the transitional period extend beyond September 1, 1997.

During this transitional period, the Company may hire "transitional employees" to:

- a. temporarily fill job openings in units that will be discontinued as a result of the new facility. The job openings referred to herein are those that remain after the "divisional" bidding process has been completed; and
 - b. temporarily fill job openings in unaffected units that remain after the plantwide level of the bidding procedure has been completed, until replaced by Employment Security Plan eligible employees affected by a downgrading or displaced by the new facility; and
 - c. temporarily fill vacancies resulting from training of employees for the new facility, it being understood that the temporary vacancies referred to herein are those remaining after Employment Security Plan eligible employees have exercised their temporary vacancy rights.
 - d. No transitional employee will be hired while any employee from the bargaining unit who is not a transitional employee is laid off from the plant.
 - e. This Agreement shall not apply to an employee who is hired or rehired for a trade or craft job during the transitional period. Such employees who complete their probationary period shall receive full continuous service credit from their date of hire or rehire on that trade or craft job, or from their last effective date of hire as a transitional employee if Subsection A2h is applicable.
2. a. A transitional employee is one who, by definite

APPENDIX CC

arrangement between him/her and Management, is hired during the transitional period for a limited period not to exceed the end of the transitional period for the purposes set forth in this Agreement. Before hiring a transitional employee, Management shall advise him/her of the provisions of this Agreement. The transitional employee will, by accepting employment, signify the acceptance of the terms and conditions of transitional employment. Transitional employees shall receive the same orientation as that presently provided to new employees. The Chairman of the Grievance Committee will be notified, in writing, of the names and clock numbers of transitional employees.

b. The terms and conditions of transitional employees will be the same as provided all other employees covered by the Agreement except:

- (1) No credit for continuous service except for vacation purposes. Transitional employees will be provided transitional "promotion," "retention" and "recall" rights as set forth in A3 below.
- (2) Length of employment will be for a limited term not exceeding the end of the transitional period.
- (3) Newly hired transitional employees and those transitional employees rehired after a break in transitional employment may be transferred, laid off, discharged or terminated as exclusively determined by Management during their first 520 hours of actual work and, except as set forth in A3 below, transitional employees may

APPENDIX CC

thereafter be transferred, laid off, or terminated in response to adjustments in manpower needs as exclusively determined by Management, provided that this will not be used for purposes of discrimination because of race, color, religious creed, national origin, or sex, or because of membership in the Union.

- (4) The provisions of Article XVI, Section 7 (Probationary Employees) will not apply to a transitional employee. A transitional employee will have recourse to the complaint/grievance procedure to protest violation of any provision of the Agreement applicable to transitional employees. After completion of the 520 hour period referenced in 2b(3) above, a transitional employee shall also have recourse to the complaint/grievance procedure concerning those matters referenced in Article V, Section 11 of the Agreement.
 - (5) Transitional employees shall not be covered by the provisions of the "Employment Security Plan."
 - (6) Notwithstanding any other provision of this Memorandum, the parties agree that the provisions contained within Paragraphs 3.6 and 3.70 of the Program of Insurance Benefits will apply to transitional employees.
- c. The Company and the Union shall jointly address and solve any issues or conflicts regarding transitional employees that are not covered by

APPENDIX CC

the terms of this Agreement via the "Employment Security/Productivity Committee."

- d. To the extent possible while maintaining compliance with applicable employment laws and the Company's Affirmative Action Program, the Company shall give preference to applicants possessing the required skills who have been separated from USWA steel producing plants located within District 31. District 31 will provide the Company with a "skills bank" listing such individuals and the skills that they possess when such becomes available.
- e. No transitional employee shall remain as of the end of the transitional period.
- f. **Transitional Employee Severance Bonus**
 - (1) A transitional employee who has accumulated 26 or more total weeks of active transitional employment and who is terminated when the Company determines that the need for his/her transitional employment has ceased shall receive a severance bonus in accordance with the table below.

<u>Total Weeks of Active Transitional Employment</u>	<u>Weeks of Severance Bonus</u>
26 weeks but less than 52 weeks	1
52 weeks but less than 104 weeks	2
104 weeks but less than 187 weeks	3
187 weeks or more	4

A week of active transitional employment is defined as a week in which the

employee actually worked as a transitional employee.

- (2) This severance bonus shall not be paid to any transitional employee who ceases employment for any reason other than that set forth in 2f(1) above.
 - (3) A week's severance bonus shall be determined in accordance with the provisions for calculation of vacation pay as set forth in Article XII, Vacations.
 - (4) Payment shall be made in a lump sum within thirty (30) days of the date of the transitional employee's termination.
 - (5) Payment of this severance bonus shall not be duplicated for the same weeks worked. Any weeks previously used to establish entitlement to a severance bonus shall not be counted further to establish entitlement to a subsequent severance bonus.
- g. In the event that a transitional employee is rehired by the Company at the same Plant within the two (2) week period following the end of the transitional period, that employee's Plant continuous service date upon rehire will be his/her last effective date of hire as a transitional employee.
- h. If, during the transitional period, the Company rehires a transitional employee for a bargaining unit job at the same Plant as other than a transitional employee within two (2) weeks of his/her termination as a transitional employee,

APPENDIX CC

that employee's Plant continuous service date upon rehire will be his/her last effective date of hire as a transitional employee.

3. Transitional employees will be provided the following transitional "promotion," "retention" and "recall" rights, only in competition with other transitional employees. A transitional employee shall have such transitional rights only in the division in which he/she was hired or, in the case of a rehire, the division in which he/she was last rehired following a break in transitional employment. This division shall be the transitional employee's "home" division. "Length of transitional employment" as used herein shall be calculated from the date of hire as a transitional employee, or the date of rehire as a transitional employee following a break in transitional employment, whichever is the last effective date.

a. Transitional Retention

- (1) When determining which of two or more transitional employees "holding" the same job will be affected by a force reduction, the transitional employee "holding" that job with the latest hiring date shall be the first affected.
- (2) A transitional employee with one or more years of transitional employment (which shall be changed, effective January 1, 1995, to a transitional employee who has completed 520 hours of actual work since his/her last effective date of hire or rehire) who is reduced from a job rated at JC-3 or higher will, prior to being laid off or terminated, displace the most "junior" (least length of transitional

employment) transitional employee in the labor group of that division, provided he/she is qualified to perform that job and he/she has a greater length of transitional employment than the transitional employee he/she would displace.

- (3) Except as expressly provided by 2a(1) and 2a(2) above, a transitional employee shall have no other bumping or retention rights.

b. Transitional Promotion

- (1) The basic principles set forth in Paragraph D of the Seniority Rules and Supplemental Understandings 17 and 18 shall apply to competition between transitional employees for temporary vacancies on jobs in their home division. Length of transitional employment shall be used in place of the seniority factor "continuous service."
- (2) Transitional employees with one or more years of transitional employment may "bid" on the opportunity to fill job openings of the type described in A1(a) and A1(b) of this Agreement in their home division before a new transitional employee is hired to fill such opening. Effective November 14, 1994, transitional employees who have completed 520 hours of actual work since their last effective date of hire or rehire but who have not completed one year of transitional employment may also "bid"

on the opportunity to fill job openings of the type described in A1(a) and A1(b) of this Agreement in their home division, subject to a maximum of one job award during such period, before a new transitional employee is hired to fill such opening. The basic seniority principles set forth in Article XVI, Section 1(A) of the Agreement shall apply except that length of transitional employment shall be used in place of the seniority factor "transitional service." Such a "bid" will be posted for eligible transitional employees in the applicable division using posting procedures equivalent to those set forth in Paragraph C of the Seniority Rules.

- (3) Except as expressly provided in 3b(1) and 3b(2) above, a transitional employee shall have no other promotional rights.

c. Transitional Recall

- (1) A transitional employee who is "laid off" shall have transitional recall rights only to the job he/she last "held" (by hire or transitional "bid"). The transitional employee "laid off" from that job with the greatest length of transitional employment will be the first recalled.
- (2) A transitional employee with one or more years of transitional employment (which shall be changed, effective January 1, 1995, to a transitional employee who has completed 520 hours of actual work since his/her last effective date of hire or

APPENDIX CC

rehire) at the time of his/her "layoff" will also have recall rights to the labor group of his/her home division until recalled to the job described in 3c(1) above.

- (3) Except as expressly provided in 3c(1) and 3c(2) above, a transitional employee shall have no other recall rights.
- d. The above described transitional rights are cancelled when a transitional employee experiences a break in transitional employment (discharge, termination, quit, etc.). All transitional rights not previously cancelled shall be cancelled as of the end of the transitional period.
- e. A transitional employee may not be utilized in a manner that would violate the seniority or overtime rights of an employee in the bargaining unit who is not a transitional employee.
- f. Transitional employees shall be displaced by downgrades before employees in the bargaining unit who are not transitional employees.
- g. Transitional employees will not be assigned to the new facility.

B. SPECIAL BIDDING RIGHTS FOR EMPLOYEES PRESENTLY REGULARLY ASSIGNED TO AFFECTED JOBS

During the transitional period, the parties agree to permit employees (other than transitional employees) on jobs that will be affected (discontinued) as a result of this new facility to pre-establish regular assignment rights (and seniority dates) on jobs in the remaining facilities via the plantwide bidding procedure. It is recognized that employees who pre-establish such rights in

APPENDIX CC

accordance with this provision will be required to remain in their affected job/unit until that job/unit is discontinued. The jobs that they pre-establish such rights to fill, in the interim, be filled as a temporary vacancy or by a transitional employee. During the period that such an employee has pre-established regular assignment status in another division via this provision, he/she shall have bidding rights in that new division while retaining his/her bidding rights in his/her present division. A joint Union-Management committee will be formed to further develop the procedures necessary to effect this provision. If no commitment is made to build the new facility, an employee who has pre-established regular assignment rights on another job pursuant to this Section B shall have the right to void that pre-established right.

C. ATTRITION REDUCTION INDUCEMENT/RETIREMENT INCENTIVE

The parties recognize that it is in their mutual interest to minimize the Company's hiring needs during the transitional period. The parties believe that this can be accomplished by providing an appropriate monetary inducement to experienced employees, who may otherwise retire during the transitional period, to encourage them to remain actively at work until the end of the transitional period. Therefore, in order to encourage such employees to remain actively at work during, and then retire at the end of, the transitional period, the following Attrition Reduction Inducement/Retirement Incentive (hereinafter referred to as the "ARI/RI") shall be offered to eligible employees.

1. Eligibility

An eligible employee is one who is eligible for either a "Normal," "62/15," or "30-Year" retirement and who retires via a "Normal," "62/15," or "30-Year" retirement in accordance with C3 below.

APPENDIX CC

2. AR/RI Amount

In recognition that the length of time that each employee defers retirement to receive this inducement will differ, the following formula has been developed to more equitably calculate each employee's AR/RI:

- a. Tolling Date - shall be the date that the employee has first become eligible for either a "Normal," "62/15" or "30-Year" retirement. In no event shall the tolling date be earlier than September 1, 1993.
- b. End Date - shall be the day before the employee's effective date of retirement in accordance with C3 below.
- c. Months of Active Employment - shall be the number of equivalent months, rounded to the nearest month, between the employee's tolling date and end date, minus any equivalent months, rounded to the nearest month, that the employee was absent from work on leave(s) of absence (including a "special leave of absence"). In rounding to the nearest month, a remainder of 16 days or more will be rounded up and a remainder of 15 days or less will be rounded down.
- d. An eligible employee's AR/RI is calculated as follows:

$$\text{AR/RI} = \$350.00 \times \text{"Months of Active Employment"}$$

3. Retirement Date

In order to perfect eligibility for the AR/RI, an otherwise

APPENDIX CC

eligible employee must retire at the end of the transitional period defined in A1 above or on an earlier date specified by the Company.

- a. Any eligible employee who is notified that he/she may retire on a date specified by the Company that is earlier than the end of the transitional period shall have no more than thirty (30) calendar days from the date of such notice in which to notify the Company of his/her decision. If such employee notifies the Company that he/she has decided to retire within this 30 day period, he/she shall be required to retire no later than the end of the calendar month that such notification is provided to the Company. If such employee does not notify the Company that he/she will retire in accordance with the above, he/she shall no longer be eligible for ARI/RI.

- b. Any eligible employee who is not notified that he/she has the opportunity to retire on a date earlier than the end of the transitional period shall have no more than thirty (30) calendar days after notification (date of the notification letter) by the Company at the end of the transitional period to notify the Company of his/her retirement decision. Such Company notification shall be in writing, sent via certified mail to each eligible employee's last submitted address in his/her employment record. If such employee notifies the Company that he/she has decided to retire within this 30 day period, he/she shall be required to retire no later than the end of the calendar month that such notification is provided to the Company. If such employee does not notify the Company that he/she will retire in accordance with the above, he/she shall no longer be eligible for the ARI/RI.

APPENDIX CC

4. Payment of the ARI/RI

- a. The ARI/RI shall be paid in a lump sum payment upon retirement at the same time that the "special payment" (referenced in paragraph 3.2 of the "Pension Agreement") is paid.**
- b. The ARI/RI shall be a pension entitlement paid in addition to the pension and "special payment" and shall not be deducted therefrom.**

SENIORITY RULES

AGREEMENT ON RULES FOR THE APPLICATION OF THE SENIORITY FACTORS

(SENIORITY RULES)

This Agreement shall be effective August 30, 1965, and shall not be applied retroactively.

The parties agree as follows:

A. Purpose, Guides and Types of Continuous Service

1. The purpose of this Agreement is to establish new rules for the application of the seniority factors set forth in Article XVI, Section 1 of the Basic Labor Agreement (the terms "continuous service," "ability" and "physical fitness" as used herein shall have the same meaning as the meaning of factors "(a)," "(b)" and "(c)" in that Section 1) in accordance with the provisions of Article XVI, Section 2 of said Agreement to replace any seniority rules, practices or understanding now in effect which are inconsistent herewith with the exception of such seniority rules as are specifically set forth in Article XVI of the Basic Labor Agreement and the following:

- (a) Agreements made pursuant to the last paragraph of Article XVI, Section 1(C) which shall remain in effect unless canceled or amended by mutual agreement, and
- (b) The seniority rules applicable to the Steel Producing and Primary Rolling Mill

SENIORITY RULES

Divisions which are set forth in Appendix A to this Agreement and made a part hereof.

2. The basic guides used in establishing the new seniority rules have been the principle that employment security should increase with continuous service and the recognition of the responsibility of Management for the efficient operation of the Plant.
3. There shall be three types of continuous service, as follows:
 - (a) Sectional service (service in a particular section within a division). Sectional service dates in the respective sections in effect as of the effective date of this Agreement shall be continued in effect unless or until canceled as hereinafter provided.
 - (b) Divisional service (service in a particular division). Divisional service dates in the respective divisions in effect as of the effective date of this Agreement shall be continued in effect unless or until canceled as hereinafter provided.
 - (c) Plant service (service at the Riverdale Plant plus service at the Archer Avenue Plant for certain employees). The Plant service dates of employees in effect as of the effective date of this Agreement shall be continued in effect unless or until canceled in accordance with Article XVI of the Basic Labor Agreement.

SENIORITY RULES

Whenever an employee's Plant service is broken as provided in Article XVI of the Basic Labor Agreement, his sectional and divisional service shall also be broken. In addition, sectional service shall be broken by a permanent transfer to another section, and divisional service shall be broken by a permanent transfer to another division.

In the event that two or more employees have the same sectional service, divisional service shall be used to break the tie, and if their divisional service is the same, then Plant service shall be used to break the tie, and if their Plant service is the same, then the employee number (lowest being most senior) shall be used to break the tie.

Employees who complete their probationary period shall receive full divisional service as well as Plant service from the date of original hiring. For such employees sectional service shall start as of the date they enter a section of a division.

B. Uses of Types of Continuous Service

1. Sectional service shall apply to an employee's movement (including recall) within a section of a division in Job Class 5 and above unless otherwise indicated on the appropriate seniority unit chart.
2. Divisional service shall apply to an employee's movement (including recall) within a section of a division in Job Class 4 and below unless otherwise indicated on the appropriate seniority unit chart, to temporary transfers within a division, to downgrading to the division labor group, and to promotions from the division labor group.
3. Plant service shall apply to layoffs from a division labor group, to recalls to any division labor group, and to temporary transfers from a division labor group to

SENIORITY RULES

another division.

C. Posting of Job Openings

1. In accordance with Article XVI, Section 3, all permanent vacancies which cannot be filled by recall or job assignment pursuant to Paragraph G below shall be posted in the division in which the vacancy develops or is expected to develop for three working days, specifying the job title or general job title of the vacancy. In addition to posting the general job title, the vacant job assignment will be identified if the posted job has been recognized as including more than one job assignment under paragraph G below. If such vacancy is in a division labor group or is not filled at the division level of the bidding procedure, it shall be posted at the Plant gates for three working days. In applying the seniority factor "continuous service," first consideration will be given to applicants permanently assigned within the section for any posted job above the lowest ranked job in the section involved using sectional service; divisional service shall be used when such vacancy is not filled from among the employees in the section involved and for the lowest ranked job in each section in the division; and Plant service shall be used when a vacancy is posted at the Plant gate level of the bidding procedure. When a posting covers more than one job opening, such posting shall specify the number.
2. An employee who is permanently transferred under the provisions of Paragraph C1 above, from one section to another in his division, cancels his section service in, and right of recall to, the section from which he was transferred; likewise, an employee who is so transferred from one division to another cancels his sectional and divisional service in, and

SENIORITY RULES

right of recall to, the section and division from which he was so transferred.

3. When an employee who is permanently transferred under the provisions of Paragraph C1 above to a job in a new section or division begins work on such job, he shall receive continuous service credit from the date of the awarding of the job vacancy.
4. The Company shall post the name of the employee awarded the posted vacancy.
5. Each employee (excluding probationary employees) who desires to do so may have absentee bids on file for assignment to other jobs. Such absentee bids may be canceled by the employee at any time. In case an employee is absent from the Plant due to vacation, in-plant injury, or previously approved leave of absence (other than FMLA leave or non-industrial medical leave of absence) during the entire posting period for a vacancy and had on file an absentee bid for assignment to the vacancy that is posted, such absentee bid will be considered along with other bids filed. No absentee bid will be considered if the employee works at any time during the posting period.

D Temporary Promotions

In filling temporary vacancies under the provisions of Article XVI, Section 5 of the Basic Labor Agreement, an employee will be temporarily assigned to a temporary vacancy if he has notified his supervisor in writing (forms to be furnished by the Company) no later than during his last turn worked before the first turn on which the vacancy occurs that he desires assignment to the vacancy, and so long as assigning him is to the greatest degree consistent with the following

SENIORITY RULES

principles: the efficiency of the operation, the safety of the employees, and the concept of providing training for employees older in service to qualify them for future permanent promotion in which they are interested. If no employee can be temporarily assigned as provided above, then the supervisor may fill the vacancy in a manner consistent with the above principles. Temporary assignment normally will be made from within crews where such exist and from the turn on which the vacancy occurs.

E Downgrading and Layoff

1. Employees in a section of a division who are affected by a reduction in the workforce shall be reassigned within their general job title (if applicable) in accordance with Paragraph G or downgraded in their section to jobs (including a job which may be below their section) which they are qualified to perform, in accordance with the appropriate seniority unit chart. Any employee so downgraded may, within three (3) days from the effective date of the downgrade, request an opportunity to displace a shorter service employee in a higher ranked job than that from which he was downgraded in the same section, provided his attendance record card shows he has previously performed the job for not less than thirty (30) days; and he still has the ability and physical fitness to perform it. If a request is made under this Paragraph E1 before Monday, any moves resulting therefrom will be reflected on the schedule posted the following Thursday. If the request is made after Sunday, any moves resulting therefrom will be reflected on the schedule posted on Thursday of the following week.
2. Before being downgraded to the labor group of his division, an employee who has been downgraded out of his section shall be temporarily transferred to

SENIORITY RULES

the job in the seniority pool above the labor group in that division held by the employee with the least divisional service in Job Class 4 or below (unless otherwise indicated on the appropriate seniority unit chart), provided he is qualified to perform that job and he has greater divisional service than the employee he would displace. (Such an employee's sectional service in any new section to which he is transferred shall start as of the date of the temporary transfer.) In the event that more than one employee is being temporarily transferred as provided above on the same date, the Company will make an effort prior to the transfer to give the employee with the greatest divisional service his choice of the jobs on which employees would be displaced as provided above, except that such choice will be limited where any of such temporarily transferred employees is qualified to perform only one or more of the jobs from which employees are being displaced. In order to avoid such transfers continually disrupting crews or other work groups, the Company shall not be obligated to make such transfers if it believes there will be further downgradings within the next thirty (30) days which would cause employees so temporarily transferred to be downgraded out of jobs to which they might have been temporarily transferred.

3. When an employee is laid off from his division (i.e., he cannot be retained in the division labor group on the basis of his Plant service, ability or physical fitness) and at the outset the Company believes the layoff will last thirty (30) days or more, he shall, within one (1) week after the date of the layoff (i.e., effective for the second week following the date of the layoff) if he is not eligible for the "Employment Security Plan" (See Appendix R-1) or effective for the week immediately following the date of the layoff

SENIORITY RULES

if he is eligible for the "Employment Security Plan," transfer temporarily on the basis of his Plant service, to the job in the seniority pool of any division (jobs up to and including JC-4 unless otherwise indicated on the appropriate seniority unit chart) held by the employee with the least Plant service, provided he is qualified to perform that job and he has greater Plant service than the employee he would displace. Any employee who is determined to be eligible for temporary transfer pursuant to this Paragraph E3 must accept such temporary transfer. Any such employee who fails or refuses to accept such temporary transfer will be terminated pursuant to Article XVI, Section 8, Paragraph (2)(d) of the Labor Agreement, as such temporary transfer will be considered as a recall for the purposes of Article XVI, Section 8, Paragraph (2)(d) of the Labor Agreement. A temporarily transferred employee's service in his new section and division shall start as of the date of the temporary transfer. It is agreed that the Company shall not be obligated to temporarily transfer any employee under this paragraph unless he has at least twelve (12) months of Plant service and has at least one (1) month more Plant service than the employee he would displace, and it is further agreed that the Company shall not be obligated to temporarily transfer any employee under this paragraph if such transfer would seriously disrupt crews or other work groups.

In the event that more than one employee is being temporarily transferred as provided above on the same date, the Company will make an effort prior to the transfer to give the employee with the greatest Plant service his choice of the jobs on which employees would be displaced as provided above, provided the employee has submitted a "Paragraph E3 Placement Preference Form" to the Human

SENIORITY RULES

Resources Department by the Monday following his layoff if he is not eligible for the "Employment Security Plan" (See Appendix R-1) or before 4:00 P.M. of the Tuesday preceding the effective date of his layoff if he is eligible for the "Employment Security Plan," except that such choice will be limited where any of such temporarily transferred employees is qualified to perform only one or more of the jobs from which employees are being displaced.

It is recognized that because at times the situation in certain divisions may be more critical than in others, and that because the type of skills in one division may be more closely related to skills required in another division, temporary transfers as provided in this Paragraph E3 may not be evenly divided among the divisions (i.e., it may not be possible under all circumstances to provide the same number of opportunities in each division or to assure the fact that all employees retained in the various divisions have relatively equal Plant service).

4. The following is the procedure which will be followed in applying the foregoing rules to downgrading an employee in a section of a division (including downgrading to jobs which may be below his section) in accordance with the appropriate seniority unit chart.

The most junior employee in the highest ranked job affected in the section of the division will displace the most junior employee in that section that he can displace in the highest ranked job below the job from which he was downgraded. The same procedure will apply in connection with the downgrading of the next most junior employee in the affected job until the required number of employees have been downgraded from the highest ranked job affected.

SENIORITY RULES

Thereafter, the same procedure will be applied to employees in each of the successively lower ranked jobs (including employees who were displaced by employees from higher ranked jobs) until the required number of employees have been downgraded.

5. An employee who, because of being on vacation at the time of a downgrading affecting him, was unable to request an opportunity to displace a shorter service employee in a higher ranked job than that from which he was downgraded in the same section, may make such request after he returns from vacation provided that he makes the request within three (3) days from the date of his return. Such requests will otherwise be subject to the same considerations and conditions as would have been the case if the employee involved had not been on vacation.

F Recalls

1. When the working force is increased or a permanent vacancy occurs, employees will be recalled to the division, section of the division, or job/general job title in the section from which they were originally downgraded, temporarily transferred, or laid off in accordance with the appropriate seniority unit chart and the applicable type of continuous service involved, it being understood that once an employee is recalled to his division or section of his division, he shall be subject to recall to and must accept any job which he is qualified to perform in his recall path that is ranked lower than the job from which he was originally downgraded until he is recalled to the job or general job title from which he was originally downgraded.

SENIORITY RULES

2. An employee temporarily transferred to another section in his division or downgraded to the labor group of his division in accordance with Paragraph E2 above must accept recall as provided in Paragraph F1 unless by mutual agreement between the Company and the Union he is allowed to remain in his new section or in the labor group, in which event his sectional service in the section from which he was downgraded or transferred shall be canceled.
3. An employee temporarily transferred to another division in accordance with Paragraph E3 above must accept recall as provided in Paragraph F1 unless by mutual agreement between the Company and the Union he is allowed to remain in his new division, in which event his divisional service and sectional service in the section and division from which he was temporarily transferred or downgraded shall be canceled.
4. All divisional and sectional service which an employee has accumulated in a section or division to which he was temporarily transferred shall be canceled as of the date of any later temporary transfer to another section or division, or as of the date of later layoff from the Plant or as of the date that the employee is recalled to his original division or section.
5. When the need arises to recall an employee laid off from the Plant to the labor group of a division other than the division from which such employee was laid off originally, such recall will be made using Plant service as the continuous service factor. Such employee will be obligated to accept such recall and any failure or refusal to accept such recall will result in a break in continuous service pursuant to Article

SENIORITY RULES

XVI, Section 8, Paragraph (2)(d) of the Labor Agreement.

G Job Assignment Requests

1. Job Assignment Requests, where assignments are not rotated, for lateral transfer to specific assignments in a general job title in a section of a division may be made as follows:
 - (a) Employees who remain in a general job title and who have been affected by the downgrading may request transfer on the basis of their applicable type of continuous service to the assignments in that general job title which have been made available by the downgrading.
 - (b) Employees who have been downgraded to a general job title may request transfer on the basis of their applicable type of continuous service to the assignments which are open as a result of the downgrading in the general job title to which they have been downgraded.
 - (c) When a permanent vacancy occurs on an assignment in a general job title, the present incumbents of that general job title who are on other assignments within that general job title may transfer to such vacancy on the basis of their applicable type of continuous service before such vacancy is filled by recall or by bid, provided a request is made in writing at least two weeks before the vacancy is filled.

SENIORITY RULES

- (d) Employees who have been recalled to a general job title may request transfer on the basis of their applicable type of continuous service to the assignments which were filled in that general job title by such recalls.
 - (e) An employee who permanently transfers to a general job title pursuant to the provisions of Paragraph C (Posting of Job Openings) will initially be placed on the assignment which was identified on the job posting and award. Such a newly transferred employee may, when applicable, request transfer to other assignments in that general job title in accordance with the other provisions of this Section G.
2. Any such requests will be granted by the Company within two weeks after it is made provided: (1) in the cases of Subparagraphs G1(a), G1(b) and G1(d) above, it is made not more than three days after the downgrading or promotion is effective, (2) the employees involved are qualified to perform the assignments, and (3) the changes in assignments do not require overtime payments to effectuate the changes.
 3. Job Assignment Requests may be withdrawn at any time by written request on forms furnished by the Company; however, such withdrawals will not be effective until two weeks after the written request is received by the Company. The employee shall receive a copy of his written withdrawal request.

SENIORITY RULES

H Exception to Seniority Rules

Exceptions may be made in the rules for application of seniority factors set forth in this Agreement and their application by mutual agreement in writing signed by the Local Union President, Chairman of the Grievance Committee, and the Manager of Human Resources or his designated representative.

I Rules for Supplementary Agreements

Supplementary seniority rules may be made in a division which are not inconsistent with the rules set forth in this Agreement, but such rules must be in writing and must be signed by the *International Representative*, Local Union President, Chairman of the Grievance Committee, the Vice President of Human Resources or his designated representative, and the Manager of Human Resources or his designated representative before being placed into effect.

J Transitional Employees

The provisions applicable to "transitional employees" are set forth in Appendix CC ("Memorandum of Agreement Concerning Transitional Period Matters").

SENIORITY RULES - APPENDIX A

APPENDIX A

SENIORITY RULES APPLICABLE TO THE STEEL PRODUCING AND PRIMARY ROLLING MILL DIVISIONS

A. Introduction

There shall be a single seniority unit in each of the divisions to which the following rules shall apply. Certain of the jobs in these divisions have been assigned to crews while other jobs in these divisions are outside of the designated crews. The designated crews in the Steel Producing Division and the jobs assigned thereto as of the date of this Agreement are set forth in Exhibit A attached to this Appendix and made a part hereof. The jobs outside of the designated crews in the Steel Producing Division are as set forth in Exhibit A-1 attached hereto and made a part hereof. Likewise, the designated crews in the Primary Rolling Mill Division and the jobs assigned thereto as of the date of this Agreement are set forth in Exhibit B attached hereto and made a part hereof, and the jobs outside of the designated crews in said division are as set forth in Exhibit B-1 attached hereto and made a part hereof.

Employees having seniority in these divisions shall have only divisional service and Plant service in these divisions as those terms are defined in the Agreement to which this Appendix is attached. Notwithstanding any other provision of said Agreement, no employee shall have a divisional service date in the Steel Producing Division or the Primary Rolling Mill Division which is earlier than June 28, 1959, or April 27, 1959, respectively; and it is agreed that employees originally hired by the Company for key jobs in those divisions prior to the date specified above for the respective division shall be considered to have greater Plant service than the other employees in their respective divisions but only for the purpose of determining the order of layoff from the labor groups of the respective divisions when such a layoff is for an indefinite

SENIORITY RULES - APPENDIX A

period.

B. Uses of Types of Continuous Service

1. Divisional service shall apply to an employee's movement (including recall) within his division except as otherwise indicated on the appropriate seniority unit chart.
2. Plant service shall apply to layoffs from a division labor group, to recalls to any division labor group, and to temporary transfers from a division labor group to another division.

C. Posting of Job Openings

1. In accordance with Article XVI, Section 3, all permanent vacancies which cannot be filled by recall shall be posted in the division in which the vacancy develops or is expected to develop for four (4) working days, specifying the job or general job title of the vacancy. If such vacancy is in a division labor group or is not filled at the division level of the bidding procedure, it shall be posted at the Plant gates for three (3) working days. In applying the seniority factor "continuous service," divisional service shall be used in comparing applicants for any posted job above the jobs in the division labor group and Plant service shall be used when a vacancy is posted at the Plant gate level of the bidding procedure. Under normal circumstances, posted jobs in a designated crew will be filled from among the applicants from that crew; however, the Company may, but will not be obligated to, consider applicants from outside the crew. When a posting covers more than one job opening, such posting shall specify the number.
2. An employee who is permanently transferred under the provisions of Paragraph C1 above from a job in a designated crew cancels his right of recall to jobs in the crew from which he was transferred; likewise, an employee

SENIORITY RULES - APPENDIX A

who is so transferred from one division to another cancels his divisional service in, and right of recall to, the division from which he was so transferred.

3. The Company shall post the name of the employee awarded the posted vacancy.

D. Temporary Promotions

The provisions of Paragraph D of the Agreement to which this Appendix is attached shall apply to the divisions covered by this Appendix.

E. Downgrading and Layoff

1. Employees who are affected by a reduction in the work force shall be downgraded in their respective designated crews to jobs therein which they are qualified to perform in accordance with the appropriate seniority unit chart. Employees downgraded out of their designated crew or employees on jobs outside of designated crews shall be downgraded to jobs outside of designated crews which they are qualified to perform in accordance with the appropriate seniority unit chart. An employee who is downgraded within or out of his designated crew may, within three (3) days from the effective date of the downgrade, request an opportunity to displace a shorter service employee in a higher ranked job than that from which he was downgraded in the designated crew in/from which he was downgraded, provided his attendance record shows he has previously performed the job for not less than thirty (30) days and he still has the ability and physical fitness to perform it. In addition, an employee who has been downgraded out of his original designated crew may request, within the time limit specified above, an opportunity to displace the most junior employee in another designated crew on a job to which he had been previously permanently assigned and is qualified to perform, provided he has greater division

SENIORITY RULES - APPENDIX A

service than the employee he would displace. An employee who is downgraded within the jobs outside of designated crews may, within three (3) days of the effective date of the downgrade, request an opportunity to displace a shorter service employee on a higher ranked job in the jobs outside of designated crews than that from which he was downgraded, provided his attendance record shows he has previously performed the job for not less than thirty (30) days and he still has the ability and physical fitness to perform it. If a request is made under this Paragraph E1 before Monday, any moves resulting therefrom will be reflected on the schedule posted the following Thursday. If the request is made after Sunday, any moves resulting therefrom will be reflected on the schedule posted on the Thursday of the following week.

2. The provisions of Paragraph E2 of the Agreement to which this Appendix is attached does not apply to the divisions covered by this Appendix since the subject matter thereof is dealt with in Paragraph E1 above.
3. The provisions of Paragraph E3 and Paragraph E5 of the Agreement to which this Appendix is attached shall apply to the divisions covered by this Appendix.
4. The following is the procedure which will be followed (in accordance with the appropriate seniority unit chart) in applying the foregoing rules to downgrading:
 - (a) If a reduction in force affects employees in a designated crew, the most junior employee in the highest ranked job affected in the designated crew will displace the most junior employee in that crew that he can displace in the highest ranked job below the job from which he was downgraded. The same procedure will apply in connection with the downgrading of the next most junior employee in the affected job in the designated crew until the

SENIORITY RULES - APPENDIX A

required number of employees have been downgraded from the highest ranked job affected in that crew. Thereafter, the same procedure will be applied to employees in each of the successively lower ranked jobs in that crew (including any employees who were displaced by employees from higher ranked jobs) until the required number of employees have been downgraded out of that crew. Employees downgraded out of a designated crew will then be downgraded sequentially through the jobs outside of designated crews in the same manner described earlier in this subparagraph, starting at the job marked by the "arrow" leading from the applicable crew as set forth on the appropriate seniority unit chart.

- (b) If a reduction in force affects employees on a job outside of a designated crew, the most junior employee in the highest ranked job affected will displace the most junior employee that he can displace on a job outside of the designated crew in the highest ranked job below the job from which he was downgraded. The same procedure will apply in connection with the downgrading of the next most junior employee in the affected job until the required number of employees have been downgraded from the highest ranked job affected. Thereafter, the same procedure will be applied to employees in each of the successively lower ranked jobs (including employees who were displaced by employees from higher ranked jobs) until the required number of employees have been downgraded.

SENIORITY RULES - APPENDIX A

F. Recalls

1. When the working force is increased or a permanent vacancy occurs, employees will be recalled to the division; jobs outside of designated crews; jobs within such crews, if any, from which they were originally downgraded; or the job in the designated crew, if any, from which they were originally downgraded, temporarily transferred, or were laid off in accordance with the appropriate seniority unit chart and the applicable type of continuous service involved, it being understood that once an employee is recalled to the division, he shall be subject to recall to and must accept any job that he is qualified to perform in his recall sequence that is ranked lower than the job from which he was originally downgraded until he is recalled to the job from which he was originally downgraded. The recall sequences shall be the reverse of the downgrading sequences as set forth on the appropriate seniority unit chart. An employee shall be recalled as provided in this Paragraph F1, unless, by mutual agreement between the Company and the Union, he is allowed to remain on some other job, in which event his recall rights and obligations shall be canceled.
2. The provisions of Paragraph F2 of the Agreement to which this Appendix is attached do not apply to the divisions covered by this Appendix since the subject matter thereof is dealt with in Paragraph F1 above.
3. The provisions of Paragraphs F3, F4, and F5 of the Agreement to which this Appendix is attached, the cancellation of divisional and sectional service of employees temporarily transferred to other divisions, and the recall of employees to the labor group of divisions other than the division from which they were originally laid off shall apply to the divisions covered by this Appendix.

SENIORITY RULES - APPENDIX A

G. Job Assignment Requests, Supplementary Agreements

Paragraphs G, H, and I of the Agreement to which this Appendix is attached pertaining to job assignment requests, exceptions to rules for application of the seniority factors, and supplementary rules shall apply to the divisions covered by this Appendix.

J. Placement of New Jobs

The parties will seek to mutually agree as to whether a new job or jobs shall be placed in a designated crew or outside of the designated crew, but in the event agreement is not reached, Management shall include such job or jobs in the most appropriate crew or, if more appropriate, outside of any designated crew, subject to the grievance procedure of the Basic Labor Agreement.

K. Transitional Employees

The provisions applicable to "transitional employees" are set forth in Appendix CC ("Memorandum of Agreement Concerning Transitional Period Matters").

EXHIBIT A**EXHIBIT A
JOBS ASSIGNED TO CREWS IN THE
STEEL PRODUCING DIVISION****CREW A -- CUPOLAS**

<u>Job Title</u>	<u>Job Class</u>
Mixer Operator	11

CREW B -- BASIC OXYGEN FURNACES

<u>Job Title</u>	<u>Job Class</u>
Operator - Oxygen Furnace	19
First Furnaceman - "A"	15
First Furnaceman	14
First Furnaceman - "B"	13
Second Furnaceman	9

CREW C -- CASTING

<u>Job Title</u>	<u>Job Class</u>
First Castingman	16
Second Castingman	14
Third Castingman	10

CREW D -- CRANES

<u>Job Title</u>	<u>Job Class</u>
OH Crane Operator - Casting	16
OH Crane Operator - Hot Metal	13
OH Crane Operator - Ingot and Mold Crane	12
OH Crane Operator - Charging	9
OH Crane Operator - Mold Preparation	8

EXHIBIT A**CREW E -- LOCOMOTIVE ENGINE**

<u>Job Title</u>	<u>Job Class</u>
Train Operator	14
Locomotive Engine Operator (Limited Area)	11
Conductor - Switchman (Limited Area)	11

CREW F -- AUXILIARY

<u>Job Title</u>	<u>Job Class</u>
Liner - Oxygen Furnace	11
Ladle Liner.....	9

CREW G -- SLIDE GATES

<u>Job Title</u>	<u>Job Class</u>
Slide Gate Setter	13

CREW H -- BOTTOM POUR

<u>Job Title</u>	<u>Job Class</u>
Leader - Bottom Pouring	10

CREW I -- GUNNING

<u>Job Title</u>	<u>Job Class</u>
Gunner - BOF Lining	9

EXHIBIT A-1

**JOBS OUTSIDE OF DESIGNATED CREWS IN THE
STEEL PRODUCING DIVISION**

<u>Job Title</u>	<u>Job Class</u>
Slide Gate Setter Helper	8
Helper - Furnace Lining	8
Operator - Mobile Equipment	8
Builder - Bottom Pouring	8
Mobile Equipment Operator - Bottom Pouring	8
Mixer Hand	6
Fluxman - Oxygen Furnace	6
Mold Preparation Man	6
Helper - Ladle Lining	6
Gunner Helper - BOF Lining	6
Helper - Casting Aisle	5
Scrap Trimmer	5
Unloader/Binman - Bulk Material	4
Laborer (Casting Operations)	4
Laborer - Lining	3
Utility Laborer	3
General Laborer	2
Janitor	2

EXHIBIT B

EXHIBIT B
JOBS ASSIGNED TO CREWS IN THE
PRIMARY ROLLING MILL DIVISION

CREW A -SOAKING PITS

<u>Job Title</u>	<u>Job Class</u>
Heater - Soaking Pits	18
Heater Helper - Soaking Pits	12

CREW B - BLOOMING MILL

<u>Job Title</u>	<u>Job Class</u>
Blooming Mill Roller	27
Manipulator - Blooming Mill	13
Shearman - Blooming Mill	12
Helper - Blooming Mill Shear	8

CREW C -- BILLET MILL

<u>Job Title</u>	<u>Job Class</u>
Guide Setter	14
Operator - No. 1 Stand Billet Mill	11
Operator - No. 2 Stand Billet Mill	11
Operator - Hot Saw	11
Utility Man - Billet Mill	9

CREW D - CRANES

<u>Job Title</u>	<u>Job Class</u>
OH Crane Operator - Soaking Pits & Mills	16
OH Crane Operator - Stripper Crane	12
OH Crane Operator - Mills	9
OH Crane Operator - Slab and Billet Yard	9

EXHIBIT B-1

**JOBS OUTSIDE OF DESIGNATED CREWS IN THE
PRIMARY ROLLING MILL DIVISION**

<u>Job Title</u>	<u>Job Class</u>
Inspector (Conditioning & Loading)	12
Ingot Buggy Operator/Pit Recorder	12
Operator - Slab Conditioning Grinder	11
Gantry Crane Operator	8
Utility Man - Soaking Pits	8
Billet Checker/Hooker	8
Trucker - Primary Rolling Mill	8
Utility Man - Slab and Billet Yard	8
Scarfer	7
Hot Slab & Bloom Burner	7
Hot Bed Operator/Stamper	7
Hot Bed Operator	6
Hot Bed Stamper/Hooker	6
Stamper - Hot Bed	5
Stacker	5
Ingot Tagger	4
Equipment Cleaner - Steam	4
Wet Scale Cleaner - Slab & Billet Mill	4
Pit Laborer	3
General Laborer	2
Janitor	2

SUPPLEMENTAL UNDERSTANDINGS

SUPPLEMENTAL UNDERSTANDINGS

The following items were agreed to during the 1993 labor negotiations:

1. During the term of this Agreement, employees whose wages have been garnished will not be disciplined because of such garnishments.
2. An employee who is called for jury or witness service pursuant to Article VII, Section 7, shall have the option regarding the scheduled shift which is to be considered as the first day of jury or witness service for pay purposes.
3. Pay shortages in excess of twenty-five dollars (\$25) will be made within forty-eight (48) hours, excluding Saturdays, Sundays, and holidays. Other pay shortages verified before Friday of one week shall normally be made up on Friday of the following week.
4. If an employee is not scheduled to work on a specified holiday, and he then performs work on that holiday, he is entitled to pay at holiday rates for such hours of work in addition to holiday pay for which he is entitled. This understanding applies in addition to the provisions of Section 6 of Article VII, where applicable.
5. When the Company determines that an employee returning to work will be unable to perform his regular job for a minimum of 30 days due to impaired physical fitness resulting from illness or injury, such employee shall be reassigned or downgraded in accordance with Paragraph (E) of the Seniority Rules to a job, if any, which he is physically fit to perform.
6. Overtime records shall be maintained on an annual basis.

SUPPLEMENTAL UNDERSTANDINGS

7. No employee shall be required to work in excess of twelve (12) consecutive hours in any work day except when no qualified replacement is available.
8. It will be the intent that job award notices will be posted promptly, i.e., usually within four (4) days (excluding Saturdays, Sundays and holidays) after the close of the posting period, except in situations requiring tests or other forms of qualification demonstrations. If a delay is anticipated in awarding jobs to successful apprenticeship applicants, the reason for the delay shall be made known to the Apprenticeship Committee.
9. In the application of Article VII, Subsection 6(B)(4), if a supervisor has attempted unsuccessfully to contact an employee, he shall record such attempt and thereafter refer the employee's name and phone number to the Plant Protection Department which will again attempt contact by phone and record such attempt.
10. Employees in the Steel Producing Division, with fixed off days, will be permitted to request a change of off days no more than twice per year. Such requests must be in no later than the posted deadline date (2 per year - normally one in January and one in July) and within 60 days from those dates the requested changes will be implemented, giving consideration to relative length of continuous service.
11. In determining whether necessary overtime will be assigned to the job where the need arises, or assigned at some point down the sequence of jobs leading to the job where the overtime need arises, the Company will be guided only by considerations of the efficiency of the operation and desirability of providing training opportunities.
12. The Company will not search an employee's locker

without first notifying a Union representative unless circumstances at the time dictate immediate action.

13. The Company shall provide transportation to and from the gate to the Medical Department or to and from the injured employee's division to the Medical Department for an employee not able to walk to the Medical Department because of illness or injury.
14. The parties mutually recognize that a minimum amount of overtime work in the Plant is a desirable goal. Progress toward this goal, however, is complicated by the fact that the various divisions and departments have vastly different problems in this respect. Therefore, it is agreed that during the term of this Labor Agreement, the parties will examine, in detail, the practices in each of the divisions and will adopt any mutually satisfactory improvements which may be developed to minimize the amount of daily overtime assignments.
16. When an employee is notified during his work shift that he must work overtime at the end of that shift and such overtime continues beyond the fourth (4th) hour, he will be paid a meal allowance in the amount of \$2.30.
17. Temporary Vacancy - Long - Term Temporary (over 30 days):
 - A. When the Company believes a temporary vacancy which is being filled will continue for more than thirty (30) days, fourteen (14) days in the case of a medical leave of absence, the parties hereby agree under Paragraph H of the Seniority Rules that such a vacancy shall be filled as follows:
 - (1) Employees subject to recall under Paragraph F of the Seniority Rules will be recalled in accordance with Paragraph F.

SUPPLEMENTAL UNDERSTANDINGS

but on a temporary basis.

- (2) An employee's right and obligation to permanent recall under Paragraph F shall not be altered by reason of A(1) above.
 - (3) If the temporary vacancy cannot be filled by recall as in A(1) above, promotion will be made under Paragraph D of the Seniority Rules without regard to shift.
 - (4) If no employee has entered a written request for assignment to the temporary vacancy in accordance with Paragraph D of the Seniority Rules, the employee with the least continuous service in the applicable unit shall be assigned to the vacancy, provided he is qualified to perform the job being filled.
- B. In connection with Paragraph C of this Agreement, in order that adequate consideration may be given, special request forms must be submitted by employees desiring such long-term temporary assignments not later than three (3) weeks prior to the date the vacancy is initially scheduled to be filled.
- C. The special requests noted in B above, once entered, may be withdrawn at the employee's request, provided the request is made during assignment to a long-term vacancy and provided further that such request may not be made until after the employee has completed one week of assignment and such withdrawal request will not be effective until the beginning of the second week following the week in which the request is made. An employee who withdraws a long-term temporary promotion request may not reenter the same request for 90 days after the date of withdrawal.

SUPPLEMENTAL UNDERSTANDINGS

- D. It is understood that employees shall be required to denote the specific assignment desired when entering such requests. "Specific assignments" are those positions within a general job title which are currently attainable by a job assignment request under the existing Seniority Rules.
18. Temporary Vacancy and Temporary Promotion Request Procedure (less than 30 days vacancy or less than 14 days in the case of a leave of absence).

An employee may withdraw a temporary promotion request after it has been in effect for a two-week period provided:

- A. A written withdrawal request is entered not later than Tuesday.
- B. The employee may not reenter the same request for a period of 30 days after the effective date of withdrawal.
- C. It is understood that no request will effectively be withdrawn until the end of the scheduling period during which such request is entered.
- D. With respect to a general job title, it is understood that employees shall be required to denote the specific assignment desired when entering such requests. Specific assignments, as used above, are those positions within a general job title which are currently attainable by a job assignment request under Paragraph G of the existing Seniority Rules.
19. Vacancies when there are no regularly assigned employees. When a daily vacancy other than a temporary vacancy develops which Management knows will be filled for 30 or more consecutive working days and there is no regularly assigned employee for the job, the job will be posted in the

SUPPLEMENTAL UNDERSTANDINGS

normal manner.

20. Military Leave of Absence - Classification of vacancy.

Vacancies which are to be filled and which result from employees being granted leaves of absence for the purpose of Military Service (other than annual training encampments) shall be considered as permanent vacancies and filled accordingly.

21. From time to time, occasions arise when an employee, who, while at work in the Plant, has suffered an injury, and because of the injury is prevented temporarily from satisfactorily performing the physical requirements of his job; however, he may be capable of performing (1) special assignments with lighter physical requirements within the scope of his job, or (2) other jobs with lighter physical requirements.

With the understanding that such temporary assignments and re-assignments are solely at the discretion of Management and that they will be made only in those cases when, in Management's sole judgment, the employee will be again capable of performing the full scope of his regular job within a reasonable period of time, the Company and the Union agree to the following:

In the circumstances and under the conditions specified above, such employee for such hours worked will be paid at the standard hourly wage rate applicable to his regular job or the standard hourly wage rate of the job to which he may be temporarily assigned, whichever is higher. These pay provisions will be terminated when the Company concludes (based on its Medical Department's recommendations) that the employee will not recover sufficiently to satisfactorily perform his regular job. The term "regular job" as used in this Agreement is defined as the job to which the employee was regularly assigned at the time of his injury or, in the event of a subsequent downgrading, the job to which the employee would have been assigned as the result of such downgrading except for his temporary physical impairment.

SUPPLEMENTAL UNDERSTANDINGS

22. In any case where a schedule deviating from the normal work pattern has been or is established by agreement between Plant Management and the Grievance Committee, and such agreement does not by its terms provide for termination by the Grievance Committee, the Grievance Committee shall have the right to terminate such agreement upon 30 days' written notice to Plant Management; and likewise, any such agreement which provides for less than 30 days' notice of termination by the Grievance Committee is hereby amended to provide for 30 days' written notice by the Grievance Committee. No local agreement shall be construed as restricting Management's right at any time to replace any non-normal schedule with a schedule based on the normal work pattern.

SUPPLEMENTAL UNDERSTANDINGS

NOTICE

CONCERNING: "FAMILY AND MEDICAL LEAVE ACT OF 1993" PROCEDURES

As set forth in Appendix V-1 of this Agreement, the "Family and Medical Leave Act of 1993" has replaced and superseded the formerly existing "Medical Leave of Absence Procedure - Hourly Employees" effective September 1, 1993. The rules/procedures that you must follow to comply with the new leave of absence requirements will be communicated to employees by such means as posting, handouts and/or mailings, etc. Please make sure that you obtain a current copy of these rules/procedures as it will be your obligation to comply with them to maintain your employment status.

If you do not have a copy of those rules/procedures, or if you are not sure that you have the rules/procedures that are currently in effect, contact the Human Resources Department (presently located in Building #28) or the Plant's Medical Department (presently located in Building #19) to obtain a copy of the current policy (rules/procedures). If you have any questions concerning how to comply with these rules/procedures, contact the Human Resources Department.

IMPORTANT

**APPLICATION FOR INSURANCE BENEFITS WILL NOT SERVE AS A
REQUEST FOR A LEAVE OF ABSENCE, NOR WILL A REQUEST FOR
A LEAVE OF ABSENCE SERVE AS AN APPLICATION FOR
INSURANCE BENEFITS. THEY ARE TWO SEPARATE PROCEDURES.**

SUPPLEMENTAL UNDERSTANDINGS

Again, please make sure that you are familiar with the current leave of absence policy (rules/procedures). Please keep in mind that failure to comply with these rules/procedures can have adverse consequences including, depending on the circumstances, termination of employment. Becoming knowledgeable about the rules/procedures concerning leaves of absence will help make life easier for all of us.

Riverdale Plant Telephone Number - (708) 849-2500

1993

JANUARY

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

FEBRUARY

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

MARCH

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

APRIL

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

MAY

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

JUNE

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

JULY

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

AUGUST

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

SEPTEMBER

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

OCTOBER

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

NOVEMBER

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

DECEMBER

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

1994

JANUARY

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

FEBRUARY

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28					

MARCH

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

APRIL

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

MAY

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

JUNE

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

JULY

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

AUGUST

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

SEPTEMBER

S	M	T	W	T	F	S
			1	2	3	
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

OCTOBER

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

NOVEMBER

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

DECEMBER

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

JANUARY

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

FEBRUARY

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

MARCH

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

APRIL

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

MAY

S	M	T	W	T	F	S
1	2	3	4	5	6	
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

JUNE

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

JULY

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

AUGUST

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

SEPTEMBER

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

OCTOBER

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

NOVEMBER

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

DECEMBER

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

1996

JANUARY

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

FEBRUARY

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29		

MARCH

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

APRIL

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

MAY

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

JUNE

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

JULY

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

AUGUST

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

SEPTEMBER

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

OCTOBER

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

NOVEMBER

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

DECEMBER

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

1997

JANUARY

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

FEBRUARY

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	

MARCH

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

APRIL

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

MAY

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

JUNE

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

JULY

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

AUGUST

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

SEPTEMBER

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

OCTOBER

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

NOVEMBER

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

DECEMBER

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

1998

JANUARY

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

FEBRUARY

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

MARCH

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

APRIL

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

MAY

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

JUNE

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

JULY

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

AUGUST

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

SEPTEMBER

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

OCTOBER

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

NOVEMBER

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

DECEMBER

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

1999

JANUARY

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

FEBRUARY

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

MARCH

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

APRIL

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

MAY

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

JUNE

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

JULY

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

AUGUST

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

SEPTEMBER

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

OCTOBER

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

NOVEMBER

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

DECEMBER

S	M	T	W	T	F	S
		1	2	3	4	
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	