



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: **Lufkin Industries, Inc. and AFL-CIO (2002)**

K#: **3374**

Employer Name: **Lufkin Industries, Inc.**

Location: **TX Lufkin**

Union: **AFL-CIO**

Local:

SIC: **3533**

NAICS: **333132**

Sector: **P**

Number of Workers: **850**

Effective Date: **10/07/02**

Expiration Date: **10/02/05**

Number of Pages: **86**

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/>

AGREEMENT

By and Between

LOUISIANA INDUSTRIES, INC.

and

Public Terms

and

A.P.L. - C.I.C.

October 7, 1969

Baroque

October 2, 1969

K#3374

850 ces

AGREEMENT

By and Between

LUFKIN INDUSTRIES, INC.

of
Lufkin, Texas
and

A.F.L. - C.I.O.

October 7, 2002
through
October 2, 2005

5/6/04

TABLE OF CONTENTS

DIVISION 1: TERMS OF THE AGREEMENT

<u>Article</u>	<u>Title</u>	<u>Page</u>
1	General Purpose of Agreement	1
2	Recognition	2
3	Terms of Agreement	2
4	Subject of Negotiations	3
5	Management Clause	3
6	Union Representatives	3
7	Union Stewards	4
8	Business Committee	4
9	Adjustment of Grievances	5
10	Safety and Health	9
11	Bulletin Boards	10
12	Checkoff	10

DIVISION 2: PAY AND BENEFITS

<u>Article</u>	<u>Title</u>	<u>Page</u>
13	Job Classification and Rates of Pay	12
14	Pay Days	13
15	Hours of Work and Overtime	14
16	Distribution of Overtime	20
17	Call Out and Reporting Pay	20
18	Shift Premiums	21

<u>Article</u>	<u>Title</u>	<u>Page</u>
19	Vacations	21
20	Jury Service	24
21	Employee's Pension Plan.....	25

**DIVISION 3:
TERMS OF EMPLOYMENT**

<u>Article</u>	<u>Title</u>	<u>Page</u>
22	Seniority.....	27
23	Technical Trainees.....	32
24	Seniority Roster	32
25	Promotions, Demotions and Transfers...	33
26	Leave of Absence.....	35
27	Discipline and Discharges.....	36
28	Insurance Program	37
29	401(k)	39

**LETTERS OF
STIPULATION/MEMORANDUMS**

	<u>Page</u>
To The Union (Electrician on 2 nd /3 rd Shift).....	41
Memorandum to the GMP #1.....	41
Memorandum to the GMP #2.....	41
Memorandum to the GMP #3.....	42
Memorandum to the GMP #4.....	42
Memorandum to the GMP #5.....	43
Memorandum to the GMP #6.....	43

	<u>Page</u>
Memorandum to the GMP #7.....	44
Memorandum to the GMP #8.....	45
Memorandum to the GMP #9.....	45
Memorandum to the GMP #10.....	45
Memorandum to the GMP #11.....	47
Memorandum to the GMP #12.....	47
Memorandum to the GMP #13.....	47
Memorandum to the GMP #14.....	48
Memorandum to the GMP #15.....	48
Memorandum to the GMP #16.....	50
Memorandum to the GMP #17.....	51
Memorandum to the GMP #18.....	51
Memorandum to the GMP #19.....	52
To Boilermakers Local No. 587.....	53
To Boilermakers Local No. 587.....	53
To Boilermakers Local No. 587.....	53
To Boilermakers Local No. 587	
Leadman	53
To Boilermakers Local No. 587	
OF Fabrication, PT Fabrication.....	54
To Machinist Local No. 1999	
Leadman	55
To Machinist Local No. 1999	
Procedure for 2 nd and 3 rd Shift	
To Move to 1 st Shift	55
To IAM & AW Local No. 1999 and	
Fabrication Department and Electrical	
Welding (Boilermakers Local No. 587)	56

	<u>Page</u>
To IAM & AW Local No. 1999	
Assembly Operations Career Path	56
To IAM & AW Local No. 1999	
Machine Operator Career Path	57
To IAM Local No. 1999	
Distribution Career Path.....	58
To IAM Local No. 1999	
Heat Treat Career Path.....	59
To IAM Local No. 1999	
Posting Job Bids Prior to Hiring	
Non-entry Classifications	59
To IAM Local No. 1999	
Gear Repair – Posting 1 st Shift	
Job Openings	59
To IAM Local No. 1999	
Gear Repair – Working Outside Lufkin	59

Exhibits

Exhibit A - Rates and Ranges.....	61
Exhibit B - Attendance Program	69
Exhibit C – Schedule of Insurance Benefits	79

AGREEMENT

This Agreement, made this 7th day of October, 2002, by and between LUFKIN INDUSTRIES, INC., a Texas Corporation, of Lufkin, Texas, hereinafter referred to as the "Company", and the A.F.L.-C.I.O., as represented by the Glass, Molders, Pottery, Plastics and Allied Workers International Union, the International Association of Machinists & Aerospace Workers, and the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers & Helpers, hereinafter referred to as the "Union".

DIVISION I: TERMS OF THE AGREEMENT

ARTICLE I GENERAL PURPOSE OF AGREEMENT

Section 1: The general purpose of this Agreement is to establish just and equitable terms and conditions of employment, and to provide methods for fair and peaceful adjustments of differences that may arise. It is recognized by this Agreement to be the respective duty of the Employer and the Employees to cooperate fully, individually, and collectively toward the accomplishment of said terms and conditions.

Section 2: It is agreed that the parties signatory to this Agreement will comply with all state and federal laws pertaining to non-discrimination so as to protect and safeguard the rights and opportunities of all persons to seek, obtain and hold employment without discrimination or abridgment on account of race, color, religion, sex, national origin or ancestry, age, veteran status; including Vietnam era veterans, or being physically handicapped. Any reference made in this Agreement to the male gender shall also include the female gender.

Section 3: The parties acknowledge their mutual obligations and responsibilities relative to the Americans With Disabilities Act

and therefore will cooperate in the compliance with the Americans With Disabilities Act to the extent mandated by such Act.

Section 4: Sexual harassment and/or job related harassment of any kind will not be tolerated by any party signatory to this Agreement.

ARTICLE 2 RECOGNITION

The Company recognizes the A.F.L.-C.I.O. as the sole bargaining agent, as represented by the Glass, Molders, Pottery, Plastics and Allied Workers International Union, the International Association of Machinist & Aerospace Workers and the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers & Helpers, as certified by the National Labor Relations Board in Case No. 16-R-2174, of all production and maintenance employees of the Company at its Lufkin, Texas Plant, but excluding office and clerical employees, guards, laboratory, and technical employees and supervisors for the purpose of collective bargaining with respect to rates of pay, wages, hours of employment, and other conditions of employment.

ARTICLE 3 TERMS OF AGREEMENT

Section 1: This Agreement shall become effective on the 7th day of October, 2002; and shall remain in effect through October 2, 2005. This Agreement shall automatically renew itself from year to year thereafter unless either party, signatory to this Agreement, gives notice in writing to the other party of a desire to change, amend, or terminate this Agreement at least sixty (60) days prior to the anniversary date, the 2nd day of October, 2005. Such notice shall be considered to have been properly given, when addressed to the Company at Post Office Box 849, Lufkin, Texas, 75902-0849 and to the A.F.L.-C.I.O.

Region IV, 812 San Antonio St., Suite 200, Austin, Texas 78701. It is agreed that notice from any one (1) of the Unions mentioned in Article 2, Recognition, will constitute sufficient notice on behalf of the A.F.L.-C.I.O. and all the Unions party to this Contract.

Section 2: In the event notice is given, in accordance with Section 1, all the terms and conditions of this Contract shall continue to be effective until such time as the parties have reached a complete agreement on all disputed items; or, until such time as this Contract shall have been terminated in accordance with the terms thereof, and in accordance with the terms of the law then applicable.

ARTICLE 4 SUBJECT OF NEGOTIATIONS

The Company and the Union agree that, during the negotiations leading up to the execution of this Contract, all proper subjects of negotiations, touching rates of pay, wages, hours of employment and other conditions of employment; and, the relationship of the Company and the Union, have been discussed and negotiated.

ARTICLE 5 MANAGEMENT CLAUSE

The Company shall continue to have all rights which it had prior to the execution of this Agreement, except such rights as are relinquished herein.

ARTICLE 6 UNION REPRESENTATIVES

Union representatives, who desire permission to enter the Company's premises, shall be allowed to do so; provided that they have scheduled such visit with the appropriate Manufacturing Manager. In the event the Manufacturing

Manager is not available, such arrangements may be made with the appropriate Production Supervisor.

ARTICLE 7 UNION STEWARDS

Each Local Union shall furnish the Company a list in writing, of the names of their respective Shop Stewards, and shall advise the Company in writing of any changes therein. Shop Stewards must be working employees of the Company within the bargaining unit.

ARTICLE 8 BUSINESS COMMITTEE

Section 1: Each Local Union shall furnish the Company a list in writing of the names of the members of its Business Committee, and shall advise the Company in writing of any changes therein.

Section 2: In addition to the Business Committee of each Local Union, as set forth in Section 1 above, there shall be a Plant Business Committee consisting of two (2) members, selected by the appropriate Union, from each of the departments set forth in Article 22, Section 1(b) of this Contract, except for the Gear Repair Department which will be represented by one (1) member. Each of said Business Committeemen shall have an alternate from the same department who shall serve in the absence of the Committeemen; each Committeeman and alternate shall be an employee of the Company within the bargaining unit. It is the responsibility of the Plant Business Committee to meet with the Company on matters which effect or could reasonably be expected to effect employees represented by more than one (1) Union signatory to this Contract. It is agreed that members of the Business Committee will be paid for time spent in meetings which occur during their working hours.

Section 3: Each of the three (3) Local Unions, party to this Agreement, shall appoint five (5) of its members to the

Negotiating Committee. The Company will excuse the members of the Negotiating Committee from work for each day in which they have negotiating meetings (including preparation days for preparing proposals) for the successor Agreement, both Master and/or each Union, with the Company. The above mentioned excused days of negotiations, including preparation days, shall be calculated as days worked in regard to Exhibit "B", Attendance Program. In addition, each such excused day shall be calculated as a regular day worked in the calculation of daily, consecutive hours of work, and weekly overtime.

ARTICLE 9 ADJUSTMENT OF GRIEVANCES

Section 1: The purpose of this Article is to provide an orderly method for the settlement of all disputes, including Contract interpretation.

Section 2: The Company will pay Shop Stewards and Business Committee members at their regular rate of pay for time spent in meetings with management during their working hours in processing grievances up to and through Step 3 of the grievance procedure.

Section 3: Should any dispute involving the interpretation or alleged violation of the terms of this Contract occur between the Company and any employee and/or any Union, signatory to this Contract, such dispute shall be processed in the following manner:

Step 1: The grievance shall be presented verbally by the aggrieved employee, or by his Shop Steward or Business Committeeman, to the foreman of the department where the grievance arises. The moving party will sign and date a record of this meeting. The foreman will keep the record (log). Any such grievance shall be waived unless presented within five (5) regular working days, exclusive of Saturdays, Sundays, and holidays; and exclusive of any time

that the employee may be off from work due to sickness, injury, vacation, or leave of absence, unless an extension of time is mutually agreed to by both parties. The foreman shall verbally render his decision, to the party who submitted the grievance to him, within two (2) working days after said submission.

Step 2: Grievances not settled in Step 1 may be referred to the appropriate Local Union Business Committee for investigation. If the Business Committee considers the grievance valid, it shall reduce the grievance to writing and submit it to the Production Manager within five (5) working days following the completion of Step 1. The Production Manager shall give his written decision on the grievance to a member of the Business Committee within five (5) working days. The Company will furnish, in writing, to each Local Union, the names of the appropriate Production Managers to which written grievances are to be submitted. The Company will also furnish, in writing, to each Local Union, changes in the names of such Production Managers.

Step 3: Grievances not settled in Step 2 may be referred to the International Union representative, or his designee, who will, within seven (7) working days following the completion of Step 2, contact the appropriate Manufacturing Manager or his designee to arrange a meeting on the grievance. This Step 3 meeting will be held within fifteen (15) working days following the completion of Step 2 unless the mentioned Union representative and management official agree to an extension of the fifteen (15) working days. This Step 3 meeting will be attended by the Local Union Business Committee, the mentioned Union representative and management personnel as deemed appropriate by the Company. The parties may invite the grievant and other witnesses to attend this meeting. The Manufacturing

Manager or his designee will convey his written decision on the grievance to the mentioned International Union representative within five (5) working days following the Step 3 meeting. The Company will furnish, in writing, to each Local and International Union, the names of the Manufacturing Managers with whom the Union is to conduct the Step 3 meetings. The Company will also furnish, in writing, to each Local Union, changes in the names of such Manufacturing Managers.

Section 4: If the grievance is not settled in the three steps of the grievance procedure as set forth in Section 3 above, the Union may refer the grievance to arbitration. The Union must notify the Company of its intent to arbitrate the grievance within ten (10) working days following receipt of the Manufacturing Manager's written decision set forth in Step 3 of the grievance procedure. An impartial arbitrator will be selected in the following manner:

- a). The Union will request the Federal Mediation and Conciliation Service to submit, to the parties, a panel of seven (7) arbitrators.
- b). If either party rejects the above panel in its entirety, a second panel of seven (7) arbitrators shall then be requested, and the selection of an arbitrator shall be made from the second panel.
- c). Within twenty-one (21) calendar days after receipt of an acceptable list the parties shall confer and alternately strike three (3) names therefrom and the remaining individual shall serve as the Arbitrator. The first strike shall be taken by the party who had the second strike in the immediately preceding arbitration case.
- d). The Arbitrator appointed by the foregoing procedure shall proceed to hear the grievance promptly and hear evidence of both parties and render a decision within a reasonable time.

- e). The decision of the Arbitrator shall be final and binding upon all parties of this Agreement.
- f). Each party shall pay one-half of the expenses of the arbitrator and any other mutually agreed upon expenses.
- g). It is understood, and agreed that there will be no arbitration of any matter that would in any way modify, change or add to the terms and provisions of this Agreement.

Section 5: There shall be no strike, walkout, or other cessation of work by the Union(s) nor lockout by the Company during the term of this Contract. In the event that, in violation of the provisions of the preceding paragraph, a strike, walkout, or other interruption of work shall occur in the Company's Plant, the signatory Union, and its official representatives shall, immediately after the beginning of such violation; (1) publicly declare such action a violation of this Agreement; and (2) in utmost good faith use its best efforts to terminate such violations; it being further agreed that any employee participating in such violation shall, at the discretion of the Company, be subject to immediate discharge or other disciplinary action.

Section 6: Business Committeemen and Shop Stewards shall have the right to investigate or handle grievances during such Committeeman's or Steward's working hours; and may investigate a grievance during the employee's working hours when they have been granted permission to do so verbally by their supervisor. Business Committeemen and Stewards investigating a grievance shall secure permission to investigate from their own supervisor and the grievant's supervisor. Such permission will be granted as quickly as reasonably possible. The Business Committeemen and Steward shall inform both supervisors immediately upon completion of the investigation of a grievance.

Section 7: It is agreed by all parties to this Contract, that when the Company and any Union, signatory to this Contract, are conducting a third step grievance meeting and/or an arbitration hearing, representatives from the other Union(s), signatory to this Contract, will have the right to be present during such proceedings.

ARTICLE 10 SAFETY & HEALTH

Section 1: The Company shall continue to provide safe, sanitary and healthful conditions about its Plant premises; and, shall continue to furnish such protective devices, wearing apparel and other equipment as it deems necessary to properly protect employees from injury. Employees shall be responsible for equipment if same is lost or destroyed through the fault of said employees.

Section 2: The Company shall continue to provide and maintain proper heating, lighting and ventilating facilities for the protection of employees.

Section 3: All toilets, washrooms, and canteens shall be ventilated and kept in a clean and sanitary condition. Properly cooled drinking water shall be provided in convenient locations throughout the premises. The Union agrees that it will assist the Company in keeping toilets, washrooms, and canteens in a clean and sanitary condition.

Section 4: A joint Safety Committee for each business unit is hereby established. Each said Committee shall include three members appointed by the Local Union. Said Committees shall serve in parallel with established Safety Programs. Such Committees will meet monthly.

ARTICLE 11 BULLETIN BOARDS

The Company agrees to provide bulletin boards in the Machine Shop, Foundry, Welding Shop, Heavy Weldment, Assembly and Shipping, Trailer Division, Pattern Shop, and the Gear Repair Department for use by the Union. It is understood that the Company maintains bulletin boards for general use in each of the above named locations. The Company will designate a portion of said bulletin boards, not less than one-fourth thereof, which will be for the exclusive use of the Union. This portion, reserved for the exclusive use of the Union, shall be clearly bordered with white paint, and shall have at the top thereof a general notice to the effect that it is so reserved. The Union will be free to post any material on said bulletin boards with the exception that no posted material will be derogatory or defaming to the Company or its personnel. All postings must be signed and dated by the appropriate Business Committeemen.

ARTICLE 12 CHECKOFF

Section 1: Upon receipt of a signed authorization of the employee involved, the Company shall deduct from the employee's pay the initiation and reinstatement fees and dues payable by him or her to the Union during the period provided for in said authorization. The amount will be certified by the Financial Secretary of the Employee's Local Lodge or International Union. This authorization and assignment shall be effective and irrevocable for a period of one year from this date, or up to the termination date of current collective bargaining agreement, between the Company and the Union, whichever occurs sooner. This will continue in full force and effect for yearly periods beyond the irrevocable period set forth above and each subsequent yearly period shall be similarly irrevocable unless revoked by an employee within the fifteen (15) day period immediately preceding the expiration date of the Contract or the fifteen (15) day period immediately preceding date of

signing the dues authorization card. Such revocation shall be effected by written notice to the Company and the Union within such fifteen (15) day period and presented by certified mail, return receipt requested.

Section 2: It is agreed that deductions of initiation and/or reinstatement fees and dues payable will be deducted from the employees' paychecks on a weekly basis. Weekly dues deductions will be calculated on forty-eight weeks per year.

Section 3: Deductions provided in Section 1 shall be remitted to the Financial Secretary of the Union or to the International Union no later than the fifteenth (15th) of the month following the calendar month for which the deductions were made. The Company shall furnish the Financial Secretary of the Local Union or the International Union, monthly, with a check-off list of the names, arranged by clock number, of those for whom deductions have been made and the amounts of the deductions. The mentioned check-off list shall be submitted in an Automatic Clearing House (ACH) format to any International Union and/or Local Union which indicates its desire for such to the Company. The remitting of initiation fees and dues will be by electronic transfer to any International Union and/or Local Union which indicates its desire for such to the Company.

Section 4: Employees who do not earn sufficient money to pay union dues during the week when dues are deducted shall have deducted, by the Company, the following week in which sufficient money is earned, the amount of such unpaid dues in addition to the dues for the current week.

Section 5: The Union agrees that it will indemnify and hold the Company harmless from any and all liability, claim, responsibility, damage or suit which may arise out of any action taken by the Company in accordance with the terms of this Article.

Section 6: It is understood that any employee returning/recalled from layoff, who was a member of the Union at the time he/she was laid off, will continue to be a member of the Union unless, in accordance with Section 1 above, he/she has withdrawn from the Union. Accordingly, the Company will immediately begin dues deductions from the employee's earnings, in accordance with the preceding sections of this article, without further action on the part of the employee or the Union.

**DIVISION 2:
PAY AND BENEFITS**

**ARTICLE 13
JOB CLASSIFICATIONS AND RATES OF PAY**

Section 1: Job classification, and rates of pay, are set out in Exhibit "A" for the several departments; and are made a part of this Contract.

Section 2: Employees hired at a minimum rate of \$8.40 per hour for the duration of this agreement shall be given an automatic raise of twenty five cents (\$.25) an hour at the end of the ninety day probationary period referred to in Article 22, Seniority, Section 4. Thereafter, each employee shall be granted a raise of at least twenty five cents (\$.25) an hour at the end of not more than every six-month period, based on satisfactory performance until such employee reaches the top of the rate range for the job classification in which they are employed. If for any reason an employee is not to receive a twenty five cent (\$.25) increase at the end of a six month period, both he and his Shop Steward will be notified by the appropriate supervisor of the reasons for such action. If an employee is absent for thirty (30) or more days during any six month period, such days shall be added to the six month period.

Section 3: Provided no employee is laid off or working short work weeks (less than forty hours per week) High school and college students, may be hired at a minimum rate of \$.50 per

hour less than the prevailing minimum hire-in rate. This section will apply only during the normal school vacations not to exceed 90 working days during a twelve-month period. At least fourteen (14) calendar days before students are hired, the Company will post on the appropriate plant bulletin boards notification that such hiring is going to be done. Said posting will also include the names(s) and location of the appropriate personnel for student applicants to contact to be considered for such hiring. It is understood that if a reduction in the work force occurs during the time such students are employed, said students will be laid off before other employees are laid off.

ARTICLE 14 PAY DAYS

Section 1: Employees within the bargaining unit shall be paid once each week, on Thursday, barring holidays and breakdowns. Current pay practices, regarding delivery of the paychecks to the employees, will continue unless changed by mutual agreement between the Company and the Union. Employees will be paid each Thursday all wages accrued during the preceding week ending with the completion of the second shift on Sunday. Any employee whose paycheck is short by twenty-five (\$25.00) or more (gross pay) will receive a make-up check, for the shorted amount, no later than the end of the next business day (business days are defined as Monday through Friday with the exception of holidays) following the date said employee notifies the Company of the shortage.

Section 2: During the annual vacation week, in which the entire Plant (all departments listed in Article 22, Section 1) is completely shut down, the Thursday pay day, during that week, will be postponed until the Thursday of the following week, except for those employees who report for work during such vacation week.

Section 3: Any employee who is discharged, or laid off, by the Company, except in cases where large numbers are laid off, will be paid within twenty-four (24) hours after such discharge or layoff; unless, the day following such layoff, or discharge, is Saturday, Sunday, or a holiday, in which case, payment will be made not later than the close of the next working day. In the event large numbers of employees should be discharged, or laid off, at the same time, wages will be paid as soon after such discharge or layoff as practicable having due regard to the facilities of the Company for making of such payment. In all events, such payment shall be made on the employee's own time.

ARTICLE 15 HOURS OF WORK AND OVERTIME

Section 1: (a) The work week shall begin at 11:00 p.m. on Sunday and shall end at 11:00 p.m. on the following Sunday, subject to (b) below. The work day shall begin at 11:00 p.m. of each day and continue for twenty-four (24) hours until 11:00 p.m. the following day, subject to (b) below. Eight (8) consecutive hours, exclusive of a lunch period, shall constitute a regular day's work.

(b) In regard to employees whose normal starting time is 10:00 p.m. rather than 11:00 p.m., the work week shall begin at 10:00 p.m. on Sunday and end at 10:00 p.m. the following Sunday. The work day for such employees will begin at 10:00 p.m. of each day and continue for twenty-four (24) hours until 10:00 p.m. of the following day. (The term normal starting time is defined as the time that the employee is scheduled to report to work on the consecutive work days of the work week. Being scheduled in or called in at a time other than the starting time for consecutive days (more than two days) does not change the beginning or ending of a work week or work day.)

(c) The Unions and the Company agree to use the principles set forth in (a) and (b) above to adjust the work week and work day for employees working unusual eight or ten hour shift schedules.

Other shift schedules may be established upon agreement between the Local Union Representative and the Company. In regard to these principles, no employee's work week may begin earlier than 8:00 p.m. on a Sunday night and will continue for 168 hours from the time it begins. In such cases, all hours worked during the twenty-four hour period immediately prior to such employee's normal starting time (as defined in (b) above) will be paid at double time. No employee's work week shall begin after 2:00 a.m. Monday unless agreed upon by the respective Local Union Representative and the Company.

Each employee's work day schedule shall begin at the start of his work week and shall end twenty-four hours later. Each successive work day shall begin at the end of the preceding work day. This process shall continue so as to produce seven twenty-four hour work days in each work week.

(d) In regard to eight hour shifts, when only the first shift is worked or when only the first and second shifts are worked, the work day for the employees working such shift(s) will begin eight hours prior to the start of the first shift and continue for twenty-four hours thereafter.

Section 2: Five (5) days, Monday through Friday, shall constitute a regular work week.

Section 3: There may be one, two, or three shifts employed.

Section 4: When two shifts are employed, the second shift will start at the close of the first shift. When three shifts are employed, the third shift will precede the first shift. It is understood that the third shift employees shall start their work week on Sunday night and this to effect no change in any other section or article of this Contract.

Section 5: Any employee who is called in before their regular starting time shall be granted the opportunity of working out their regular shift.

Section 6: The provisions of this Article will not prevent the Company from scheduling two ten-hour shifts per day; but, the Company agrees that when this is necessary, the first shift will start at 6:00 a.m., and a third shift may precede the first shift, or a second shift may follow the first shift, and each shift may observe a 30-minute lunch period. If the second shift follows the first shift, hours worked during the twenty-four (24) hour period immediately after the second shift ends at 2:00 a.m. (adjusted for lunch periods if taken) on a Sunday or a holiday will be paid at double time. Other starting times for a first, second or third shift may be mutually agreed upon by the Local Union President and a Company representative.

Section 7: It is understood, however, that the Company does not guarantee to provide eight (8) hours of work daily, or forty (40) hours of work weekly to any employee. Subject to the following the Company shall have the right to extend the hours of employment for any employee on any working day. No employee will be scheduled or required, without the employee's consent, to return to work in less than eight (8) hours from the time he finishes work on his preceding shift and/or extension thereof. The Company agrees to make every effort to give notice of required overtime work as early in the week as possible. The Company further agrees to give employees one (1) hour advance notice for an overtime shift extension and twenty five (25) hours notice for previously unscheduled work days and further agrees that any employee notified of such overtime less than one (1) hour in advance of a shift extension, or less than twenty five (25) hours in advance of a previously unscheduled workday, at the time the overtime is to begin, will be excused from said overtime if he so desires. No employee shall be required to work more than sixteen (16) consecutive hours. Meal and relief periods will not be considered as interrupting consecutive hours of work.

Section 8: Nothing in this Contract shall be construed to prohibit any Department from employing staggered or overlapping shifts. When these conditions exist, the affected

employees shall be given 25-hour notice of change in starting time.

Section 9: Time and one-half shall be paid for hours worked over eight (8) hours in any day and/or hours worked over eight (8) hours consecutively even though some such consecutive hours fall in another day. It is understood that lunch and relief periods do not interrupt consecutive hours for purposes of this Section. However, the foregoing shall not apply if the Company decides to schedule a regular four (4) consecutive day week consisting of ten (10) hours each day which will be worked at straight time; this shall not be subject to arbitration. In such cases, time and one-half shall be paid for hours worked over ten (10) hours per day in the four (4) consecutive day week, Monday through Thursday or Tuesday through Friday. The Company agrees to give employees at least a week's notice prior to changing work schedules from four (4) ten hour days to five (5) eight hour days or vice versa.

Section 10: If an employee's regular schedule is five (5) eight hour days, time and one-half shall be paid for all hours worked on Saturday in excess of a minimum of forty (40) straight time hours per week. For purposes of this calculation, hours absent during the regular five (5) day work week for vacation, jury duty, holidays, death in the employee's immediate family (as defined by the Attendance Program), arbitration's, contract negotiations, national and state labor conventions, local union officer elections (not to exceed 5 people per union per year) and non-scheduled work days will count toward the forty (40) hour minimum required for time and one-half.

Section 11: If an employee's regular schedule is four (4) ten hour days, time and one-half shall be paid for all hours worked on the week day off (either Monday or Friday) and Saturday in excess of a minimum of forty (40) straight time hours per week. For the purpose of this calculation, hours absent during the regular four (4) day work week for vacation, jury duty, holidays, death in the employee's immediate family (as defined by the

Attendance Program), arbitration's, contract negotiations, national and state labor conventions, local union officer elections (not to exceed 5 people per union per year), and non-scheduled work days will count toward the forty (40) hour minimum required for time and one-half.

Section 12: When two or more premium payments, as set forth in this Contract, are applicable to the same hours of work, the one that results in the most earnings to the employee shall be used.

Section 13: Maintenance workers, electrical workers, pipe fitters, and utility maintenance workers will be assigned one day off each week; and, in the event an employee in this group shall be required to report for work on their day off, then they shall be paid for all work performed on such day at time and one-half their regular rate of pay provided they meet the requirements of Section 10 above. That is, the day off will be treated like Saturday would in Section 10 above. This clause shall be applicable only when the department to which such employee is assigned is working on a forty-hour week. The Company will arrange the working schedule for maintenance workers, electrical workers, pipe fitters, and utility maintenance workers so that at least one-half of such employees in each department shall observe Monday as their day off, and the other half of such employees shall observe Saturday as their day off. This procedure will be rotated every four weeks. Maintenance workers, electrical workers, pipe fitters, and utility maintenance workers who work on Sundays or on the holidays listed in Section 14 below, shall be paid for such work at double their regular rate of pay.

Section 14: Double time shall be paid for all time worked on Sundays or any of the following holidays, and will not count toward the 40 hours for the purpose of calculating overtime pay: New Years Day, Good Friday, Memorial Day, July Fourth, Labor Day, Thanksgiving Day, Day After Thanksgiving, Christmas Eve, and Christmas Day. In the event that any of the

above-listed holidays should fall on Sunday, then the Monday immediately following shall be observed as such holiday. However, when two consecutive day holidays occur on Sunday and Monday, only Sunday and Monday will be observed as no work day. Two days pay will be observed. In the event that any listed holiday should fall on Saturday, then the Friday immediately preceding shall be observed as such holiday. However, when two consecutive day holidays occur on Friday and Saturday, only Friday and Saturday will be observed as no work day. Two days pay will be observed. To be entitled to pay for any single holiday, the employee must work on the employee's last scheduled work day preceding the holiday and the employee's first scheduled work day following the holiday. Each holiday is the twenty four (24) hour period beginning with the start of each employee's work day occurring nearest to 12:01 a.m. of the calendar day of the holiday.

Section 15: Any employee who has been in active employ of the Company to the point that they have finished their probationary period, prior to any of the listed holidays shall receive holiday pay equal to eight times their regular hourly rate of pay. This mentioned holiday pay is applicable to all employees who have completed their probationary period, as set forth in Article 22, Section 4, and is in addition to any pay received for working on the holiday as set forth in Section 14 above. In order to qualify for holiday pay, an employee must have worked on his last regularly scheduled work day preceding the holiday and the next regularly scheduled work day after his holiday, unless the employee shall have been excused from reporting by their foreman.

Section 16: If an employee's regular schedule is four (4) ten hour days and a holiday falls on one of these days, the employee shall receive holiday pay equal to ten (10) times their regular hourly rate of pay, subject to qualifications outlined in Sections 14 and 15 above.

Section 17: If third shift is scheduled to begin the work week, then:

- a). that shift may start on Sunday night.
- b). that shift may begin a work day on a holiday night.

In either case those hours will be paid at straight time. This is to effect no change in any other part of the Contract.

ARTICLE 16 DISTRIBUTION OF OVERTIME

The Company will make every reasonable effort to distribute overtime equally among those employees, in their respective classification, who normally perform such operations, insofar as practical Plant operation will permit.

ARTICLE 17 CALL OUT AND REPORTING PAY

Section 1: Any employee who reports for work as scheduled under the following conditions shall be paid for four (4) hours at their regular straight time rate:

- a). If an employee is working on any regular shift and no notice is posted during that shift on which they are working, that no work will be required on their next shift.
- b). Employees who are notified to report for work when they are not regularly scheduled to work in their regular work week, and who do report for work.

Section 2: For all purposes of this Article, an employee shall only be entitled to pay for the time which they work, so long as the minimum number of hours, as above set out, are made available to them. The provisions of this Article for pay shall not apply if no work is available on account of a breakdown of a piece of equipment essential to the operation of the Plant, an act of God, power failure in any part of the Plant, or other conditions beyond the control of the Management. The Company shall make a reasonable effort to contact affected employees when these conditions exist. If no reasonable effort is

made by the Company, any affected employee who reports to work will receive two (2) hours work or pay.

ARTICLE 18 SHIFT PREMIUMS

A premium shall be added to an employee's regular hourly rate of pay for work on the second shift and the third shift.

Shift premiums will be paid at the following rates:

	<u>2nd Shift</u>	<u>3rd Shift</u>
Effective 10/7/96	\$0.35	\$0.45

ARTICLE 19 VACATIONS

Section 1: The following vacation provisions will apply:

a). Each employee who on the first anniversary date of their employment, has a year of continuous employment with the Company, shall be entitled to one week vacation within the following twelve months, computed on the basis of forty (40) hours pay at their regular hourly rate of pay. Employees who have not reached their first anniversary and terminate their employment with the Company (for any reason) shall not be considered for any vacation pay.

b). Each employee, who on their anniversary date, has three (3) or more years of continuous employment with the Company, shall be entitled to two (2) weeks vacation within the following twelve months, computed on the basis of eighty (80) hours pay at their regular rate of pay.

c). Each employee, who on their anniversary date, has twelve (12) or more years of continuous employment with the Company, shall be entitled to three (3) weeks vacation within the following twelve (12) months, computed on the basis of one hundred twenty (120) hours pay at their regular rate of pay.

d). Each employee, who on their anniversary date, has twenty (20) or more years of continuous employment with the Company, shall be entitled to four (4) weeks vacation within the following twelve (12) months, computed on the basis of one hundred sixty (160) hours pay at their regular hourly rate of pay.

e). Continuous employment, insofar as vacations are concerned, shall be computed from entry date to anniversary date. An employee shall not be considered to have been in continuous employment with the Company during any one year unless they have worked, during such year, a total of 1400 hours or more.

f). Employees in the employ of the Company on any anniversary date, and who worked 500 hours or more but less than 1400 hours in the twelve (12) months immediately preceding their anniversary date, shall be entitled to vacation allowance as follows:

- 1). Those otherwise entitled to 40 hours shall receive vacation allowance equal to .02857 times the total number of hours worked by such employee.
- 2). Those otherwise entitled to 80 hours shall receive vacation allowance equal to .05714 times the total number of hours worked by such employee.
- 3). Those otherwise entitled to 120 hours shall receive vacation allowance equal to .0857 times the total number of hours worked by such employee
- 4). Those otherwise entitled to 160 hours shall receive vacation allowance equal to .1143 times the total number of hours worked by such employee.

g). All vacation allowance will be based upon the hourly rate of pay of each employee in effect on their anniversary date.

h). In no event, under the provisions of this Article, shall there be any pyramiding or duplication of vacation allowances; thus, where an employee has been paid a vacation allowance for any month, or months, they shall not again receive vacation allowance with respect to any such month or months. All

vacation allowance due will be paid to each employee the week following their anniversary date. Employees with three (3) or more years of continuous employment may, by giving notice one month prior to their anniversary date, elect to receive any vacation allowance in excess of forty (40) hours at such time as the employee may designate provided such designated time to receive the additional vacation allowance shall be mutually agreed upon by the employee and their immediate supervisor. An employee with one months notice prior to his/her anniversary date may elect to receive his/her vacation pay at the time such vacation is taken.

i). Any employee, who works the vacation shutdown week will be required to take a weeks vacation at some later date, agreed to by the employee and their supervisor, provided such employee is entitled to receive vacation allowance. Any employee eligible for one-week vacation only, that is required to take their vacation during shutdown week, will be allowed an additional one week off, without pay, if desired. This time to be mutually agreed upon between the employee and their supervisor.

Section 2: Vacations will be scheduled in accordance with production requirements, and must be approved in advance by the Department Head. Where the production requirements of the Company will permit, employees with the greatest seniority will be given preference in the scheduling of vacations.

Section 3: Any employee who refuses to take their vacation within the year when it is first due, shall waive their rights to the same; and, their vacation rights shall not accumulate into the next year, unless, prior to the expiration of said first year, the Company grants the employee the right in writing to make it accumulated into the succeeding year, however, employees whose scheduled vacation is canceled by the Company in the last quarter of his anniversary year will be able to carry the vacation time into the succeeding year.

Section 4: Vacation pay, due to any striking employee under the provisions of Section 1 above, shall not be paid until such employee has returned to work.

Section 5: Any employee of the Company who has been in the employ of the Company for twelve (12) consecutive months, and prior to their anniversary date of the following year, leaves the employ of the Company, other than because of discharge for cause, shall be paid vacation allowance based upon Article 19 Section 1(f) if:

- 1). The employee has worked a minimum of 500 hours.
- 2). The employee has given notice in writing to the Company, directed to the foreman, of the intent to leave the employ of the Company.
- 3). The employee works for five (5) days after written notice has been given and received, provided the work is available to them on the next five (5) regularly scheduled work days. Failure to meet these requirements shall preclude such employee from receiving any accumulated vacation pay.

Section 6: Retiring employees who reach 65 through 70 years of age and continue to work until the end of that particular year, will be paid 1/12 of their usual vacation allowance for each month after their anniversary date.

Section 7: Weekends before and after a five (5) day vacation are not required workdays when an employee has scheduled a week's vacation. Weekend work is not required whenever an employee schedules either a Friday or Monday vacation day.

ARTICLE 20 JURY SERVICE

An employee who has completed his probationary period (except with temporary employees), and is summoned for jury service in a Court of Record shall obtain a Jury Service Card. Such employee shall have the clerk of the court certify on such

card the time of reporting for jury service; and, the time of daily excuse from jury services; the time of final discharge as juror; and the total compensation received for such jury service. Such card, together with the clerk's certification, shall be returned by the employee to the supervisor when the employee has been finally discharged from jury service.

Such employee who performs jury service, Monday to Friday, inclusive, will be paid for each such day of jury service on which he would have been scheduled to work, the difference between (a) the fees received by him for daily jury service and (b) their regular rate of pay at straight time for the number of hours they would have been scheduled to work in their department on that day. If an employee works all or a portion of this regular shift in addition to performing jury duty, he shall be paid for those hours worked at this regular rate of pay plus his jury duty supplement.

ARTICLE 21 EMPLOYEES' PENSION PLAN

Section 1: Effective December 31, 1954, the Company instituted an Employees' Pension Plan. Bargaining representatives and each employee have been furnished with a copy of the Plan. Under the Plan, normal retirement age shall be age 65. Younger or older retirement dates will apply in certain circumstances which are outlined in the "Employees' Pension Plan". The Company reserves the right to modify, suspend or discontinue the Plan within the prescribed limitations of applicable Federal Internal Revenue Laws.

Section 2: In the event the Company should modify, suspend or discontinue the Plan, it shall be done in accordance with existing federal laws governing pension plans. The Union will be given notice sixty (60) days in advance of such modification, suspension or discontinuance.

Section 3: SPECIAL INFORMATION

- a). Monthly Benefit Formula: \$27.00 times the number years service effective October 7, 2002.
- b). Monthly Benefit Formula effective October 6, 2003: \$28.00 times the number years service.
- c). Monthly Benefit Formula effective October 4, 2004: \$28.75 times the number years service.
- d). The vesting period effective January 1, 1989 shall be continuous service for a period of five (5) years.
- e). Normal Retirement: The employee's normal retirement date is the later to occur of (a) and (d) where (a) is the 65th birthday and (d) is the fifth anniversary of the date the employee was first covered under the Plan; however, the normal retirement date will not be later than the employee's 70th birthday.
- f). Early Retirement: Have attained age 62 and completed at least 15 years of credited service. Have attained age 55 and completed at least 30 years of credited service.
- g). Reduction Factors.
 - 1). Age 62 through 64 and 30 years service -- no reduction factor
 - 2). Age 55 through 61 and 30 years service -- 2% reduction per year
 - 3). Age 62 through 64 and less than 30 years service but more than 15 years service -- 2% reduction per year.
- h). Death Benefit: If death occurs while in service after attaining age 50 or becoming vested, the beneficiary will receive a monthly income based on the actuarial single-sum value of the accrued retirement income. The monthly income will be paid over a minimum of 36 months if the actuarial single sum is greater than \$5,000. If the actuarial single sum is \$5,000 or less, payment will be in one lump sum.
- i). Disability Retirement. Ten years service and totally and permanently disabled as determined by the Retirement Committee. Retirement income for such

employee shall be calculated by multiplying the employee's credited service by the monthly benefit in effect with no reduction being applied.

- j). The Company will assist any employee, who is unable to continue working, in securing and completing the necessary forms and applications in order to receive Social Security benefits.
- k). Within seven (7) working days after an employee requests, in writing, information regarding his estimated retirement benefits (income) he will be granted a meeting with management personnel who can explain same to him and will put such in writing if the employee so requests.

**DIVISION 3:
TERMS OF EMPLOYMENT**

**ARTICLE 22
SENIORITY**

Section 1:

- (a): Plant seniority shall mean length of continuous service with the Company, computed from the date on which an employee went to work for the Company.
- (b): Departmental seniority shall mean length of continuous service in any of the following departments, computed from the date on which an employee went to work in said department:

<u>Department</u>	<u>Union</u>
Foundry Department	GMP
Pattern Shop Department	GMP
Trailer Department	Boilermakers
Fabrication Department	Boilermakers
Machine Shop Department	IAM
Gear Repair Department	IAM
Assembly/Shipping Dept.	IAM

Section 2:

(a): Departmental seniority within the bargaining unit shall govern in promotions or demotions within a department, and in reduction of forces within the several departments; and, when forces are increased, employees who have been laid off in a particular department, shall be recalled in the inverse order of their layoff; provided, said employees shall have departmental seniority status in accordance with the provision of this Article 22; and provided, also, that in the case of promotions, transfers, layoffs, and recalling to work of employees laid off, all as above set out, their departmental seniority shall govern provided they have the ability to perform the job, if their ability to perform the work is approximately equal. "Ability" as the term is used in the phrase "ability to perform," shall be understood to include the employee's capacity to perform the work, to which they are assigned, with efficiency equal to that of other employees under consideration, and with the same, or equivalent, tools and equipment, which at the time, are customarily available to such employees for their performance of such work. The determination of an employee's ability to perform the work is a function of management; however, in the event an employee is dissatisfied with the Company's determination of their ability to perform the work, such dissatisfaction may be made the subject of a grievance. If a disagreement occurs regarding an employee's ability, such disagreement is subject to grievance and arbitration procedures set forth in Article 9 of this Contract. Any employee transferred from one department to another department shall have their seniority frozen in their former department; and, shall begin accumulating seniority in the department to which they are transferred. In the event there is a layoff in the department to which they are transferred which would necessitate such

employee being laid off, then they would be privileged to exercise their frozen seniority in their former department over any employee with lesser amount of seniority in that department.

- (b): Employees shall have shift preference on the basis of department seniority. Employees may exercise said preference unless such would create an undue impairment to operations.

Section 3: Plant and Departmental Seniority shall be broken if an employee:

- a). Voluntarily quits.
- b). Is discharged for proper cause.
- c). Is laid off, and is not recalled to service within the time specified in this paragraph.
 - 1). If an employee has less than three years Plant or Departmental Seniority, and is not recalled to service within six months.
 - 2). If an employee has between three and ten years Plant or Departmental Seniority, and is not recalled to service within twelve months.
 - 3). If an employee has more than ten years of Plant or Departmental Seniority, and is not recalled to service within two years.
- d). Is recalled to service after having been laid off, and fails to contact the Company within five (5) days and return to work within fourteen (14) calendar days after the receipt or attempted date of delivery is established of a registered letter addressed to them at the last address known to the Human Resource Department of the Company, unless an excuse acceptable to the Company is given for such failure to return to work.

Section 4: A new employee shall be on probation during the first ninety (90) days of their employment. For all purposes of this Section, the "first 90 days of employment" shall be deemed to have been completed when an employee has earned pay for

services performed for the Company on ninety (90) separate calendar days. For employees on a normal 4 day 10 hour work week a multiplier of 1.25 will be used. During this period, such employee shall have no seniority, and may be laid off or discharged without limitation; and, such layoff or discharge shall not be made the basis of any claim or grievance under this Contract. Any employee who completes their probationary period of employment, as above defined, and is thereafter retained in the service of the Company, shall be entitled to seniority from the day on which their probationary period of employment began. Any employee who has not completed their probationary period, as above set out, on the date of the execution of this Contract, shall be considered a probationary employee until they have completed the probationary period set out above. An employee shall have completed 90 calendar days before being eligible to join the group insurance plan. A probationary employee will become eligible for provisions of Article 15 Section 15 when the employee has earned pay for 60 separate calendar days.

Section 5: Any employee within the bargaining unit, who was transferred prior to October 4, 1993, to a salaried position by the Company, shall continue to accumulate seniority within the department from which they were transferred while serving in such salaried position; and, when relieved of such salaried duties, such employee, may return to work in the department from which they were transferred with seniority rights unimpaired.

Any employee within the bargaining unit who was transferred to a salaried position by the Company after October 4, 1993, shall continue to accumulate seniority within the department from which he was transferred provided he returns to the bargaining unit within three (3) years of the date he was transferred to the salaried position. Such employee returned to the bargaining unit after three (3) years will only be credited with the seniority he held on the date he was transferred from the bargaining unit to the salaried position. Any employee within the bargaining unit.

who is transferred to a non-bargaining unit position after the effective date of this Contract, will continue to accumulate plant seniority and departmental seniority in the department from which transferred for a period of sixty (60) calendar days following the date of such transfer. At anytime during the mentioned sixty (60) calendar days, while such transferred employee is continuing to accumulate both plant and departmental seniority, he will be considered as being a bargaining unit employee and will have the right to return to the bargaining unit if he so chooses. In case of such employees return to the bargaining unit he will be assigned to the department and classification he held immediately preceding his transfer to a non-bargaining position. Said assignment will be subject to the other seniority provisions, (reductions in the working forces, layoff, etc.,) of this Contract. Such employee will maintain but not accumulate seniority thereafter until he is returned to the bargaining unit. The Company will notify the appropriate Local Union, in writing, when such employee is transferred either out of the bargaining unit or into the bargaining unit. It is understood and agreed that, following the mentioned sixty (60) calendar days, the return of such transferred employee to the bargaining unit shall be at the sole discretion of the Company.

Section 6: If any employee within the bargaining unit shall suffer physical disability because of injury, illness or disease to the extent that they may be unable to perform their ordinary job, then the Company may transfer such disabled employee to any available job in another department or to an available job outside the bargaining unit. If the disability of such transferred employee shall thereafter be removed, such employee shall be entitled to return to their former job with seniority rights unimpaired.

Section 7: In layoffs, not to exceed three (3) working days, the Company may deviate from the rules of seniority as established in this Agreement, for the purpose of practical operation of the

departments. If layoff periods exceed three (3) working days, the seniority provisions of this Agreement shall apply.

Section 8: During the term of this Agreement, the departments set forth in Section 1 of this Article shall continue. No additional departments shall be divided or eliminated without the written consent of the Local Union(s) involved. This provision is directed toward the issue of seniority and is not intended to prevent the Company from selling any of its assets.

ARTICLE 23 TECHNICAL TRAINEES

The Company shall have the right to train non-bargaining unit employees on the functions of bargaining unit classifications. When such is being done the bargaining unit employee, who normally would perform the function, will be present with the non-bargaining unit employee and will assist with the training.

ARTICLE 24 SENIORITY ROSTER

The Company will prepare, within thirty (30) days after the execution of this Contract, departmental seniority rosters for each department. Such rosters will be prepared so that the employee with the highest seniority will appear first on the list; and the employees with the least seniority will appear last on the list. Opposite each employee's name will appear their classification. Copies of such roster will be placed on the bulletin boards for inspection for a period of two weeks. Any employee dissatisfied with their seniority status, in relation to any other employee in the department, shall have thirty (30) days from, and after, the posting of said lists in which to make written objection to the Human Resource Department of the Company. If no objection is made within such period, then the seniority status of such employee, as set out in said lists, shall be, and remain, binding for all purposes of this Contract. In the event an employee should be absent throughout the period

during which such lists are posted, such absent employee shall be permitted to inspect said lists in the Human Resource Department of the Company at any time within thirty (30) days after the removal of said lists; and, shall have the right to register a written objection concerning their seniority status at any time during said thirty (30) day period. If no such objection is registered during said time, then the seniority status, as set out in lists, shall be for all purposes binding upon them. The Company will furnish each Union two copies of such seniority lists, as posted on the bulletin boards for each department. The seniority lists will be revised each six (6) months, and, the clause with respect to the registration of objections, as herein set out, shall be applicable with respect to objections of such revised lists.

ARTICLE 25

PROMOTIONS, DEMOTIONS, AND TRANSFERS

Section 1: Where there is a job or vacancy to be filled, the job will be posted on Bulletin Boards and remain posted for a period of two (2) working days so as to allow eligible bidders to bid for such jobs. Consideration will be given to employees who might be absent from work during this period due to illness or vacation. Failure by employee to make application during this two (2) working day period will mean they have turned down the opportunity for this job. The Company retains the right to promote from sources other than the job bid list.

Section 2: Employees promoted to a job in a higher classification shall be given a ten (10) day trial, under normal supervision, to demonstrate ability to perform the work of the job. Employees who fail to qualify after being given a fair trial, shall have the privilege of returning to their former job with seniority unimpaired. The Company will notify the Union of any classification change of an employee within three (3) days after such classification becomes effective. Employees who so

desire have ten (10) days to return to their previous position after they have been promoted to a new job.

Section 3: Any employee who is temporarily transferred by the Company from a higher rated job to a lower rated job, shall receive their regular rate of pay; but, any employee who is permanently transferred by the Company from a higher rated job to a lower rated job, shall receive the lower rate of pay. An employee temporarily transferred to a higher rated job shall receive the higher rate. When an employee is transferred from a higher rated job to a lower rated job, they shall be immediately advised whether such transfer is to be on a permanent or a temporary basis. Any transfer, which is to extend beyond two weeks from the date of transfer, shall be deemed to be a permanent transfer.

Section 4: Employees, who accept permanent transfers, from one department to another, shall receive the rate of the job to which they are transferred. Transfers extending beyond a period of two weeks shall be considered permanent. No employee shall be forced to accept a permanent transfer from one department to another.

Section 5:

- a). When abnormal conditions exist which result in a surplus of employees in one department and a shortage of employees in another department, the Company may transfer surplus employees to the department where the shortage exists and shall re-assign said transferred employees to their former departments when normal conditions return without regard to the provision of Section 3 and 4 hereof providing that transfers for two weeks or longer shall be deemed to be permanent transfers, and employees so transferred under the provisions of this section shall continue to accumulate seniority in the departments from which they were transferred.
- b). When transfers are made in accordance with Section 5(a), and employee(s) are on layoff from the department into

which the employee(s) are being transferred for a temporary period of four (4) weeks or less, the following shall apply:

1). The Company will immediately initiate the recall process in accordance with the seniority provisions of this Contract, for employees laid off from the mentioned department.

2). The employee(s) being recalled will be notified of the duration of the temporary work period.

3). The employee(s) being recalled in accordance with (1) and (2) may decline the recall and retain their recall rights in accordance with the seniority provision of this Contract.

4). If the employee(s) remain in the department transferred into for more than four (4) weeks, the employee(s) on layoff will be recalled to work in accordance with the seniority provisions of this Contract, unless the Company and the Local Union(s) involved agree otherwise.

Section 6: There shall be no shifting of employees from one job to another because of sex, race, color, creed or national origin.

ARTICLE 26 LEAVE OF ABSENCE

Section 1: The Company agrees to grant a leave of absence to not more than three (3) elected convention delegates from each Local Union during the time such delegates are attending any Union convention of any Union affiliated with the bargaining Union; such leaves of absence not to exceed thirty days, and shall not be granted to more than six (6) elected Convention delegates during any year. During such leave of absence, such delegates shall continue to accumulate seniority.

Section 2: The Company agrees to allow one employee a maximum leave of absence of four (4) years to serve as an elected or appointed Union representative. During this leave of

absence, the employee's seniority shall continue to accrue up to one year.

Section 3: The Company will grant personal leaves of absence to any employee when, in the opinion of Management, production schedules will permit, and operations of the Company will not be impaired. The length of any such leave of absence will be subject to management discretion. The action of the Company, in granting or refusing leaves of absence in such cases, shall not be subject to the grievance procedure. *Employees returning to work after leave shall return under the same conditions as employees recalled after layoff.*

Section 4: During leaves of absence in accordance with the Family and Medical Leave Act of 1993, seniority shall continue to accumulate and insurance benefits will be continued in the same manner as if the employee were working. At the expiration of such leave, the employee will be returned to work in the same manner as employees recalled from layoff. Employees will not be required to take vacation time and/or pay as requirement for, in conjunction with, or during FMLA leaves.

ARTICLE 27 DISCIPLINE AND DISCHARGES

Section 1: No employee shall be disciplined or discharged without proper cause.

Section 2: At the time any employee (including Shop Stewards, Business Committeemen, Union Officials, etc.) is to be issued discipline which will be a part of his Company personnel record (*verbal warning, written warning, disciplinary layoff, suspension, etc.*) a Shop Steward, Business Committeeman, or other Local Union Officer must be present. If discipline is administered, the Union will be given a copy of such at the time it is administered. Grievances protesting disciplinary layoffs exceeding four (4) days may be initiated at Step 2 and Step 3 of the grievance procedure at the same time.

Section 3: No employee shall be summarily discharged. In all cases in which the Company concludes that an employee's conduct justifies discharge, the employee shall be suspended in the presence of a Shop Steward, Business Committeeman, or other Local Union Officer, and the Local Union shall be notified in writing of the suspension and the Company's reasons for same. The mentioned suspension period shall be for not more than three (3) of the employee's working days. During said suspension, the Company will meet with the Local Union Business Committee and review the facts of the case. At the end of the suspension period, the Company will notify the Local Union President, or his designee, in writing, of its decision on the matter and the Local Union, if it so desires, may initiate a grievance on the matter. Said grievance must be initiated within five (5) working days, excluding Saturday, Sunday and holidays, of the date the Company gave its written decision to the Local Union President or his designee. The grievance may be initiated at either Step 2 or Step 3 of the grievance procedure.

ARTICLE 28 INSURANCE PROGRAM

Section 1: The medical insurance plan in effect on October 1, 2002, will remain in effect for the duration of this Contract. Said plan will only be changed in accordance with the provisions of this Article 28 and upon mutual agreement between the Union and the Company. Effective October 7, 2002 the weekly disability benefit is \$130 per week for a maximum of 13 weeks per calendar year. Each Local Union and each International Union signatory to this Contract will be furnished a complete copy of the insurance plan mentioned above.

Section 2: The Company, as the Plan Administrator, shall provide the Plan's benefits through a self-insurance arrangement or through an insurance contract with an insurance carrier. However, it is the Company's responsibility to provide the benefits in accordance with the other Sections of this Article.

Section 3: Subject to Sections 6 and 7 below, employees will continue their 40% co-payment for medical insurance.

Section 4: The Company will meet with the Union's Insurance Committee at any period of time that their respective costs increase more than 5% in one year in order to review and discuss any action that will prevent additional cost increases. Any plan of action to reduce costs that requires a change in plan benefits must be mutually agreed to between the Plan Administrator and a majority of the Union's Insurance Committee. In addition, the Company will meet with the Union's Insurance Committee on a monthly basis to discuss any matters of concern.

Section 5: Exhibit "C" is a summary of the benefits applicable to the Insurance Program described in the other Sections of this Article.

Section 6: Employee contributions for the Insurance Program set forth in this Contract, Article 28, shall be as follows:

Weekly Contributions:

Effective	<u>Employee Only</u>	<u>Employee + 1</u>	<u>Employee + 2 or more</u>
10/7/2002	\$18.20	\$40.40	\$52.00
until			
10/6/2003			

Increase in accordance with Section 3 above. However, such increase in employee contributions will not exceed 15% of the contribution in effect 10/7/2002. During the period from 10/6/2003 to 10/4/2004 employee contributions will not exceed 15% of the contribution in effect 10/7/2002. During the period from 10/4/2004 to 10/3/2005 employee contributions will not exceed 15% of the contribution in effect 10/6/2003.

Section 7: Effective 10/7/2002, the bargaining unit hourly medical insurance trust fund will be established as having a fund balance of \$0.00.

**ARTICLE 29
401(K) PLAN**

The 401(k) Plan in effect on September 1, 1996 shall remain in effect for the duration of this (2002 - 2005) Contract.

LUFKIN INDUSTRIES, INC. By:

Paul G. Perez
Vice President/General Counsel
& Secretary

A.F.L.-C.I.O. By:

Paul Vasquez

Boilermakers #587

James H. Kirkland

Dennis Rice

David Richard

James Hamby

IAM #1999

Todd Rogers

Manuel Basham

GMP #429

Billy Webb

Larry Thigpen

LETTERS OF STIPULATION

TO THE UNION:

This is to notify the Union that it will be the policy of the *Company to work at least one Class "A" Electrician, Electrician Specialist, or Electronic Technician or Master Maintencenceman on the second and third shift if electrical people are working on the second and third shifts.*

MEMORANDUM TO THE GMP #1

Effective on the date of the signing of this Contract, when promotions are made in the Foundry (including extensions of the Foundry) and an employee refuses to accept the promotion because it involves assignment to the second or third shift, and a junior employee accepts the promotion and assignment, then thereafter the junior employee shall, so long as he remains in the higher classification, be entitled to claim seniority over the refusing employee for purposes of shift preference even though the refusing employee may thereafter be promoted to the higher classification. In addition, in regard to demotions which may occur, the junior employee may be retained in the higher classification if the senior employee is not qualified to perform the normal duties of the job.

MEMORANDUM TO THE GMP #2

The Company will work at least one (1) Class "A" Electrician or an employee holding an appropriate, equal or higher rated maintenance classification (as set forth in Exhibit "A" of the Contract) whenever electrical or maintenance work is being done. The mentioned employee, to be so assigned, will be determined by utilizing the seniority provisions of the Contract, if the work to be done on the employee's regular work day, or by the overtime procedure, if the work is to be done on non-regularly scheduled work days. The Company also agrees to

utilize bargaining unit maintenance personnel when appropriate to provide assistance and training in regard to new equipment installations.

MEMORANDUM TO THE GMP #3

The Company will pay seventy-five cents (\$.75) per hour premium for welding by use of the Duc-Weld process. In addition, the base wage rate, set forth in Exhibit "A" of this contract, will be increased by twenty cents (\$.20) for all Class "A" Welders in the Foundry Department who certified to perform the duc-Weld process. Employees who perform either the Plasmarc or Air Arc process will be paid no less than the Class "A" Welder rate for all hours so worked. The exception to the above provision regarding Plasmarc or Air Arc will be when the work so performed involves only gates and risers. In such cases, the rate for the Welder "B" will be paid for all hours so worked.

MEMORANDUM TO THE GMP #4

Employees awarded the classification of Crane Operator Learner or Hydraulic Manipulator Operator Learner will be trained during a sixty consecutive working day probationary period. At any time during the mentioned sixty-day period, the employee has the right to decline the job and, if so, he will be returned to his former job. This period will consist of at least twenty hours of dual instruction with a Crane Operator or Manipulator Operator. At the successful completion of the sixty day training period the Learner will be given a \$.50 per hour increase in pay. After six months, the Learner will be evaluated for a merit increase to the top of the Learner classification. The mentioned merit increase will not be unreasonably withheld and if for any reason, the Learner is not granted the merit increase, both he and the Local Union President will be notified, in writing, of the reason(s) for denying the increase.

It is agreed that the top of the Learner classification be raised and held to match the bottom of the Crane and Manipulator Operator classification.

It is further agreed that vacancies in the Crane Operator and Manipulator Operator classifications shall not be posted, but shall be awarded to the senior trained Learner in the relative classification.

MEMORANDUM TO THE GMP #5

When bargaining unit employees are used to temporarily replace non-bargaining unit employees, the Company will notify the Local Union President of such action whenever these replacements are for reasons other than vacation or illness related replacement. With regard to seniority, these replacements shall be documented by the Company and shall not exceed sixty (60) cumulative days in a calendar year without the mutual agreement of the GMP Local Union President and Company representatives.

MEMORANDUM TO THE GMP #6

The Union and the Company agree that the classification of General Foundryman replaced the following ten (10) previous classifications:

- Molding Systems Helper
- Core Hustler
- Flask Set-up Man
- Shake-out Tender
- Core Maker Helper
- Core Knocker
- Main Bay Pattern & Mold Car Operator
- Melting Labor
- Flask Repairman Helper
- General Labor

Therefore, General Foundrymen may be assigned to any of the duties formerly performed by the listed ten (10) classifications and, in such cases, the pay rate of the General Foundrymen is appropriate. When General Foundrymen are assigned to perform duties normally performed by classifications other than the above listed classifications, they will be cross-rated to the rate of such higher rated classification. If a permanent vacancy exist in the higher rated classification, said vacancy will be posted for bid in accordance with the seniority provisions of the Contract.

The Union and the Company agree that a continuous posting will be made for General Foundrymen to bid to go to the Cleaning Room in the Chip-Grind-Finish classification. When a General Foundryman, who has not completed his probationary period as set forth in Article 22, Section 4, of the Contract, goes to the Cleaning Room, he will, after he has completed the mentioned probationary period, be assigned to the classification of Chip-Grind-Finish and will receive no less than the lowest rate of the rate range for the Chip-Grind-Finish classification. Any employee who has completed his probationary period and has signed the continuous posting for Chip-Grind-Finish, will, when transferred temporarily or permanently to the Chip-Grind-Finish classification, receive not less than the lowest rate of the Chip-Grind-Finish rate range.

MEMORANDUM TO THE GMP #7:

The following jobs will not be posted. Selection of individuals for these positions will be determined by Management based on overall ability. The Local Union President or his designee will, at their option, participate in the candidate review process. Said Local Union President or his designee will, at their option, be present and will have a vote when the voting by the selection committee is done.

Master Pattern Maker
Master Maintenceman

Master Mechanic
Master Foundryman
Master Maintenance Specialist
Cleaning Room Specialist

MEMORANDUM TO THE GMP #8

It is understood that a position of Leadman is hereby established. A Leadman shall not discipline or discharge or effectively recommend same. Leadmen will receive at least a \$.50 per hour premium above their normal rate of pay.

MEMORANDUM TO THE GMP #9

In regard to the right of an employee, who previously held the classification of Chipper Grinder, to exercise his seniority during reductions, and layoffs to return to his previously held classifications, said employee will be considered as having held the classification of Chip-Grind-Finish.

MEMORANDUM TO THE GMP #10

Maintenance employees will continue to furnish their standard tools as in the past. The tool list is as set forth below:

Electrical Maintenance Classifications

- 1 ea. - 8" crescent wrench
- 1 ea. - 10" crescent wrench
- 1 ea. - allen wrench set thru 3/8"
- 1 ea. - screwdriver set, 1/8" thru 3/16" slotted, #0 thru #3 phillips
- 1 ea. - #440 or equivalent channel lock pliers
- 1 ea. - needle nose pliers, 6"
- 1 ea. - 8 1/2" linesman pliers
- 1 ea. - diagonal cutting pliers
- 1 ea. - 9 3/4" insulated crimping tool
- 1 ea. - wire strippers

- 1 ea. – nut driver set, hollow shaft, 3/16" thru 1/2"

Mechanical Maintenance Classifications

- 1 ea. – 1/2" drive socket set, sizes thru 7/8"
- 1 ea. – 3/8" drive socket set, sizes thru 3/4"
- 1 ea. – 3/8" drive socket set or combination box end/open end wrenches, 6mm thru 20 mm
- 1 ea. – combination box end/open end set, 1/4" thru 1"
- 1 ea. – allen wrench set thru 3/8"
- 1 ea. – 8" crescent wrench
- 1 ea. – 10" crescent wrench
- 1 ea. – 12" crescent wrench
- 1 ea. – punch/chisel set, 1/4" thru 3/4" chisels, 1/16" thru 1/4" pin punches
- 1 ea. – screwdriver set, 1/8" thru 3/16" slotted, #0 thru #3 phillips
- 1 ea. – #440 or equivalent channel lock pliers
- 1 ea. – hack saw
- 1 ea. – ball peen hammer, 32 oz.
- 1 ea. – needle nose pliers, 6"
- 1 ea. – tape measure, 12' or longer

The Company acknowledges that the listed tools are the private property of the employee and the Company will replace any listed tools which are worn out or broken if such tools cannot be locally purchased with "lifetime warranty replacement" guarantees. In addition, any such tool that, in working on the Company's property or equipment, is damaged to the extent that the manufacturer will not replace it, the Company will replace such tool(s) with tool(s) of equal value.

MEMORANDUM TO THE GMP #11

Beginning with the effective date of this Contract, the Company will pay 50% of the cost of all work boots, purchased by employees in the Melter Class A and Melter Class B classifications, for use in the performance of their duties. In addition, the Company will pay 50% of the cost of all work boots, of other employees performing melting and/or molding duties, whose job assignments require unusual and/or abnormal wear on their boots. When the work boots of employees of the Maintenance Department are destroyed or severely damaged due to extra-ordinary situations beyond the control of the employee, the Company will pay 50% of the cost of replacement boots. It is understood that the individual employee will select the boots of his choice. However, said boots must be commensurate with the duties performed. Therefore, the Local Union Business Committee and the Company will cooperate in making a list of the kind (type) of boots for which the Company will pay the mentioned 50% of cost.

MEMORANDUM TO THE GMP #12

Employees working in the classification of Chip-Grind-Finish will be furnished gloves as needed (new, cleaned, or reconditioned) on a 50% cost share basis with the Company. Said gloves will be of a kind commensurate with the work being performed. The Local Union Business Committee and the Company will cooperate in selecting the kind of gloves to be so purchased on the mentioned cost-sharing basis.

MEMORANDUM TO THE GMP #13

Non-bargaining unit employees will perform no work of the type customarily performed by employees in the bargaining unit. Exceptions to the foregoing will be in cases of emergency. Emergency is defined as danger to personnel or property. In addition, non-bargaining unit employees may perform bargaining unit work when training a bargaining unit employee.

It is understood that the bargaining unit employee must be present with the non-bargaining unit employee when such work is performed. In addition, a non-bargaining unit employee may perform bargaining unit work if, no other bargaining unit employee(s) are readily available to fill the vacancy/vacancies created by excessive absenteeism in the work center where the non-bargaining unit employee is performing the work function.

MEMORANDUM TO THE GMP #14

Within 30 days of the effective date of this Contract, the Company and Local Union Presidents, or their designees, will meet jointly with the vendor to bring into compliance the provisions of this Memorandum. The Company also accepts the responsibility of assuring that the food in the sandwich machine is changed on a reasonable basis to provide fresh sandwiches and the change machine is kept in good working order.

MEMORANDUM TO THE GMP #15

Article 22, Section 2, of the Contract provides that employees, who due to a reduction in the working force have insufficient seniority to continue working in their regular (bid) classification, will be reduced to the other classifications in their department which they have previously held. Such reduction will be made beginning with the highest such previously held classification and moving downward to such previously held lowest rated classification. Further, Article 22, Section 2, provides that employees who have insufficient seniority to be placed on a job in their department and who are thus laid off from their department, have the right to exercise their department seniority in other departments in which they have department seniority, on classifications previously held, in the same manner as set forth above for reductions within their present department. In addition, Article 25, Section 5, sets forth that employees laid off, or who are about to be laid off from their department and who have insufficient seniority to be placed on a job in accordance with Article 22, may be placed in

another department, in which they have no seniority, and which may be represented by their Union or another Union party to this Contract.

It is agreed, that employees reduced to another classification in their department, or who are laid off to the street, retain recall rights to the department from which they were laid off. That is, when a vacancy occurs in the department from which such employees were laid off, said reduced and/or laid off employees will be recalled, in seniority order, to the classifications previously held and entry level jobs which they never held, in the reverse order of their layoff.

In regard to employees reduced to another classification in their department, the following will apply:

- 1) A vacancy occurring in such employee's regular (bid) classification or in a higher rated classification than the one in which the reduced employee is currently working and which is a classification he previously held, will not be posted for bid.
- 2) The reduced employee(s) will be assigned to such vacancy in seniority order. That is, employees will both have the right and will be required to return to their regular (bid) classification in the reverse order used in case of a reduction in the work force. (The same ladder of classifications the employee is entitled to go down in a reduction is the same ladder he has the right and will be required to go back up in cases of vacancies)

In regard to employees who are reduced to a former department in which they held department seniority, transferred to a department in which they held no previous department seniority, or were laid off to the street, the following will apply:

- 1) Employees who are transferred to another department in accordance with any of the provisions mentioned in the preceding paragraph, or who are laid off to the street,

retain recall rights to the department(s) from which they were laid off. That is, vacancies occurring in the department (s) from which such employees were transferred or laid off, will not be posted until said transferred and/or laid off employees have been offered, in seniority order, the opportunity to return to the classifications previously held and entry level jobs which they never held, in the reverse order of their transfer and/or layoff. Such offer of recall will be made whether the employee(s) was reduced to a former department in which he held department seniority, transferred to a department in which he held no previous department seniority, or was laid off to the street.

- 2) It is understood that, as set forth above, the employee(s) described shall be offered the mentioned recall but will not be required to accept such recall to a department(s) from which laid off. In such cases, where the employee declines recall to a classification he previously held, he/she will lose all recall rights. In such cases, where the employee declines recall to an entry level classification he never held, he will lose recall rights to said entry level classification but will retain recall rights to classifications he previously held and recall rights to other entry level classifications he never held but to which he has not been offered recall. However, employment rights and seniority in the department where such laid off employee has been working while reduced from his permanent job classification, will be maintained and unaffected by said decline or recall to a classification(s).
- 3) Vacancies which are not filled by the application of 1) and 2) above will then be posted and awarded in accordance with Articles 22 and 25 of this Agreement.

MEMORANDUM TO THE GMP #16

Employees will have the right to exercise shift preference in accordance with Article 22, Section 2, of this Contract and Memorandum # 1 above. When an employee has exercised such

right of shift preference, he will not again be entitled to exercise such right for six (6) months (180 calendar days). At any time thereafter, he may again exercise such right of shift preference in accordance with the above mentioned provisions. Upon agreement between the Union and the Company, the mentioned six (6) months (180 calendar days) restriction may be waived and shift preference allowed.

MEMORANDUM TO THE GMP #17

The Company will meet with the Local Union Business Committee before any action is taken relative to the Americans With Disabilities Act. Any placement of an individual on a bargaining unit job will only be done upon agreement between the Local Union Business Committee and the Company and in accordance with Article 1, Section 3, of the Contract.

MEMORANDUM TO THE GMP #18

In not less than seven (7) nor more than thirty (30) calendar days of the effective date of this Contract, employees holding melting classifications and who are currently working the second shift, will be assigned to the third shift. Said third shift will began the work week on Monday at 11:00 p.m. and the shift shall end at 7:00 a.m. on Tuesday morning. The eight hours from 11:00 p.m. Monday until 7:00 a.m. Tuesday shall be considered as Monday for such employees. Likewise, 11:00 p.m. Tuesday to 7:00 a.m. on Wednesday shall be considered as Tuesday for such employees. The same consideration shall apply to successive week days until Saturday morning at 7:00 a.m. The hours worked from 11:00 p.m. on Friday until 7:00 a.m. on Saturday shall be considered as Friday for such employees and shall be paid accordingly. However, from Saturday night at 12:00, midnight, until Sunday night at 12:00, midnight, (the calendar day of Sunday) will be considered such employees Sunday and any hours worked therein shall be paid at double time.

The above described procedure shall continue for a trial period of ninety (90) calendar days from the date it is placed into effect. At any time after the mentioned ninety (90) calendar day trial period, the above described procedure will be discontinued if the Local Union Business Committee or the Company so decides.

However, the Local Union Business Committee or the Company will give the other party (either Union or Company) seven (7) calendar days prior written notice that said procedure is to be discontinued. On or before the end of the mentioned seven (7) calendar day notice period, such procedure will be discontinued and this Memorandum shall be considered null and void. In such case, all contractual provisions will immediately apply.

MEMORANDUM TO THE GMP #19

Employees in the Chip/Grind/Finish classification shall have the right to bid to a lower or equally rated classification. Said employees, who otherwise would be eligible for the posted job vacancy, shall not be denied such vacancy on the basis that it represents a bid to a lower or equally rated classification. Said employees in the Chip/Grind/ Finish classification will have this right to successfully bid and be awarded an equal or lower rated classification only once during their term of employment. When such employees are awarded an equal or lower rated classification and then, in accordance with Article 25, Section 2, are placed or return to their previous/former job/position, will not be considered as having made the one successful bid and award to which they are entitled. Accordingly, they still have the right to such a successful bid and award.

When, due to a reduction in the work force, such employee has insufficient seniority to remain in the equal or lower rated classification, he will, in accordance with the his seniority, revert to the Chip/Grind/Finish classification in the same manner as other employees who are reduced to a previously held classification.

TO BOILERMAKERS LOCAL NO. 587

Effective on the date of the signing of the Contract, when promotions are made in the Fabrication Department and Trailer Plant, and an employee refuses to accept the promotion for any reason, and a junior employee accepts the promotion and assignment, then thereafter the junior employee shall, so long as they remain in the higher classification be entitled to claim seniority over the refusing employee for purpose of promotions, demotions and shift preference even though the refusing employee may thereafter be promoted to the higher classification.

TO BOILERMAKERS LOCAL NO. 587

The Company agrees that in the Trailer Division Department the total number of employees in the Class "B" Electrical and Mechanical Maintenance Classification and Class "C" Maintenance Classification will not exceed the number of employees in the Class "A" Electrical and Mechanical Maintenance Classification.

TO BOILERMAKERS LOCAL NO. 587

It is the Company's intent that non-bargaining unit employees will generally perform no work of the type normally performed by bargaining unit employees.

TO BOILERMAKERS LOCAL NO. 587 LEADMAN

It is understood that a position of Leadman is hereby established. A Leadman shall not discipline or discharge or effectively recommend same. Leadman will receive at least a \$.50 per hour premium above their normal rate of pay.

**TO BOILERMAKERS LOCAL NO. 587
(OF FABRICATION, PT FABRICATION)**

It is agreed, that employees reduced to another classification in their department, or who are transferred to another department in accordance with any of the provisions mentioned in the preceding paragraph, retain recall rights to the department(s) from which they were laid off. That is, when additional personnel is needed in the department(s) from which such employees were laid off, said laid off employees will be offered, in seniority order, the opportunity to return to the classifications previously held and entry level jobs which they never held, in the reverse order of their layoff. Such offer of recall will be made whether the employee(s) was reduced to another classification in his department, reduced to a former department in which he held department seniority, transferred to a department in which he held no previous department seniority, or was laid off to the street.

It is understood that, as set forth above, the employee(s) described shall be offered the mentioned recall but will not be required to accept such recall to a department(s) from which laid off. In such cases, where the employee declines recall to a classification he previously held, he/she will lose all recall rights. In such cases, where the employee declines recall to an entry level classification he never held, he will lose recall rights to said entry level classification but will retain recall rights to classifications he previously held and recall rights to other entry level classifications he never held but to which he has not been offered recall. However, employment rights and seniority in the department where such laid off employee has been working while reduced from his permanent job classification, will be maintained and unaffected by said decline or recall to a classification(s).

**TO MACHINIST LOCAL NO. 1999
LEADMAN**

It is understood that a position of Leadman is hereby established. A Leadman shall not discipline or discharge or effectively recommend same. Leadman will receive at least a \$.50 per hour premium above their normal rate of pay.

**TO MACHINIST LOCAL NO. 1999
PROCEDURE FOR 2ND OR 3RD SHIFT TO MOVE TO
1ST SHIFT**

The penalty portion of this stipulation will not apply to any IAM bargaining unit employee who is actively employed on October 4, 1999. In order for a 2nd or 3rd shift employee to go to the 1st shift they can move laterally within any given classification, in order to exercise their departmental seniority, if they have a minimum of two (2) years on 2nd or 3rd shift. Before a 1st shift employee can accept a promotion by seniority, they must serve *two years on 2nd or 3rd shift. An exception of the two year requirement will be granted if an employee has received two bypasses for any job classification. A bypass will be granted to an employee when is eligible for a 1st shift job opening but is unable to receive it because of this letter of stipulation. All bypasses earned will be noted quarterly on seniority rosters. An employee classified as a Machinist on the night shifts would be allowed to make a lateral move within the "A" classification and maintain their Machinist's classification unless such move is to a Sykes or Fellows machine. Before a junior employee can be given preference in promotions over a senior employee, the junior employee must have at least two (2) years seniority on night shift. In all the above, Article 22 and Article 25, will still apply.*

**TO IAM AND AW LOCAL NO. 1999 AND FABRICATION
DEPARTMENT AND ELECTRICAL WELDING
(BOILERMAKERS LOCAL NO. 587)**

The Company will pay \$.50 per hour premium for operators of multiple machine tools. Multiple machine tools being defined as not more than three (3) machine tools. An additional \$.25 premium will be paid for each additional machine over three (3) operated.

**TO THE IAM & AW LOCAL NO. 1999
ASSEMBLY OPERATIONS CAREER PATH**

Two employee career paths have been established, Assembly Operations and Machine Operations. Machining is covered by another Letter of Stipulation.

The Assembly Career Path is now progressive with only the entry level job being posted. Progression through the other classifications will be based upon demonstrated ability. All progressive promotions to/on the day shift will be governed by provisions of Article 22 and the Letter of Stipulation of IAM Local 1999, "Procedure for Second and Third Shift to Move to First Shift."

If an employee is awarded a job bid to the Assembly Career Path from any outside classification they will be subject to a training program. During this time they will be classified as Assembler Trainee with a rate as stipulated in "RATES AND RANGES".

They will work in this "Trainee" program for a period not to exceed one year, during which time they will be considered for merit wage increases every three (3) months. If this employee is not performing satisfactorily, based on their ability to perform as defined in Article 22 to receive their second three (3) months merit increase, they will be removed from this classification. At the end of the one year period, or earlier, depending upon the job and the employee, this employee will be reclassified to the

entry level job with a rate of pay not less than the minimum of that bracket.

TO IAM LOCAL NO. 1999 MACHINE OPERATOR CAREER PATH

Two employee career paths have been established, Assembly Operations and Machine Operations. Assembly is covered by another Letter of Stipulation.

There are two ways to become classified as a Machinist. One is to be the regular (assigned) operator of certain machines (i.e. 3468, 3423, 3750, 3276, 8072, 0212, 3500, 4934, 4708, Integrex machines 6437 and 6168, precision lappers, gear hobs, and gear grinders). The other is by demonstrated performance in the set-up, operation, and satisfactory production on several of our more complicated machines.

Machine Operator jobs will continue to be posted except for gear hobs and grinders. As previously agreed to, Sykes generator operators will be considered when filling these jobs. If a Sykes Operator is not promoted to these jobs then the job will be posted.

If an employee is promoted to a Class "A", "B", "C", or Tool Room job from an outside classification other than one of these four they will be subject to a training program. During this time they will be classified as a Machine Operator Trainee with a rate as stipulated in "RATES AND RANGES". They will work in this "Trainee" program for a period not to exceed one year, during which time they will be considered for merit wage increases every three (3) months. If this employee is not performing satisfactorily, based upon their ability to perform as defined in Article 22, to receive their second three (3) months merit increase, they will be removed from this classification. At the end of this one year period, or earlier, depending upon the job and the employee, this employee will be reclassified and

placed in the bracket that they have been training for, with a rate of pay not less than the minimum of that particular bracket.

If an employee is promoted from "B", "C" or Tool Room operator bracket to any classification higher than their present classification where their rate of pay is not in the bracket to which they are promoted, they will be reclassified as a "Trainee" at their then existing rate of pay of a period for six months.

TO IAM LOCAL NO. 1999 DISTRIBUTION CAREER PATH

A career path has been established for the hourly employees assigned to warehouses or stores in Oilfield Machining and Power Transmission. This career path is valid for the Machine Shop roster and the Assembly and Shipping roster. The career path should promote the development of cross-functional employees fully capable of performing the activities related to shipping, receiving, warehousing and stores. Employees will work within the following classifications:

- Distribution Trainee (Outside/Transfer)
- Distribution Handler (Job Bid)
- Distribution Specialist (Performance Promotion)

The Distribution Career Path is now progressive with only the entry-level job, Distribution Handler, being posted. Progression to Distribution Specialist will be based on demonstrated ability and job assignment. All progressive promotions to the day shift will be governed by provisions of Article 22 of the contract and the Letter of Stipulation of IAM Local 1999, "Procedure for Second and Third Shift to Move to First Shift."

If an employee is awarded a job bid to Distribution Handler from any outside classification they will be subject to a training program. They will be classified as Distribution Trainee during this training program. The training program is for a period of one year or less, during which time the employee will be

considered for merit wage increases every three (3) months. If the employee is not performing satisfactorily, based on their ability to perform as defined in Article 22, to receive their second three (3) months merit increase, they will be removed from this classification. At the end of the one-year period, or earlier, depending upon the job and the employee, the employee will be reclassified as a Distribution Handler with a rate of pay not less than the minimum of that bracket.

**TO THE IAM LOCAL NO. 1999
HEAT TREAT CAREER PATH**

A career path has been established for Heat Treat. The only job that will be posted within the Heat Treat Career Path is Heat Treater. If an employee is awarded a job bid from outside the career path he/she will be subject to a training program.

TO THE IAM LOCAL NO. 1999

The Company agrees to post job bids prior to hiring non-entry classifications in accordance with the last sentence of Article 25, Section 1.

**TO THE IAM LOCAL NO. 1999
GEAR REPAIR**

The Company agrees that all first shift job openings will be posted and awarded in accordance with Article 25 of the contract.

**TO THE IAM LOCAL NO. 1999
GEAR REPAIR**

A Gear Repair bargaining unit employee working outside of the Lufkin area will receive a minimum of eight hours pay at straight time or pay for actual hours worked, whichever is

greater. Overtime pay will apply. A \$45 per diem will be paid when an overnight stay is required. All necessary expenses will be paid by the company.

EXHIBIT "A" RATES AND RANGES

FABRICATION DEPARTMENT

Classification	10/7/2002		10/6/2003		10/4/2004	
Belt Cover/Crank Guard Builder Burner	10.24	13.60	10.50	13.94	10.82	14.36
Class A	12.62	13.97	13.14	14.32	13.53	14.75
Class B	9.76	12.56	10.00	12.87	10.30	13.26
Crane Oper	10.04	13.22	10.29	13.55	10.60	13.96
Fork Lift Specialist	Max = 12.56		Max = 12.87		Max = 13.28	
Fork Lift Oper	9.76	11.69	10.00	11.98	10.30	12.34
Grinder Structural	9.76	11.16	10.00	11.44	10.30	11.78
Helper	8.40	10.84	8.40	11.11	8.40	11.44
Inspector	13.62	14.21	13.96	14.57	14.38	15.01
Laborer	8.40	9.76	8.40	10.00	8.40	10.30
Machine Operator Structural IV	9.76	13.85	10.00	14.20	10.30	14.63
Sheet Metal Worker	12.98	14.21	13.30	14.57	13.70	15.01
Parts Finisher						
Class A	12.98	13.72	13.30	14.06	13.70	14.48
Class B	9.08	12.87	9.31	13.19	9.59	13.59
Storekeeper	10.05	12.03	10.30	12.33	10.61	12.70
<u>Structural Worker</u>						
Class A	13.09	13.85	13.42	14.20	13.82	14.63
Class B	11.40	12.58	11.69	12.89	12.04	13.26
Truck/Trailer Oper	12.03	12.83	12.33	13.15	12.70	13.54
Welder						
Hot Gear Welder	Max =	15.10	Max =	15.48	Max =	15.94
Class A	9.76	13.85	10.00	14.20	10.30	14.63
<u>MAINTENANCE</u>						
Maintenance Mechanic Spec	14.08	16.06	14.43	16.46	14.86	16.95
<u>Maintenance Mechanic</u>						
Structural	12.56	14.08	12.87	14.43	13.26	14.86
Class B	9.76	12.55	10.00	12.86	10.30	13.25
Utility Maintenance						
Class A	13.63	14.08	13.97	14.43	14.39	14.86
Class B	11.70	13.62	11.99	13.96	12.35	14.38
Class C	8.40	11.69	8.40	11.98	8.40	12.34

**For the duration of this Collective Bargaining Agreement these machines shall be carried under the following Machine Operator classifications:*

Machine Operator Structural IV

1. Drill Saw #4623-4
2. Plane Processor #4627

3. Angleman #4602
4. T.D.K. Drill #4619
5. Kalenbach Saw #4544, #4545
6. Beamlane #4546

Machine Operator Structural III

1. DoAll Saw #4383, #4605
2. Press Brake #1013, #4409, #4333
3. Ironworker #4508

Machine Operator Structural II

1. Bertsch Roll #4125, #4134, #4415
2. Ironworker #4148, #4149, #4159, #4536, #4614, #4631
3. Plate Shear #4116, #4123, #4136, #4432, #4435, #4536
4. Press Brake #4059, #4141
5. Radial Drill #4120, #4151, #4168, #4204, #4283
6. Trumpf Nibbler #4144

Machine Operator Structural I

1. Bull Dozer #4114, #4610
2. Circular Saw #4617
3. DoAll Saw #4459, #4564
4. Duplicator #4609
5. Punch #4150, #4200
6. Vertical Drill #4162

ASSEMBLY AND SHIPPING DEPARTMENT

Classification		10/7/2002	10/6/2003	10/4/2004			
Assembly	Master	15.10	15.94	15.48	16.34	15.94	16.83
	Class I	14.08	15.10	14.43	15.48	14.88	15.94
	Class II	13.22	13.95	13.55	14.20	13.86	14.63
	Trainee	9.96	12.33	10.21	12.64	10.52	13.02
	Helper	8.50	11.44	9.74	11.73	10.03	12.08
Distribution	Specialist	11.11	12.98	11.39	13.30	11.73	13.70
	Handler	9.96	12.33	10.21	12.64	10.52	13.02
	Trainee	9.02	11.44	9.25	11.73	9.53	12.08
Crane Oper		10.04	13.22	10.29	13.55	10.80	13.98
Crane Oper (Mobile)		9.98	12.78	10.23	13.08	10.54	13.47
Fork Lift Oper		9.76	11.89	10.00	11.88	10.30	12.34
Helper		8.40	10.84	8.40	11.31	8.40	11.44
Inspector		13.62	14.08	13.96	14.43	14.38	14.86
Laborer		8.40	9.78	8.40	10.00	8.40	10.30
Painting	Finish Painter	12.98	13.22	13.30	13.55	13.70	13.96
	Spray Painter	9.08	12.87	9.31	13.19	9.59	13.59
	Painter/Cleaner	8.40	11.44	8.40	11.73	8.40	12.08

	10/7/2002		10/6/2003		10/4/2004	
MAINTENANCE						
Electrical Department						
Specialist	14.08	16.06	14.43	16.46	14.88	16.95
Electrician						
Class A	13.62	14.08	13.96	14.43	14.38	14.86
Class B	12.20	13.22	12.51	13.55	12.89	13.96
Class C	9.50	11.69	9.74	11.98	10.03	12.34
Electronics						
Technician	13.92	18.65	14.27	19.12	14.70	19.69
Trainee	10.84	13.58	11.11	13.92	11.44	14.34
Maintenance Mechanic						
Specialist	14.08	18.06	14.43	18.46	14.86	18.95
Class A	13.62	14.08	13.96	14.43	14.38	14.86
Class B	12.20	13.22	12.51	13.55	12.89	13.96
Class C	9.50	11.69	9.74	11.98	10.03	12.34
Pipefitter						
Class A	13.62	14.08	13.96	14.43	14.38	14.86
Class B	12.20	13.22	12.51	13.55	12.89	13.96
Class C	9.50	11.69	9.74	11.98	10.03	12.34

FOUNDRY DEPARTMENT

Classification	10/7/2002		10/6/2003		10/7/2004	
Casting Inspector	12.20	13.62	12.51	13.96	12.89	14.39
Casting Finisher	10.70	12.27	10.97	12.59	11.30	12.96
Casting Painter	10.70	12.27	10.97	12.58	11.30	12.96
Chip-Grind-Finish	10.70	12.62	10.97	12.83	11.30	13.21
Cleaning Machine Oper	10.70	12.45	10.97	12.76	11.30	13.14
Cleaning Room Specialist	12.82	13.74	13.14	14.08	13.53	14.50
Core Machine Operator						
Class A	12.15	13.10	12.45	13.43	12.82	13.83
Class B	10.80	12.05	11.07	12.35	11.40	12.72
Core/Mold Finisher	10.80	13.10	11.07	13.43	11.40	13.83
Coresetter	12.31	13.75	12.62	14.09	13.00	14.51
Coreless Furnace Oper	12.98	14.36	13.30	14.72	13.70	15.16
Crane Oper	11.69	13.22	11.98	13.55	12.34	13.96
Crane Oper Learner	10.04	11.69	10.29	11.98	10.60	12.34
Cupola Operator	12.98	14.36	13.30	14.72	13.70	15.16
DIF Shakeout Operator	10.70	11.93	10.97	12.23	11.30	12.60
Drill Press Operator	11.52	12.76	11.81	13.08	12.16	13.47
Fork Lift Specialist	Max =	12.56	Max =	12.87	Max =	13.26
Fork Lift Tow Motor Oper	9.34	11.70	9.57	11.99	9.86	12.35
Foundry Process Inspector	12.20	13.71	12.51	14.05	12.89	14.47
General Foundryman	8.40	10.54	8.40	10.80	8.40	11.12
Grit Blast Operator	10.70	11.93	10.97	12.23	11.30	12.60
Hydraulic Manipulator						
Operator	11.69	13.22	11.98	13.55	12.34	13.96
Operator Learner	10.04	11.69	10.29	11.98	10.60	12.34
Impact Mold Mach Spec	13.79	14.73	14.13	15.10	14.55	15.55

	10/7/2002		10/6/2003		10/7/2004	
Main Bay Mold Closer	10.70	11.93	10.97	12.23	11.30	12.60
Master Foundryman	14.18	15.28	14.51	15.64	14.95	15.11
Melter						
Class A	12.70	13.17	13.02	13.50	13.41	13.91
Class B	10.00	12.68	11.07	13.00	11.40	13.39
Molding Machine Operator						
Class A	12.15	13.10	12.45	13.43	12.82	13.83
Class B	10.80	12.05	11.07	12.35	11.40	12.72
Mullor Oper Class A	10.84	12.98	11.11	13.30	11.44	13.70
Sand Reclaimer Oper	12.03	12.98	12.33	13.30	12.70	13.70
Shakeout Oper	10.70	11.93	10.87	12.23	11.30	12.60
Shipping/Receiving Oper	10.05	12.03	10.30	12.33	10.61	12.70
Storekeeper	10.05	12.03	10.30	12.33	10.61	12.70
Welder						
Class A	12.85	13.62	13.17	13.96	13.57	14.38
	(\$0.20 added in accordance with Letter #3)					
Class B	11.39	12.56	11.67	12.87	12.02	13.26
MAINTENANCE						
Electronics Tech	13.92	18.66	14.27	19.12	14.70	19.89
Electrician						
Class A	13.62	14.50	13.98	14.86	14.38	15.31
Class B	12.20	13.22	12.51	13.55	12.89	13.96
Master Maintenance Spec	17.61	21.00	17.95	21.53	18.49	22.18
Master Maintenanceman	14.08	16.87	14.43	17.09	14.86	17.60
Master Mechanic	14.08	15.31	14.43	15.89	14.86	16.16
Foundry Mechanic						
Class A	12.89	14.50	12.90	14.86	13.29	15.31
Class B	11.85	12.45	12.15	12.76	12.51	13.14
HVAC Specialist	13.62	14.63	13.96	15.00	14.38	15.45
Maint Helper	9.72	11.89	9.66	11.98	10.26	12.34
Pipe Fitter						
Class A	13.62	14.08	13.96	14.43	14.38	14.86
Class B	12.20	13.22	12.51	13.55	12.89	13.96

PATTERN SHOP DEPARTMENT

Classification	10/7/2002		10/6/2003		10/4/2004	
Gen Foundryman	8.40	10.54	8.40	10.80	8.40	11.12
Master Pattern Maker	18.60	18.89	17.02	17.41	17.53	17.93
Pattern Maker						
Metal Class A	12.98	16.04	13.30	16.44	13.70	16.93
Metal Class B	10.68	12.85	10.84	13.17	11.17	13.57
Wood Class A	12.98	16.04	13.30	16.44	13.70	16.93
Wood Class B	10.68	12.85	10.84	13.17	11.17	13.57
Wood Apprent	9.47	10.48	9.71	10.72	10.00	11.04
Pattern Tender						
Class A	10.72	12.58	10.99	12.87	11.32	13.26
Class B	8.40	10.72	8.40	10.99	8.40	11.32

MACHINE SHOP DEPARTMENT

Classification		10/7/2002	10/8/2003	10/4/2004		
Assembly						
PT						
	Master	15.10	15.94	15.48	16.34	15.94 16.83
	Comm Gear Assemb	14.08	15.10	14.43	15.48	14.86 15.94
	Welder	14.08	15.10	14.43	15.48	14.86 15.94
	IGBW	14.08	15.10	14.43	15.48	14.86 15.94
	Class A	12.98	13.22	13.30	13.55	13.70 13.96
	Trainee	9.96	12.33	10.21	12.64	10.52 13.02
	Helper	9.50	11.44	9.74	11.73	10.03 12.08
OF						
	Master	15.10	15.94	15.48	16.34	15.94 16.83
	Class I	14.08	15.10	14.43	15.48	14.86 15.94
	Class II	13.22	13.85	13.55	14.20	13.96 14.63
	Trainee	9.96	12.33	10.21	12.64	10.52 13.02
	Helper	9.50	11.44	9.74	11.73	10.03 12.08
Painting						
	Finish Painter	12.98	13.22	13.30	13.55	13.70 13.96
	Spray Painter	9.08	12.87	9.31	13.19	9.59 13.59
Crane Oper (Cab Type only)		10.04	13.22	10.29	13.55	10.50 13.96
Distribution						
	Specialist	11.11	13.29	11.39	13.62	11.73 14.03
	Handler	9.96	12.33	10.21	12.64	10.52 13.02
	Trainee	9.02	11.44	9.25	11.73	9.53 12.08
Heat Treat						
Blacksmith						
	Master Heat Spec	15.10	15.94	15.48	16.34	15.94 16.83
	Master Heat Treater	12.51	13.85	12.82	14.20	13.20 14.63
	Heat Treater	11.04	13.22	11.32	13.55	11.66 13.96
	Heat Treat Trainee	9.02	11.69	9.25	11.98	9.53 12.34
Inspector Spec		12.20	15.10	12.51	15.48	12.89 15.94
Inspector		12.20	14.08	12.51	14.43	12.89 14.86
Laborer		8.40	9.76	8.40	10.00	8.40 10.30
Machining						
Machinist		14.08	15.94	14.43	16.34	14.86 16.83
Machine Operator						
	Class A	12.74	13.85	13.06	14.20	13.45 14.63
	Class B	12.30	13.22	12.81	13.55	12.99 13.96
	Class C	11.84	12.98	12.14	13.30	12.50 13.70
	Mach Oper Trainee,					
	A B C Tool Room	9.96	12.33	10.21	12.64	10.52 13.02
	Machinist Helper	9.02	11.69	9.25	11.98	9.53 12.34
Mazak Operator		12.74	14.32	13.06	14.68	13.45 15.12
Setup Man		13.22	14.45	13.55	14.81	13.96 15.25
Tool Room						
	Master Tool Maker	14.08	15.10	14.43	15.48	14.86 15.94
	Tool Maker	13.62	13.83	13.96	14.18	14.38 14.61
	Tool Grinder Class A	10.34	13.62	10.60	13.96	10.92 14.38
Truck-Trail Oper		12.03	12.83	12.33	13.15	12.70 13.54

	10/7/2002	10/8/2003	10/4/2004
MAINTENANCE			
Electrical Department			
Specialist	14.08	16.06	14.43 16.46
Electrician			14.86 16.85
Class A	13.92	14.08	13.96 14.43
Class B	12.20	13.22	12.51 13.55
Class C	9.50	11.69	9.74 11.98
Electronics			
Technician	13.92	18.85	14.27 19.12
Trainee	10.84	13.58	11.11 13.92
Maintenance Mechanic			
Specialist	14.08	16.06	14.43 16.46
Class A	13.62	14.08	13.86 14.43
Class B	12.20	13.22	12.51 13.55
Class C	9.50	11.69	9.74 11.98
Pipe Fitter			
Class A	13.62	14.08	13.86 14.43
Class B	12.20	13.22	12.51 13.55
Class C	9.50	11.69	9.74 11.98
Utility Maintenance			
Class A	13.63	14.08	13.87 14.43

**For the duration of this Collective Bargaining Agreement these machines shall be carried under the following Machine Operator classifications.*

Machine Operator Class A

1. *Planer Type Milling Machine #206, #318, #359, #591*
2. *#195, #250, #333, #381, #382, #398 & Jig Department Lathes*
3. *#222, #276, #303, #423, #468, #469, #475, #538, #539, #586, and Jig Department G & I, #8072*
4. *Ballards*
5. *Gear Cutters (Large Sykes 4" or larger) and #250*
6. *#270, #293, #294, #352, #421, #502*
7. *Fellows, Hobbing Machine, Gear Grinder & Gear Lappers*
8. *#152, #242, #264, #300, #344, #345, #361, #417, #418, #528, #529 Grinders*
9. *Layout*
10. *#174, #312, #372, #388 and #457 Turret Lathes*
11. *Cincinnati #8630*
12. *Cincinnati #7948*
13. *Chucker #407*
14. *Internal Grinder #490*
15. *Ram-Type Screw Machine #208*
16. *Gear Cutters (Small Sykes)*

Machine Operator Class B

1. Chuckers #371, #373, #413, and #414
2. Ingersoll Milling Machine #181
3. #323 & #551 Cylindrical Grinders and #298 Center Hole Grinder
4. Horizontal Boring Mills #199, #441, #493, #497, #501, #520
5. #255, #403, #488 Tape Drill
6. #274 Burgmaster, #145, #207, #332, #374, #389, #433, #496, #576
7. Ram-Type Screw Machine (2 in Pipe House) #347
8. G & I, Vertical Tape drill #8073
9. #324, #464

Machine Operator Class C

1. Cincinnati Keyway Machine, Keyseater, Broach #55, #8909, #9443, Shaper
2. Hydraulic Planer
3. Small Milling Machine and #447
4. Moline #380
5. #189 Boring Bar and #182 Home
6. #438 Lathe (H.S. Gears)
7. #244, #391, #513, Tape Drills, Large Multi-Spinule Drill Presses, Small Drill Presses
8. Radial Horizontal Drills
9. #430 Centering Machines
10. #143, #387, #484, Hacksaws, Do-All Saws
11. #238 Horizontal Boring Machine
12. Disc Grinder and #327 Surface Grinder
13. Threading Machines, #355, Sere Machines, #258 Tap Extractor
14. Ingersoll Milling Machine, #343, #443

Marak Operator

1. #9763, #9769, #9770, #9771, #6461

TRAILER DEPARTMENT

Classification	10/7/2002		10/6/2003		10/4/2004	
Shot Blast Operator	11.22	12.58	11.50	12.89	11.85	13.28
Cleaner-Grinder	9.79	10.34	10.03	10.80	10.33	10.92
Spotter Driver Oper	10.02	12.58	10.27	12.89	10.58	13.28
Fork Lift Oper	9.19	11.89	9.42	11.88	9.70	12.34
Helper	8.40	9.76	8.40	10.00	8.40	10.30
Inspector	12.19	14.08	12.49	14.43	12.86	14.86
Jigs & Fixtures Bldr	11.18	13.21	11.46	13.54	11.80	13.95
Machine Operator						
CNC	13.28	13.83	13.59	14.18	14.00	14.61
Decoil	11.87	13.09	12.17	13.41	12.54	13.81
Side Machine	13.62	13.83	13.96	14.18	14.38	14.61
Specialist	12.62	13.22	12.94	13.55	13.33	13.96
Class A	11.44	12.58	11.73	12.89	12.08	13.28
Class B	10.06	11.40	10.31	11.68	10.62	12.04

		10/7/2002	10/6/2003	10/4/2004		
Material Handler	Specialist	11.28	13.18	11.56	13.51	11.91 13.92
	Class A	10.02	12.58	10.27	12.89	10.58 13.28
	Class B	9.19	10.24	9.42	10.50	9.70 10.82
Painter	Touch-up Specialist	12.89	13.62	13.21	13.96	13.61 14.38
	Finish Painter	12.65	13.22	12.97	13.55	13.36 13.96
	Class A	11.44	12.99	11.73	13.30	12.09 13.70
	Class B	10.06	11.40	10.31	11.69	10.62 12.04
Trailer Builder	Specialist	12.65	13.22	12.97	13.55	13.36 13.96
	Class A	11.22	12.58	11.50	12.89	11.85 13.28
	Class B	10.06	11.16	10.31	11.44	10.62 11.78
Welder	Specialist	12.89	13.62	13.21	13.96	13.61 14.38
	Class A	11.44	12.58	11.73	12.89	12.09 13.28
	Class B	10.42	11.16	10.68	11.44	11.00 11.78

MAINTENANCE

Electronics

Technician	Technician	13.92	17.43	14.27	17.87	14.70 18.41
	Trainee	10.84	13.58	11.11	13.92	11.44 14.34
Electrician	Class A	13.62	14.08	13.96	14.43	14.38 14.86
	Class B	12.03	13.22	12.33	13.55	12.70 13.96
Mechanic	Class A	12.66	14.08	13.00	14.43	13.39 14.86
	Class B	11.70	13.22	11.99	13.55	12.35 13.96
	Class C	9.78	11.69	10.02	11.66	10.32 12.34

GEAR REPAIR DEPARTMENT

Classification	10/7/2002	10/6/2003	10/4/2004
Gear Repair Specialist	10.23 15.94	10.49 15.34	10.80 18.83

EXHIBIT "B"

ATTENDANCE PROGRAM

Policy:

Attendance and punctuality are important considerations in your progress with the Company. Excessive absenteeism is one of our most serious plant problems. Absenteeism is very costly, not only to the employer, but to the employee as well. It disrupts work schedules, causes a breakdown in work accomplishments, imposes added supervisory workloads, and increases payroll costs through necessary overtime. Tardiness and leaving early is also a serious plant problem for the same reasons.

It is recognized that a reasonable amount of absence due to illness, injury or emergency reasons is normal. On the other hand, the Company is entitled to regularity in the attendance of its employees, and disciplinary action is proper for failure to adhere to a reasonable attendance standard. With this concept in mind, the following Attendance Program has been developed. This program is a part of the Collective Bargaining Agreement and has no effect on the Plant Rule Book.

Procedure:

- I.
 - A. Beginning April 1, 1979 the Company has maintained specific records as to the number of absences accumulated by each employee.

Absence Occurrence: If an employee is absent for one (1) working day or if an employee is absent for any number of consecutive working days for the same reason, the employee will be charged with one (1) absence occurrence. (Example: If an employee is absent for three (3)

consecutive working days for the same reason, the employee will be charged with one (1) absence occurrence.) (See Section VI.)

B. Exceptions: Absences for any one of the following reasons shall not be considered an absence occurrence.

1. Industrial Injury
2. Paid Vacation or Holiday
3. Jury Duty or Company Approved Activity
4. Military Duty
5. Death in the Employee's Immediate Family *
6. Union Business as Approved by the Company Including Leaves of Absence as Stated in the Collective Bargaining Agreement
7. Summoned or Subpoenaed to Attend a Legal Proceeding
8. Employee Illness or Injury Requiring Medical Treatment by a Licensed Practitioner or Physician Confirmed by a Written Report Stating the Date(s) of Treatment and Date of Release
9.
 - A. Illness or Injury Requiring Hospital Confinement of an Employee's Immediate Family.
 - B. Time Off Before and After Hospital Confinement of a Spouse due to Pregnancy if Directly Related to the Pregnancy Confinement.
 - C. Illness or Injury of an Employee's Spouse or Children of an Emergency Nature Requiring the Services of a Licensed Practitioner or Physician but not Requiring Hospitalization.
10. Disciplinary Layoffs
11. Absences due to roads closed by order of authority, will also be an excused absence.

- * **Immediate Family:** Shall include the employee's spouse, children, stepchildren, parents, parents-in-law, brothers, sisters, grandparents and grandchildren.

Any employee who is absent for any one of the eleven (11) reasons and desires that absence not be considered as an *Absence Occurrence*, must present *satisfactory evidence* to his immediate supervisor to substantiate his claim upon returning to work following such absence. (Forms for this purpose are available from the shop foreman and the Personnel Department.) If the employee does *not* present evidence that he was absent for one of these eleven (11) reasons, the absence will be recorded as an *Absence Occurrence*.

- C. **Earned Credits:** Employees may improve their record of absenteeism through improved attendance. For each calendar month of perfect attendance*, an employee will be given one (1) credit which can be accumulated or applied against prior Absence Occurrences. The accumulation of credits shall be limited to a maximum total of six (6) at any one time.

- * **Perfect Attendance** means no absences and no tardies or left earlies except jury duty and vacation. Absences or tardy/leaving earlies covered by the other nine (9) exceptions will not cause an employee to lose a credit, but will prevent the employee from earning a credit for the month in which the absence or tardy/leaving early occurs.

- D. As an employee's absences reach certain preselected points, the following action shall be taken:

1. Whenever an employee accumulates two (2) absence occurrences (in excess of earned credits) the immediate supervisor shall issue a written warning.
2. Whenever an employee accumulates three (3) absence occurrences (in excess of earned credits) the immediate supervisor shall issue a written warning with notice that the next such occurrence will be grounds for a three (3) day layoff.
3. Whenever an employee accumulates four (4) absence occurrences (in excess of earned credits) the immediate supervisor shall issue a three (3) day layoff.
4. Whenever an employee accumulates five (5) absence occurrences (in excess of earned credits) the immediate supervisor shall issue a five (5) day layoff.
5. Whenever an employee accumulates six (6) absence occurrences (in excess of earned credits) the immediate supervisor shall issue a termination of employment notice.

II.

- A. Beginning April 1, 1979 the Company has maintained specific records as to the number of instances of tardiness and leaving early (even though authorized), accumulated by each employee.

Tardy or Leaving Early Occurrence: If an employee is tardy or leaves early for any reason, he will be charged with one (1) occurrence, even through it may be removed after satisfactory evidence shows it to be one of the eleven (11) exceptions.

B. Exceptions: Tardiness and Leaving Early for any one of the following reasons shall not be considered an occurrence:

1. Industrial Injury
2. Paid Vacation or Holiday
3. Jury Duty or Company Approved Activity
4. Military Duty
5. Death in the Employee's Immediate Family *
6. Union Business as Approved by the Company Including Leaves of Absence as Stated in the Collective Bargaining Agreement
7. Summoned or Subpoenaed to Attend a Legal Proceeding
8. Employee Illness or Injury Requiring Medical Treatment by a Licensed Practitioner or Physician Confirmed by a Written Report Stating the Date(s) of Treatment and Date of Release
9.
 - A. Illness or Injury Requiring Hospital Confinement of an Employee's Immediate Family.
 - B. Time Off Before and After Hospital Confinement of a Spouse due to Pregnancy if Directly Related to the Pregnancy Confinement.
 - C. Illness or Injury of an Employee's Spouse or Children of an Emergency Nature Requiring the Services of a Licensed Practitioner or Physician but not Requiring Hospitalization.
10. Disciplinary Layoffs
11. Absences due to roads closed by order of authority, will also be an excused absence.

* Immediate Family: Shall include the employee's spouse, children, stepchildren, parents, parents-in-law, brothers, sisters, grandparents and grandchildren.

Any employee who is tardy or who leaves early for one of these eleven (11) reasons and who desires that it not be considered as an occurrence, must present satisfactory evidence to his immediate supervisor to substantiate the claim upon returning to work following such absence. (Forms for this purpose are available from the shop foremen and the Personnel Department.) If the employee does not present evidence that the tardy or left early was for one of these eleven (11) reasons, the absence will be recorded as a tardy/left early occurrence.

C. **Earned Credits:** Employees may improve their record of tardiness and leaving early through improved performance. For each calendar month of perfect attendance*, an employee will be given one (1) credit which can be accumulated or applied against prior tardiness or leaving early occurrences. The accumulation of credits shall be limited to a maximum total of six (6) at any one time.

* Perfect Attendance means no absences and no tardies or left earlies except jury duty and vacation. Absences and tardies/leaving earlies covered by the other nine (9) exceptions will not cause an employee to lose a credit, but will prevent the employee from earning a credit for the month in which the absence or tardy/leaving early occurs.

D. As an employee's tardiness and leaving early occurrences reach certain pre-selected points, the following action shall be taken:

1. Whenever an employee accumulates four (4) occurrences of tardiness and/or leaving early (in excess of earned credits) the immediate supervisor shall issue a written warning.

2. Whenever an employee accumulates five (5) occurrences of tardiness and/or leaving early (in excess of earned credits) the immediate supervisor shall issue a written warning with notice that the next such occurrence will be grounds for a three (3) day layoff.
3. Whenever an employee accumulates six (6) occurrences of tardiness and/or leaving early (in excess of earned credits) the immediate supervisor shall issue a three (3) day layoff.
4. Whenever an employee accumulates seven (7) occurrences of tardiness and/or leaving early (in excess of earned credits) the immediate supervisor shall issue a five (5) day layoff.
5. Whenever an employee accumulates eight (8) occurrences of tardiness and/or leaving early (in excess of earned credits) the immediate supervisor shall issue a termination of employment notice.

III.

The Program shall be administered so that when an employee leaves early one (1) day, and is also absent all, or a portion of the next regularly scheduled workday for the same reason, if the combined hours of absence equal eight (8) or more, the employee will be charged only with one (1) absence occurrence for the total period of absence. If the employee is absent less than a combine total of eight (8) hours, he/she will be charged only with one (1) late/left early occurrence.

IV.

Scheduled overtime will be treated as any other workday so far as being absent, tardy or leaving early is concerned.

V.

This Program is designed to provide for bonafide illness, injury and emergency reasons for absence. Employees whose records indicate excessive absence, not otherwise covered by the program will be subject to the following disciplinary action:

1. Any employee who receives a combined total of three (3) written attendance warnings for absences and/or tardy/leaving earlys within a twelve (12) month period* will receive a three (3) day layoff.
2. The 4th written attendance warning within a twelve (12) month period* will result in the employee receiving a five (5) day layoff.
3. The 5th written attendance warning within a twelve (12) month period* will result in the employee being terminated.
4. Any employee who receives three (3) layoffs under the Attendance Program within a twelve (12) period* will be terminated.

* Twelve (12) month period refers to the immediately preceding 365 days starting from the date of occurrence. The accumulation of warnings for this portion of the Attendance Program will begin January 1, 1984.

VI.

Employees unable to report for work at their regularly scheduled working time because of illness or other unavoidable cause, must notify their foreman or department head by telephone or messenger in advance of

their regularly scheduled starting time or, as soon thereafter as may be practical under the circumstances. If any employee should be absent for a period of three (3) consecutive days, without calling in, he shall be deemed to have terminated their employment.

VII.

Vacations can normally be granted in lieu of absence occurrences upon request up to the starting time of the work shift provided the employee has accrued vacation time and the absence is not detrimental to production requirements. The request must be made to the employee's supervisor or general foreman.

VIII.

Any employee who receives a disciplinary layoff under the current Attendance Program will be placed into a the Strict Attendance Program as follows:

The Strict Attendance Program means that whenever an employee accumulates one (1) unexcused occurrence (other than a tardy or leave early) within a six (6) month period the immediate supervisor shall issue a termination of employment notice. For purposes of this Strict Attendance Program, the eleven (11) "Exceptions" listed previously under Section I B of the Attendance Program will be excused.

Employees who satisfactorily complete the six (6) month period shall be returned to the regular absentee control program plan for coverage with credits earned for the previous six (6) months.

Any employee who is returned to the strict attendance status within two (2) years from the date he completed the period, shall have his new period doubled to twelve (12)

months. Any employee who qualifies a third time as an employee with a severe attendance record of any kind shall be terminated due to unsatisfactory attendance.

EXHIBIT "C"
SCHEDULE OF BENEFITS

TYPE OF SERVICE	NETWORK	OUT-OF-NETWORK
GENERAL PROVISIONS Calendar Year Deductible (Applies to Non-Japanese Hospital Services) Co-insurance Maximum Co-insurance (Maximum per Participant)	\$250 Indiv/\$500 Family \$4,000 Indiv/\$18,000 Family per cal. yr. <i>Network deductible and co-insurance will only apply toward Network deductible and co-insurance</i>	\$500 Indiv/\$1,500 Family \$12,000 Indiv. \$16,000 Family per cal. yr. <i>Out-of-Network deductible and co-insurance will also apply toward Network deductible and co-insurance</i>
INPATIENT HOSPITAL SERVICES (must be pre-authorized) Per Admission Deductible Penalty for Failure to Pre-notify	80% (no cal. yr. ded.) None None	40% after per adm. Deductible \$150 \$250
EMERGENCY ROOM/STAY/INPATIENT ROOMS Accident & Medical Emergency Situations within 96 Hours Facility Charges Physician Charges Non-Emergency Situations Facility Charges Physician Charges	80% after \$75 copay, waived if admitted 80% after cal. yr. deductible 80% after \$20 copay, waived if admitted 80% after cal. yr. deductible	40% after per adm. Deductible 40% after \$75 copay & cal. yr. deductible, waived if admitted 60% after cal. yr. deductible
MEDICAL-SURGICAL SERVICES Services Performed in Physician Office (non-surgical), Including Lab & X-ray Investigations (both in the day of the 0 th hospital) Physician Surgical Services in amb. Setting, Lab & X-Ray in Other Outpatient Facilities • All Knee/Shoulder Arthroscopies, Bone Scans, Cardiovascular Stress Tests, CT Scans • Cardiac Ultrasound, Endoscopic Procedures, MRIs, Myelogram & PET Scans • Other Diagnostic Medical Services Home Infusion Therapy (must be pre-authorized)	100% after \$20 copay per visit 100% 80% after cal. yr. deductible 80% after cal. yr. deductible 100% 80% after cal. yr. deductible	60% after cal. yr. deductible 100% Out-of-Net. 60% after cal. yr. deductible 60% after cal. yr. deductible 60% after cal. yr. deductible 60% after cal. yr. deductible
Chiropractic Care Office Services All Other Outpatient Services and Supplies	80% after cal. yr. deductible 20 sessions per cal. yr. \$25 per session allowed. All Other Physical Rehabilitation Services rendered by any other eligible Provider will be allowed on the same basis as any other services. 80% after cal. yr. deductible	60% after cal. yr. deductible 20 sessions per cal. yr. \$25 per session allowed 60% after cal. yr. deductible

TYPE OF SERVICE	NETWORK	OUT-OF-NETWORK
PREVENTIVE CARE Routine Physicals, Well Baby Care, Communications (after 5 th birthday), Vision Exams	100% after \$20 copay per visit	60% after cal. yr. deductible
EXTENDED CARE SERVICES (must be pre-certified) Home Health Care Calendar Year Maximum Skilled Nursing Facility Hospice Care	100% \$10,000 per cal. yr. \$10,000 per cal. yr. \$20,000 lifetime max. <i>Benefits used in Network or Out of Network apply towards cal. (during both measurement)</i>	60% after cal. yr. deductible \$6,000 per cal. yr. \$6,000 per cal. yr. \$12,000 lifetime max.
MENTAL HEALTH/CHEMICAL DEPENDENCY (must be pre-certified) Inpatient Services Hospital Services (Facility) Physician Services Calendar Year Limitations Outpatient Services Office Visit/Consultation Professional Provider/Facility Visit Allowed Chemical Dependency Lifestyle Restrictions	50% 80% after cal. yr. deductible 20 inpatient days/30 physician visits <i>Days and visits used in Network or Out of Network apply towards carrying local maximum.</i> 100% after \$20 copay 80% after cal. yr. deductible 30 outpatient visits per cal. yr. \$15,000	60% after per cal. deductible 60% after cal. yr. deductible 15 inpatient days/15 physician visits 60% after cal. yr. deductible 40% after cal. yr. deductible 20 outpatient visits per cal. yr. \$10,000
SERIOUS MENTAL ILLNESS (must be pre-certified) Inpatient Services Hospital Services (Facility) Physician Services Calendar Year Limitations Outpatient Services Office Visit/Consultation Professional Provider/Facility Number of Outpatient Visits	50% 80% after cal. yr. deductible 100% after \$20 copay 80% after cal. yr. deductible 60 visits per cal. yr.	60% after per cal. deductible 60% after cal. yr. deductible 45 inpatient days/15 physician visits 60% after cal. yr. deductible 60% after cal. yr. deductible 80 visits per cal. yr.

TYPE OF SERVICE	PARTICIPATING PHARMACY	NON-PARTICIPATING PHARMACY (whenever first choice)
Prescription Drug Program (coverage will not apply to separate prescriptions)		
Separate Category 1 use Drug Deductible:	\$60 (60% / \$100 Family)	
Brand Name:	\$25 copay when no generic is available or prescribed "Expense As Written" (EAW)	60% up to Average Wholesale Price minus copay
Generic:	\$8 copay	80% up to Average Wholesale Price minus copay
<i>Members electing to purchase brand name drugs when "Expense as Written" (EAW) is not authorized will be required to pay the difference between the cost of the generic brand name drug plus the brand name copay.</i>		

EMPLOYEE INFORMATION:

- This is a general summary of your benefit design. Please refer to your benefits booklet for more details and for limitations and exclusions.
- The following benefits apply to dependent coverage:
 - Dependent children are covered until age 19, or 25 if a full-time student.
 - Automatic coverage for newborns for the first 31 days following birth. Infants not enrolled for coverage within the first 31 days after birth will not be eligible for coverage until the following open enrollment period or special enrollment event.
- Provider charges are paid according to the Third Party Administrator's determined Allowable Amount and negotiated prices.
- Preexisting conditions are defined in the benefit booklet and are excluded for 12 months. Appropriate credits will be given for time served under another health benefit plan as defined under the law.
- Replacement of Medical Coverage: The following provisions apply to each eligible participant who has health coverage under the employer's plan immediately prior to the effective date of the health contract between the employer and the Third Party Administrator (the contract date):
 - Benefits for eligible expenses incurred for any services or supplies prior to the contract date, are not covered under the contract.
 - Eligible expenses for services or supplies incurred on or after the effective date will be considered for benefit subject to all applicable contract provisions.