

## MEMORANDUM ON EMPLOYMENT SECURITY

This Employment Security Plan (hereinafter, the "Plan") shall become effective on the Effective Date of the Agreement as set forth in Article XXIX, Section A(1), but subject to the terms and conditions of the Memorandum on Return to Work, and shall continue in full force and effect through and including the Termination Date of the Agreement, as set forth in Article XXIX, Section A(2).

- A. For the purposes of this Plan, Employment Security during the term of this Agreement is defined as a guarantee that no eligible plan employee will be laid off and each will be given the opportunity for 40 hours of work during each workweek. Hours paid but not worked (such as vacation, holidays, bereavement, and jury duty) and other hours not worked in any week due to employee action or discipline for cause will count toward the 40-hour work opportunity.
- B. Each employee who was employed by the Company in the bargaining unit as it existed on February 28, 2006 and returns to active employment on or after October 1, 2006 is eligible for Employment Security, except as provided in Paragraph D below.
- C. Employee(s) covered by this Plan will lose eligibility due to discharge for just cause and due consideration, as set forth in Article XI of the Agreement, or by reason of retirement, quit, death, or application of Paragraph D below.
- D. Employment Security for all covered employees shall continue unless and until one of the following events occurs:
  - i. A natural disaster, act of God, or governmental order which interferes with the continued operation of the department, facility or operation of the plant in which the employee is assigned. In such event, the Company may suspend Employment Security for those employees directly and immediately affected by the natural disaster, act of God, or governmental order. The Company shall return the affected employees to Employment Security eligibility upon restart of the department, operation or facility.
  - ii. After the filing of a petition in bankruptcy for reorganization or liquidation, if and only if the Court issues a final order allowing or directing the rejection of the Employment Security Plan. The Employment Security Plan shall remain in full force and effect pending the final decision of the Court, and any appeal therefrom, unless otherwise agreed to by the parties.
  - iii. In the event of severe financial difficulty short of bankruptcy, this Plan may be suspended, but only for the duration of such severe financial difficulty. Such severe financial difficulty must represent a clear and present danger to the Company's viability. Severe financial difficulty under this paragraph includes, but is not limited to, default on a loan agreement, or significant deterioration of equity in the Company. If a dispute arises regarding whether a severe financial difficulty