

AK Steel Corporation

Company Proposal

February 28, 2007

TABLE OF CONTENTS

ARTICLE I - PURPOSE AND SCOPE	1
(TENTATIVELY AGREED)	1
ARTICLE II - RECOGNITION	3
(TENTATIVELY AGREED)	3
ARTICLE III - UNION MEMBERSHIP AND DUES OR SERVICE CHARGE	5
(TENTATIVELY AGREED)	5
ARTICLE IV - WORK STOPPAGES	7
(TENTATIVELY AGREED)	7
ARTICLE V - MANAGEMENT	8
(TENTATIVELY AGREED)	8
ARTICLE VI - REPRESENTATION	9
ARTICLE VII - GRIEVANCE PROCEDURE	13
(TENTATIVELY AGREED)	13
ARTICLE VIII – SENIORITY	23
ARTICLE IX - NON-DISCRIMINATION AND CIVIL RIGHTS	45
(TENTATIVELY AGREED)	45
ARTICLE X - MEDICAL	47
(TENTATIVELY AGREED)	47
ARTICLE XI - DISCHARGES AND DISCIPLINARY SUSPENSIONS	54
(TENTATIVELY AGREED)	54
ARTICLE XII - WORKPLACE RESTRUCTURING: ECONOMIC OPPORTUNITY	60
ARTICLE XIII – WORKPLACE RESTRUCTURING: IMPLEMENTATION AND TRAINING	75
ARTICLE XIV – HOURS OF WORK	79
(TENTATIVELY AGREED)	79
ARTICLE XV - OVERTIME AND ALLOWED TIME	81
(TENTATIVELY AGREED)	81
ARTICLE XVI - HOLIDAY COMPENSATION	87
(TENTATIVELY AGREED)	87

ARTICLE XVII - HOURLY VACATIONS	90
ARTICLE XVIII - PENSIONS	96
(NEW).....	96
ARTICLE XIX - 401(K) AND THRIFT PLAN	101
(TENTATIVELY AGREED).....	101
ARTICLE XX - INSURANCE.....	102
(NEW).....	102
ARTICLE XXI - SUPPLEMENTAL UNEMPLOYMENT BENEFITS.....	107
(TENTATIVELY AGREED).....	107
ARTICLE XXII - SEVERANCE ALLOWANCES.....	108
(TENTATIVELY AGREED).....	108
ARTICLE XXIII - MILITARY SERVICE.....	111
(TENTATIVELY AGREED).....	111
ARTICLE XXIV - SAFETY AND HEALTH.....	112
(TENTATIVELY AGREED).....	112
ARTICLE XXV - CONTRACTING OUT.....	116
ARTICLE XXVI - WORKFORCE REVITALIZATION.....	117
ARTICLE XXVII - ALCOHOL AND SUBSTANCE ABUSE POLICY.....	118
(TENTATIVELY AGREED).....	118
ARTICLE XXVIII - PRIOR AGREEMENTS	122
ARTICLE XXIX - TERMS OF AGREEMENT	123
(NEW).....	123

**Agreement Between
AK Steel Corporation
And
International Association of Machinists
And Aerospace Workers, AFL-CIO
And Local Lodge 1943**

This Agreement, dated **March 15, 2007**, is entered into between AK Steel Corporation (and any present or future subsidiary which has members represented by the Union at a plant covered by this Agreement) hereinafter referred to as the "Company" for its Middletown Works, and International Association of Machinists and Aerospace Workers, AFL-CIO, and Local Lodge 1943, hereinafter referred to as the "Union."

**ARTICLE I - PURPOSE AND SCOPE
(Tentatively Agreed)**

Section A - Coverage

1. This Agreement sets forth the provisions relating to wages, hours of work, pensions, social insurance, working conditions and certain other conditions of employment to be observed by the parties hereto and the procedures for the prompt, equitable adjustment of alleged grievances.
2. It is the purpose of the parties hereto to give recognition to their mutual desire for industrial harmony; to secure and sustain maximum employment and maximum effectiveness and cooperation.
3. In referring to employees, the masculine gender is used for convenience only and shall refer to both males and females.

Section B - Bargaining Unit

The term "employees" as used in this Agreement shall include all regularly scheduled full and part time production and maintenance employees at the Middletown Works, including all hourly paid clerks, janitors in the plant main offices, fire extinguisher servicemen, and occasional, irregular and substitute foremen, when filling production and maintenance jobs, but excluding plant protection employees, timekeepers, employees in the first aid and medical departments, all employees in the general office, all employees in the main office of each plant except those specifically included in the unit, all salaried employees, co-op student employees, part time employees not regularly scheduled, senior mill clerks, foremen, assistant foremen, and all other supervisors as defined in the National Labor Relations Act.

Section C - Supervisory Work

1. Supervisors, not covered by this Agreement, shall not perform bargaining unit work except for purposes of instruction or experimentation, or in cases of emergencies.
2. If a supervisor performs work in violation of Paragraph C(1) of this Article, regardless of the duration or extent of work performed, the Company will pay the equivalent of four (4) hours pay at straight time for the job involved, the individual to be paid to be settled upon in further discussions. Should a second or subsequent violation occur with the same supervisor within six (6) months, compensation of eight (8) hours straight time pay (instead of four (4)) will be paid, the individual to be paid to be settled upon in further discussions. Hours paid under this section shall not be counted for the purposes of determining overtime.

Section D – Step-Up (Spell) Foremen

1. In all cases where an employee has been assigned as a step-up (spell) foreman for a full workweek, such employee will not work in the bargaining unit during the same workweek.
2. The restrictions set forth in Section C above, apply to all step-up (spell) foremen.
3. Two (2) years after the effective date of this Agreement, no employee will be assigned as a step-up (spell) foreman for a period in excess of one-hundred twenty (120) calendar days in any calendar year without mutual agreement of the parties.

ARTICLE II - RECOGNITION (Tentatively Agreed)

Section A - Recognition

The Company recognizes the Union as the exclusive collective bargaining representative for all the employees of its Middletown Works as defined in Article _____.

Section B – Prohibited Conduct

1. The Company, its agents and representatives will not engage in discrimination, interference, restraint, or coercion against any employee because of membership or activity in the Union.
2. The Union, its agents and members will not engage in intimidation or coercion to obtain members and will not discriminate against, intimidate, or interfere with employees who are not members of the Union. The Union agrees that it will not solicit employees for membership or conduct Union business (including Union campaigns and affiliation drives) on Company time, or in any manner interfere with the operation of the plants or the employees in the discharge of their duties.
3. The right of the Company to discipline an employee for a violation of this Agreement shall be limited to the failure of such employee to discharge his responsibilities as an employee and may not in any way be based upon the discharge of his responsibilities as a representative, officer, or member of the Union.

Section C - Successorship

The Company agrees that it will not sell, lease, convey, assign or otherwise transfer the plant or any significant part thereof covered by this Labor Agreement between the Company and the Union that has not been permanently shutdown for at least one year to any other party (Buyer) who intends to operate the business, unless the following conditions have been satisfied prior to the closing date of the sale. These conditions would also apply in the event the Company is taken over by receivership or bankruptcy proceedings.

1. The Buyer shall have entered into an Agreement with the Union recognizing it as the bargaining representative for the employees within the existing bargaining unit.
2. The Buyer shall have entered into an Agreement with the Union establishing the terms and conditions of employment to be effective as of the closing date.
3. If requested by the Company, the Union will enter into negotiations with the Company on the subject of releasing and discharging the Company from any

obligations, responsibilities and liabilities to the Union and the employees, except as the parties otherwise mutually agree.

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

“Permanently shutdown for one year” shall mean that the notice required under Article XXII - Severance Allowance has been given and that for one year following the final closure date, (1) no bargaining unit work has been performed other than tasks associated with the shutdown of the operations, (2) no improvements have been made and (3) the Company has acknowledged entitlements to and is processing and/or paying, as appropriate, shutdown benefits in accordance with the Labor Agreement and applicable benefit agreements.

**ARTICLE III - UNION MEMBERSHIP AND DUES OR SERVICE CHARGE
(Tentatively Agreed)**

Section A - Union Membership

Employees shall have the right voluntarily to acquire, not acquire, maintain or drop membership in the Union.

Section B - Dues or Service Charge

1. Irrespective of membership in the Union, each employee described in Subsection, B-2 of this Section and effective as therein stated, shall, as a condition of employment, pay to the Union one or the other of the following:
 - a. regular monthly dues of the Union if such employee is a member thereof, or
 - b. a regular monthly service charge equal to the regular monthly dues of the Union if such employee is not a member thereof.
2. Employees as to whom Subsection 1 of this Section shall be applicable are as follows:
 - a. Employees hired on or after January 1, 1944, and who have completed 30 calendar days of employment.
 - b. Employees who, as of the effective date of this Agreement, are paying monthly dues or a service charge to the Union, irrespective of paragraph a. of this Section B-2.

Section C - Checkoff

1. The Company shall deduct from the first pay closed and calculated in each month the regular monthly dues of the Union or the regular monthly service charge for the preceding month, each as designated by the Secretary-Treasurer of the Union, for each employee who individually and voluntarily has certified on a form agreed to by the Company and the Union that he authorizes such deductions.
2. The Company shall promptly remit to the Secretary-Treasurer of the Union the deductions made in accordance with paragraph 1 of this Section. An employee who has failed to make payment specified in paragraph 1 of Section B shall not be deemed to be in arrears until the Union shall have notified the Company in writing.
3. To assist employees in complying with this obligation, the Company will suggest at the time of employment that each new employee voluntarily

execute an authorization in the form referred to in paragraph 1 of this Section C.

Section D - Indemnification

The Union shall indemnify and save the Company harmless against any and all claims, demands, suits, or other forms of liability that shall arise out of or by reason of action taken or not taken by the Company in reliance upon signed checkoff authorizations furnished to the Company by the Union.

Section E - Applicable Law

The effectiveness of the foregoing provisions for the duration of this Agreement is subject to the provisions of any applicable law.

**ARTICLE IV - WORK STOPPAGES
(Tentatively Agreed)**

Section A

During the life of this Agreement, the Union agrees that there shall be no strikes, slow downs, or work stoppages for any cause whatsoever. The Company agrees that there shall be no lockout for any cause whatsoever. Both parties agree that all disputes which are within the scope of the grievance procedure set forth herein shall be adjusted through such procedure.

Section B

It is further understood that an interruption or impeding of work because of a strike, slow down, or work stoppage on the part of the Union, or a lockout on the part of the Company, shall be a violation of this Agreement, and that under no circumstances shall the parties hereto discuss the dispute in question or any other grievances while such work interruption is in effect.

ARTICLE V - MANAGEMENT (Tentatively Agreed)

Section A

1. The management of the business and the direction of its working forces, including the right to hire, retire, transfer, change assignments, promote, demote, suspend, discharge, discipline, and to relieve employees for lack of work or other legitimate reasons and to maintain discipline and efficiency of all employees, to establish work schedules and to make changes therein essential to the efficient operation of the plant, and to be the judge of the physical fitness of employees are the exclusive rights of the Company; provided however that in the exercise of such rights the Company shall observe the provisions of this Agreement.
2. Any employee who feels he has been discriminated against because of any Company action in this respect has recourse to the grievance procedure set forth in this Agreement.

Section B

Further, the Company shall be the exclusive judge of all matters pertaining to the products to be manufactured, the location of the plants or operations, production schedules, and the methods, processes, and means of manufacture and materials to be used, including the right to introduce new and improved methods or facilities and to change existing methods or facilities.

Section C

The Union agrees that the rights of Management as set forth in Section B of this Article are not subject to the Grievance Procedure.

ARTICLE VI - REPRESENTATION

Section A - Establishment of Areas

1. Representation areas, as agreed upon between the parties, are set out in Appendix A. Such areas shall be subject to change by agreement as may be necessary to reflect adequately any change in representation requirements. The Union shall designate representatives for the agreed-upon representation areas as follows:

<u>Representative</u>	<u>Areas (See Appendix)</u>
Vice President	Middletown Plant
Trustee	Each agreed-upon plant subdivision
Delegate	Each agreed-upon district
Grievanceman	Each agreed-upon district subdivision
Committeeman	(As designated by the Union)

2. In addition, special committees, as agreed upon between the parties, may be established in connection with special projects, special matters of contract administration, or other subjects of mutual representation interest. The establishment of any special committee shall be confirmed in writing, detailing the purpose of the Committee, its authorized duration, and the number of its members. No special committee shall be effective until the written confirmation of its establishment is signed by the Executive Committee of the Union and the representatives of the Management of the Plant.
3. The Company agrees to release from work any bargaining unit member selected to serve as an elected or appointed representative of the Union from their forty (40) hour schedule. The number of member(s) released will not exceed ten (10) in number of elected or appointed representatives. This number does not include the President and Secretary-Treasurer as provided in Section B of this Article.
4. The Company agrees that the Union may restructure its complement of elected and appointed representatives in any manner it so elects.
5. The Company agrees that the Union may restructure its delegate representation.

Section B - Eligibility and Designation of Union Representatives

1. Employees designated as President and Secretary-Treasurer of the Union shall be granted, upon request by the Union, a leave of absence for the duration of the respective terms of office. Such leave of absence shall be cumulative on Company Continuous Service for seniority and other purposes. Union officers on leave of absence provided for in this paragraph shall

continue to be covered by the Pension Plan, and the Insurance Benefits Plan except Sickness and Accident Benefits.

2. Representatives, committeemen and special committeemen provided for in Section A of this Article shall be employees and shall not be on leave of absence during their term of office.
3. The names, and where appropriate, the designated areas of representation or committee assignments of the officers (including trustees) delegates, grievancemen, committeemen, and special committeemen shall be given in writing to the appropriate plant management representative by the Secretary-Treasurer of the Union. No Union representative shall function prior to the giving of such notice of his designation.

Section C - Absence From Work

1. Representatives, committeemen, and special committeemen provided for in Section A of this Article, shall be relieved from work for the purpose of and in the course of the performance of their representation functions upon reasonable notice and permission as further provided in this Section. This may involve the relieving of a representative from scheduled work on one turn or day to perform a representation function on another turn or day. A representative, committeeman, and special committeeman shall not be required to work the scheduled turn from which he was relieved.
2. Vice President and Trustees shall make arrangements with the designated Management representative for absence from work. A Vice President and Trustee may leave the plant in the performance of his functions as such, provided he gives appropriate notification of any such absences to the designated Company representative or in accordance with a procedure specified by such Company representative and identifies any period of time of absence.
3. Delegates, grievanceman, committeeman, and special committeemen shall be permitted to leave their work for the purpose of and in the course of the performance of their representation functions in the plant upon reasonable advance notice to and permission by their respective department supervision. Requests for permission to be absent shall include the intended purpose for the absence. In addition, Delegates will be released from their regularly scheduled workday, with pay, to attend the monthly Delegates' meeting. Should a Delegate be on vacation or off-sick the day of the Monthly delegates' meeting, he may make arrangements to report to Labor Relations to discuss issues related to his department.
4. It is agreed that prompt resolution of problems is desirable in the interest of sound relations between the Company and its employees, and that in the scheduling of meetings consideration will be given to the scheduled turn of

the appropriate Union representative, but that the performance of representation functions shall interfere with production as little as possible.

Section D – Miscellaneous

1. It is recognized that the representatives, committeemen, and special committeemen provided for in Section A of this Article may perform the representation functions at any time. For this reason, representatives, committeemen, and special committeemen shall be permitted to enter the plant at any time for the legitimate exercise of their representation functions. Local Union Officers and Committeemen will be provided drive-in passes by the Company. Additional drive-in passes will be provided as agreed to by the parties. Non-Employee, International Union Representative(s) will be granted access to the plant as mutually agreed by the parties.
2. On days when representatives, committeemen, and special committeemen are permitted to be absent from work so as to perform representation functions, their schedule of hours of attendance at the plant shall be as fixed by plant management.
3. When any Union representative is working as a member of a group operation, or on work the suspension of which will interfere with production, he will not be permitted to leave his work without consent of his supervision, who shall make arrangements promptly, whenever possible, for his release.
4. The Company will reimburse ten (10) full-time Union Representatives for forty (40) hours pay (straight time, plus incentive, shift differential, and premium pay) for time spent in their representational functions. One (1) of the ten (10) full-time Union Representatives must be assigned to the Restructuring Oversight Committee on a full-time basis, and One (1) of the ten (10) full-time Union Representatives must be assigned to the Joint Committee on Contracting-out on a full-time basis. The Union must designate in writing to the Company those employees covered by this Section D(4), indicating the name, badge number, and Union position. All other time spent on representational matters under this Agreement, unless otherwise specifically provided, is on an unpaid basis.
5. Employees may, by mutual agreement of the parties, be released from work without pay to attend Union educational seminars or conferences.

Section E - Bulletin Boards

1. The Company agrees to furnish and maintain enclosed bulletin boards whereby the Union may post notices related to union business.
2. Such bulletin boards may also be used for the posting of such other notices as may be agreed upon by the Union and the Company.

3. The number and location of such bulletin will be mutually agreed to by the parties.
4. There shall be no other posting by employees of literature upon Company property except as approved by the Company.
5. There shall be no distribution by employees of literature during working time unless approved by the Company. Working time, for the purpose of this paragraph, means the time that an employee should be properly engaged in the performance of his work. Working time does not include times when the employees involved are on mealtime, legitimate break period, or the time before the employee's shift begins or after the shift ends.
6. There shall be no solicitation by employees on working time unless approved by the Company. Working time, for the purpose of this paragraph, means the time that the employees involved should be properly engaged in the performance of their work. Working time does not include times when the employees involved are on mealtime, legitimate break period, or the time before the employee's shift begins or after the shift ends.
7. Nothing contained herein shall preclude the Company from limiting the foregoing distribution and solicitation rules where necessary to maintain plant production, discipline, order and safety.

ARTICLE VII - GRIEVANCE PROCEDURE (Tentatively Agreed)

Section A - Purpose and Scope

The procedures set forth herein are established in order to promote harmonious relations between the employees and the Company through the prompt and fair discussion, consideration, and disposition of any request or complaint and shall constitute the sole recourse with respect to any claim by an employee of a violation of this Agreement by the Company.

Section B - Definition of Grievance

1. A grievance, within the meaning of the grievance procedure, is restricted to a request or complaint not resolved as the result of the oral discussions required in Step I or a request or complaint appropriate for filing directly in Step II. It shall consist only of disputes about wages, hours of work, and working conditions, as provided in this Agreement; about the interpretation and application of this Agreement; and about an alleged violation of this Agreement. If any question arises as to whether said dispute is or is not a proper grievance within the meaning of these provisions, the question may be reserved throughout the grievance procedure and determined, if necessary, by the arbitrator.
2. Should any request, complaint, or grievance arise between the Company and any of its employees covered by this Agreement, there shall be no stoppage of work and an earnest effort shall be made to resolve such difference promptly through the procedures herein established.
3. It is understood and agreed that requests or complaints are to be presented in Step I or directly in Step II as follows:
 - a. Step I - These issues typically allege department supplement violation, or a violation of the basic agreement including seniority, progression charts, overtime, preference claims, Step II transfers, etc.
 - b. Step II - Grievances that are to be filed directly in Step II include the following categories, but, additional categories may be permitted to be filed in Step II by the mutual agreement of the parties or as specifically identified in the basic agreement. These categories are as follows:

Discipline involving time-off, discharges, insurance benefit issues, pensions, rates, incentives, grievance procedures, civil rights, safety, and contracting out.
4. Grievances of a general nature or group grievances may be processed subject to the following:

- a. Disputes of a general nature requiring broad interpretation and application of this agreement may be submitted by the Union Executive Committee directly in Step II of the grievance procedure. It is understood that the remedy sought will be limited to interpretation resolution of the issue.
- b. Group grievances must be signed by the appropriate Trustee(s) and at least one of the aggrieved parties. The names (and check numbers) of all employees alleged to be aggrieved must be identified and submitted with the grievance at the time of the filing or appeal to Step II.
- c. Rate and/or Incentive grievances must be signed by an employee job dated or working the job being grieved, the Rate and Incentive Committee Chairman and the appropriate member of the Executive Committee.
- d. If an employee working or job dated to the job being grieved fails to sign the grievance, the remedy may not include retroactive pay.

Any deviation from the above guidelines involving group grievances or any other group grievance must be approved by Labor Relations.

5. In all cases the time limits refer to calendar days in Article VII.

Section C - Adjustment of Requests Complaints, and Grievances

1. It is the intent of this procedure that oral discussions be conducted on all requests or complaints. The use of oral discussions provided for in this procedure should result in a complete disclosure of the facts, written documentation of the discussions and a fair and prompt resolution of the majority of the requests or complaints that may arise. The parties' expectations to reach a mutual goal of expedient problem solving in a peaceful and orderly manner will only be reached by explicit dedication to the procedure.
2. A request or complaint, in order to be considered under this procedure, must be expressed in writing, on a form provided by Management, and presented orally for initial discussion to the appropriate Management representative in an attempt to resolve the issue.
3. It is understood and agreed that if any difference shall arise between the Company and any employee as to the benefits payable pursuant to the Supplemental Unemployment Benefit Plan or the applicable insurance agreement (excluding life insurance) and such difference is not settled by discussion, the affected employee may file a grievance in Step II and process

the grievance through the grievance procedure, including arbitration, as set out in this Article VII.

Section D - Step I - Department Level

A request or complaint, in order to be considered under this procedure, must be expressed in writing, on a form provided by the Company without a grievance number assigned. It is to be presented orally for initial discussion to the appropriate designated Management representative in an attempt to resolve the issue. The request for the discussion must be made within 30 calendar days after the date of the inception or occurrence of the event upon which the request or complaint is based; such discussion must be held promptly. Otherwise, the request or complaint shall not be entitled to consideration. The Step I hearing is to be conducted within 15 days of the request for hearing and answered within 7 days of the hearing.

Should the issue not be resolved during the Step I hearing, the parties shall develop the grievance record. The record shall include the written statement of the grievance, the agreed upon facts and appropriate documentation. The grievance record shall be attached to the grievance form and copies provided as necessary.

Grievances not resolved at the Step I hearing must be appealed to the Step II level within 15 days of the receipt of the Step I response.

The designated Management representative shall have the authority to settle the request or complaint and, following the discussion, shall render his decision within seven days. The grievanceman and/or delegate shall have the authority to settle, withdraw, or refer the request or complaint to Step II.

Grievance resolution at the Step I level is made on a non-precedent setting basis.

Section E - Step II - Plant Level

Grievances for Step II hearing are those properly appealed from Step I hearing or those issues that are to be filed directly in Step II. Grievances filed directly in Step II must be filed within 30 days of the inception or occurrence of the event upon which the request or complaint is based.

1. A request or complaint with respect to discipline involving time-off or discharge may be filed as a grievance in Step II subject to the provisions of Article XI, Discharge and Disciplinary Suspensions.
2. A request or complaint with respect to any specialty area of the Agreement, which area by its nature could be considered to involve more management responsibility than ordinarily assigned to the employee's departmental

supervision, may, by agreement between the respective Step II representatives, be filed as a grievance in Step II, subject to the time limits set out above or in Article XII, Section G, Workplace Restructuring: Economic Opportunity. Grievances which fall in this exception may include, but are not limited to, such topics as rate establishment or change, incentive establishment or change, and general plant rules.

3. It is understood and agreed that if any difference shall arise between the Company and any employee as to the benefits payable pursuant to the Supplemental Unemployment Benefit Plan or the applicable insurance agreement (excluding life insurance) and such difference is not settled by discussion, the affected employee may file a grievance in Step II and process the grievance through the grievance procedure, including arbitration, as set out in this Article VII.
4. It is understood and agreed that in the event appeals are not made to the next higher Step in the grievance procedure within the time limitations specified, except where formal written extensions have been agreed to, the request, complaint or grievance shall be considered to be settled and no further action may be taken on it.
5. It is understood and agreed that no request or complaint which is not originated by the employee or employees involved, and no grievance which is not originated and signed by the employee or employees involved may be processed through any step of the grievance procedure except as outlined in Article VII, Section B, Paragraph 4.
6. Grievances answered at the Step II level shall establish a precedent except as otherwise agreed.

A grievance shall not be heard in a Step II meeting in the event the grievance record has not been sufficiently developed. In such a case, the grievance shall be referred back to the appropriate Company and Union representatives for further consideration and development of the facts. A Step II meeting will be scheduled and the grievance heard within 45 days of presentation to the Plant Management Representative. The Company and Union will schedule up to 21 Step II hearings weekly unless the parties agree otherwise.

However, should the number of grievances pending a Step II hearing exceed 200, the Union and Labor Relations shall meet to discuss methods on how to address the grievance backlog.

The parties may hear Step II grievances within the respective departments under the following guidelines:

- a. Trustee and local union representatives,

- b. Labor Relations and supervision present,
- c. The employee or employees involved may be present for the presentation of his (or their) particular grievance, together with other individuals who may be agreed upon by the parties as necessary to the proper consideration of the grievance,
- d. The Union is provided with the necessary documentation from within the department,
- e. The Union Vice President is provided a copy of the grievance settlement as noted on the grievance forms.

Grievances involving matters that are not within the control of the department shall be heard at Labor Relations. The attendance of each grievance meeting shall be recorded by the Company and attached to the written disposition in this Step. Unless carried forward to a subsequent meeting by mutual consent of the parties, in this Step, the representative of the Plant Management shall render his decision, including the date and place of meeting, names of attendees, and the basis for his decision, as soon as practicable after consideration of the grievance in the Step II meeting and within not more than 30 days after the day on which the Step II meeting was concluded, or the grievance will be considered granted on a non-precedent basis, except as an extension of this time may be agreed upon between designated representatives of the Union and the Plant Management. If the grievance is not resolved at Step II and not appealed to either Regular Arbitration or to Accelerated Arbitration within 30 days of receipt of the Step II answer, the grievance is considered resolved and no further action may be taken, except as a written extension of this time may be agreed upon between an appropriate representative of the Union Executive Committee and the Plant Management. At the time a grievance is appealed, the Union will designate whether the appeal is to regular or accelerated arbitration.

Section F - Arbitration

1. Either party to this Agreement shall have the right to refer to an impartial arbitrator any grievance (including the determination of the question under Section B, Paragraph 1, as to whether a particular dispute is or is not a proper grievance) which has not been satisfactorily settled in the foregoing steps, provided such reference is made by notification in writing within 30 days following the date of the Step II decision. The parties shall meet and schedule the grievance within 60 days of the appeal and are required to hear the case within 12 months, unless resolved.
2. The impartial arbitrator shall render his award in writing within 30 calendar days from the date on which the grievance is heard by him or the submission of post-hearing briefs, whichever is later. His decision shall be final and binding upon each of the parties hereto. The arbitrator shall have jurisdiction

and authority to interpret and apply the provisions of this Agreement only insofar as necessary to the determination of such grievance, but he shall not have jurisdiction or authority in any way to change the provisions of this Agreement by alterations, additions to, or subtractions from the terms thereof.

3. The compensation and proper expenses of the impartial arbitrator shall be agreed upon between him and the parties hereto, and each of the parties shall be responsible for, and pay to him, one-half of said compensation and expenses.
4. There shall be a permanent panel of fifteen (15) arbitrators mutually agreed upon by the Company and the Union. Each party retains the right to unilaterally remove one arbitrator from this permanent panel after that arbitrator has heard at least one arbitration. The parties may mutually agree to replace arbitrators on the panel.
5. The parties agree to arbitrate up to a maximum of 350 arbitration cases annually. Up to 125 grievances shall be scheduled in regular arbitration. All arbitration grievances shall be scheduled with the following conditions:
 - a. Any grievance scheduled to arbitration and then subsequently withdrawn, settled or heard in arbitration will be considered as part of the 350 annual cases.
 - b. Each discharge grievance filed on or after the effective date of the Agreement shall increase the maximum of 125 regular arbitration cases by one.
 - c. Each grievance the Union submits for scheduling to accelerated arbitration and the Company rejects for accelerated arbitration shall increase the maximum of 125 regular arbitration cases by one.
 - (1) The following areas of dispute will be used as a guideline for the types of cases to be referred for consideration of the parties for presentation in accelerated arbitration: overtime, Supplemental Agreement violations, holiday compensation, holiday scheduling, bereavement, jury duty, supervisors performing bargaining unit work, reporting pay, allowed time, monthly Delegate meeting issues, sickness and accident benefits, seniority related to job preference, disqualification, Step I promotions, failure to break-in timely, Step II transfers, special assignments and forced loans. Other issues not mentioned above may be advanced to accelerated arbitration by mutual agreement.
6. In selecting an arbitrator for an arbitration case, the parties agree to the following:

- a. The Union shall notify the Company of its intent to schedule arbitration of a particular grievance or grievances in writing.
 - b. Within 3 days of the aforementioned notice, the parties shall meet to determine if the parties can agree upon an arbitrator to hear the case.
 - c. If the parties fail to agree, the parties shall select the arbitrator to hear the grievance through the alternate strike method from the permanent panel specified in Section F (12).
7. Based on the 350 annual arbitration limit, set forth in Paragraph 5 of this Section, once a grievance is scheduled for either regular or accelerated arbitration, unless the grievance subsequently is settled or withdrawn, the arbitration shall not be postponed except upon mutual agreement of the parties or upon order of the arbitrator. If a party should fail to appear for a scheduled arbitration, that party shall forfeit the arbitration and shall pay all fees of the arbitrator and court reporter. Forfeiture of the arbitration for the Union shall be withdrawal of the grievance without remedy. Forfeiture for the Company shall include the Arbitrator fashioning an appropriate remedy based upon the Union's remedy request.
8. The Company recognizes an appointed Union Arbitration Committee established from the current complement of released Union Representatives.
9. The Company and the Union Arbitration Committee, including the Union President and Vice President, shall meet weekly to review and discuss grievances and issues pending arbitration. It is intended that the Company and Union Arbitration Committee will attempt to resolve outstanding grievances appealed to Arbitration and identify issues that the parties need to resolve.
10. The arbitration hearing shall be held under the rules and procedures agreed upon by the parties or as determined by the arbitrator.
11. Within thirty (30) days of the signing of the Agreement, a list of forty-five (45) arbitrators will be supplied to both parties. This list will be comprised of National Academy of Arbitration members and will be generated by an agreed upon source. From this group of forty-five (45) the Company and the Union shall agree to fifteen (15).
12. The permanent panel of fifteen (15) arbitrators shall be selected by the parties from the list of forty-five (45) through an alternate strike method. The parties will have a coin-flip to determine which party strikes first.
13. It is agreed that requests to submit post-hearing briefs by the parties must be made at the time of the hearing and may only be submitted if agreed to by the arbitrator.

Section G - Other Limitations

1. It is agreed that a grievance which, as of the date of this Agreement, has been presented in writing and is in the process of adjustment under the grievance procedure of the prior Agreement, shall be considered and settled in accordance with the applicable provisions of that prior Agreement. Any grievance disposed of under prior Agreements may not be reopened or refiled by reason of changed provisions now embodied in this Agreement.
2. It is agreed that no grievance will be considered under the terms of this Article which would revoke, reverse, or otherwise alter the terms or conditions of any grievance previously answered. This understanding provides that where the Agreement has been incorrectly construed or applied, by mutual agreement the original case may be reopened and reviewed.

Section H - Accelerated Arbitration

The following Accelerated Arbitration Procedure has been adopted by the parties, notwithstanding any other provisions of this Agreement and supplements the regular arbitration procedure set forth in Article VII, Section F. This procedure is intended to be one which is available for a more expeditious consideration of cases mutually recognized to involve the more common or routine issues having limited contractual consequence such as overtime, discipline of 3 days or less and job preference claims but, is not limited to the aforementioned. It is not intended for cases involving complicated or extraordinary contract issues, rates, incentives, or discharges.

Grievances which have not been settled through Step II of the grievance procedure may be appealed to this Accelerated Arbitration Procedure. Any proposed appeal to this procedure shall be made within 30 days of the Step II decision. The parties shall schedule the grievance within 60 days of the appeal and are required to hear the case within 6 months, unless resolved. Within 10 days of the appeal, Labor Relations may object in writing to a specific case appealed to Accelerated Arbitration. The parties shall schedule any such case to Regular Arbitration in accordance with appropriate time limits.

The American Arbitration Association Expedited Labor Arbitration Rules shall apply to grievances processed under this procedure except that the Award of the Arbitrator shall include an opinion in summary form. The provisions for selection of the Arbitrator shall be those as set forth by the American Arbitration Expedited Labor Arbitration Rules.

Accelerated arbitration arbitrators will be selected from a list of twenty (20) arbitrators provided by the American Arbitration Association. The Union and Company will mutually agree to select five (5) local, permanent arbitrators from the list. Each party retains the right to unilaterally remove one arbitrator from this permanent panel after that arbitrator has heard at least one arbitration. The

parties may mutually agree to replace arbitrators on the panel. The Arbitrator is to render his decision in writing within 7 days of the hearing.

The administrative fee of the AAA and the fee and expenses of the Arbitrator shall be borne equally by the Company and the Union.

Further guidelines for this Accelerated Arbitration Procedure are as follows:

1. The Arbitrator shall have the same jurisdiction and authority as provided in Article VII, Section F.
2. If the hearing results in a conclusion by the Arbitrator or the parties that the issues need further attention and consideration due to their particular significance, the case shall be referred to the appropriate Step II representatives for disposition or arbitration under the regular arbitration procedure.
3. The decisions under this Accelerated Arbitration Procedure shall not establish a precedent and shall not be used in any grievance consideration at any step of the grievance or arbitration procedure.
4. The Union shall submit grievances within the guidelines established in Article VII of this Agreement for processing through Accelerated Arbitration. The Company may reject grievances it considers inappropriate for Accelerated Arbitration, in which case the Union may schedule such grievances to Regular Arbitration.
5. The parties agree that transcripts and briefs will not be utilized in the Accelerated Arbitration process.
6. The Union will schedule Accelerated Arbitration grievances a minimum of six (6) weeks in advance of the hearing date and will only schedule four (4) Accelerated Arbitration cases per day with no back-up grievances scheduled.
7. It is agreed by the parties that (1) if the Union cancels a scheduled hearing the Union will withdraw the grievance, and (2) if the Company cancels a scheduled hearing or fails to release a participant who is at work, the grievance will be granted. The parties agree that the provisions of Section F(7) of this Article regarding forfeiture will apply in the event either party fails to appear for a scheduled Accelerated Arbitration hearing, subject to the provisions of Section H(3) of this Article.
8. The Union agrees that it will request information that is reasonable and necessary to present its case in Accelerated Arbitration three (3) weeks prior to the scheduled hearing date. The Company agrees that it will provide the Union with the requested information as soon as practicable, but no later than one (1) week prior to the scheduled hearing date. The Union further agrees

that it will make its request for the release of participant(s) at least two (2) weeks prior to the scheduled hearing date.

9. The parties agree that a maximum of three (3) participants for the Union and three (3) participants for the Company will be present for each hearing.
10. The parties agree that each case will take a maximum of one and a half (1.5) hours, each side allotted 45 minutes.
11. The parties may agree to have the Arbitrator issue a bench decision.

Section I – Other Provisions

In the event that a grievant dies, the Union may process his or her grievance on behalf of his or her heirs.

ARTICLE VIII – SENIORITY

Section A - Purpose

It shall be the intent of the Company and the Union to provide conditions which will encourage employees to acquire knowledge, skill, and efficiency in order to be qualified for promotion to positions of greater responsibility and higher pay through a system of seniority, the provisions of which have been mutually agreed upon and are hereinafter outlined.

Section B - Definition and Application

1. The term “seniority” as used herein shall include the following factors:

- a. Length of company seniority service
- b. Knowledge, skill, and efficiency on the job
- c. Physical fitness

Length of seniority service shall govern where employees have substantially equal knowledge, skill, training, experience, efficiency, and physical fitness. The final Management determination with respect to physical fitness shall be made by the Plant Physician.

2. Continuous Service for seniority purposes (seniority service) shall be Company Continuous Service calculated for the period of unbroken employment, provided that, for all employees on the active employment list of the Company as of the date of this Agreement, the Company Continuous Service shall be that as fixed by the then current records as provided by Section K, Subsection 4, of this Article.
3. Continuous Service for benefit purposes shall be Company Continuous Service calculated for the period of unbroken employment with the Company unless otherwise specifically provided in Benefit Plans or elsewhere.
4. The term “seniority department” shall be interchangeable with the term “seniority section” throughout this Agreement.
5. Should the length of Company Continuous Service be equal in the case of two or more employees, the relative service standing of such employees shall be determined by the chronological age of the employees involved. The oldest employee shall have the highest relative service standing, with the younger employees aligned following in descending order by age.

An employee’s seniority standing having once been correctly established under the provisions of this paragraph shall not be altered except by the application of other provisions of this Article.

6. It shall be the practice of the Company to promote from within the organization in all cases where qualified employees are available.
7. Seniority, as provided in this Agreement, shall be applied in all cases of promotion or demotion to positions within the bargaining unit and increases or decreases in the forces of such positions. Except as modified by other provisions of this Article, promotions shall be made in ascending job classification order starting with the job classification immediately below the job classification in which the permanent vacancy occurs and with the employee having the greatest seniority. Demotions, layoffs, and other reductions in forces shall be made in descending job classification order starting with the highest affected job classification and with the employee in such job classification having the least seniority. The sequence on a recall shall be made in the reverse order so that the same experienced people shall return to job classifications in the same positions relative to one another that existed prior to the force reductions. Permanent vacancies created by death, retirement, or voluntary quits will begin on the Sunday of the immediately following work week.
8. Training and Break-in Opportunities
 - a. Transferred employees will be afforded appropriate training opportunities (including normal opportunities to fill temporary vacancies) by seniority standing in order to encourage transfer hereunder and normal progression of such employees in the sections to which they have transferred. Department employees will be offered training and break-in opportunities before non-departmental employees, subject to the operational needs of the plant.
 - b. It is recognized that in some cases "break-in" time is required for training an employee in a job classification or on a specific work assignment to which his seniority entitles him (including cut-backs), but the need for and length of all such break-in time will be determined by Management.
 - c. An employee who is not eligible to promote because "break-in" time has not been made available to him shall not forfeit any seniority rights to a shorter seniority service employee who was afforded break-in time and advanced around the longer seniority service employee solely for such reason; provided the longer seniority service employee qualifies for the promotion within the allotted break-in time.
 - d. An employee who is not promoted to a permanent vacancy because "break-in" time has not been made available to him and who later does qualify for the promotion within the allotted break-in period shall receive the difference between the amount received for the break-in period and the amount that otherwise would have been received for the same period,

including premium, holiday pay, incentives, differentials, and lost overtime opportunities.

- e. An employee who is not permitted to fill a temporary vacancy on any higher job classification level above the level to which such employee is job classification changed solely for the reason that break-in time has not been afforded, but who was available for break-in for such job classification for his 60 work days immediately prior to the vacancy, shall be paid the difference between what the employee received in the job classification worked for that day and what the shorter service employee in the same job classification level or lower received on the step-up job classification, including premiums, holiday pay, incentives, differentials, and lost overtime opportunities.
- f. The Company agrees to include incentive pay for all break-in, training and/or retraining.

Section C - Supplementary Seniority Agreements

1. Under the provisions of this section, the parties have divided the plant into seniority sections and have established progression charts showing the lines of promotion and demotion to be followed within each such seniority section. By agreement between representatives of the respective Plant Management and the following representatives of the Executive Committee of the Union, the President, the Vice President, and the appropriate Trustee, these progression charts may be revised from time to time because of the addition of assignments, discontinuance of assignments or other conditions. No progression chart shall become effective until posted in the seniority section to which it applies, and until the effective date specified thereon. The Company shall be responsible for the posting of progression charts.

The parties agree that the construction and operation of progression charts should be governed by the following considerations which have heretofore been recognized by the parties under both their prior and present-agreements.

- a. A seniority section may be comprised of a part of a department or an entire department depending upon the normal need for and practicability of interchanging employees.
- b. Job classifications should be aligned in progression charts so that to the fullest extent practical an individual will be in a position to qualify for the next higher job classifications.
- c. The alignment of job classifications should be made so that the day-to-day changes in job classifications made necessary by fluctuating operating requirements may be made smoothly.

2. The parties have agreed to a Slotting Agreement dated October 10, 2006, and a Lines of Progression Agreement dated October 10, 2006. The Company will not modify the Lines of Progression and Slotting Agreements without agreement by the Union. The purpose of the Slotting Agreement is to identify the placement of existing jobs as work assignments within the newly established job classifications. Workplace Restructuring will be implemented in accordance with Article XIII.
3. When individuals in a job classification are in line for a seniority promotion, the principle of Company Continuous Service within the job classification shall apply, i.e., the individual having the greatest Company Service in each job classification involved shall be in line for the promotion on the basis of his respective Company Service standing. Should the ranking employee on this basis not be promoted, the employee immediately below him in Company Continuous Service standing in the same line of progression shall be in line for the promotion on the basis of his Company Continuous Service standing.

Promotions shall be in accordance with the seniority standing and the job classification sequence established by the progression charts.

Supplementary agreements may be made for any seniority section with respect to the filling of relief turns, step-up turns or temporary vacancies, assignments and seniority practices under emergency or special situations. Such agreements shall not be contrary to the principles established in the Agreement. Such agreements shall not be placed in effect except by written agreement of the respective Plant Management representative and the following representatives of the Executive Committee of the Union: the President, the Vice President, and the appropriate Trustee.

Section D - General Seniority Practices and Principles

Assignment Preference

1. In each progression chart there may be multiple work assignments within each Job Classification. In such instances, seniority standings of employees on work assignments within a job classification shall be determined as though all work assignments in the job classification were a single work assignment. Claims to work assignment preferenced on the basis of seniority must be made promptly. Where a work assignment is claimed by an eligible employee who is less senior than other eligible employees, the Company shall promptly advise the more senior employee(s) of such claim and they must decline in writing the work assignment in question. Failure by the Company to secure such statement of declination will entitle the more senior employee(s) to such claim.

Claims to work assignment preference on the basis of seniority will be considered prior to filling permanent vacancies where practical and

reasonable but only in cases where other employees' promotional rights are not interfered with.

Trial Period

2. An employee promoted in accordance with Section B of this Article shall be given a fair trial for a period not to exceed 42 calendar days, during which period the employee may voluntarily return, or be returned by Management to his former job classification level, work assignment preference, and seniority standing if the promotion is unsatisfactory to the employee, or if he has failed to perform satisfactorily the duties of the job classification level to which he has been promoted.

The 42 day trial period referred to in this Subsection shall be the 42 consecutive calendar days beginning with the first day an employee works in the job classification level to which he has been thus promoted, unless prior to the expiration of such period it shall be agreed between the Plant Management representative and the President, Vice President of the plant involved, and the appropriate Trustee of the Union that a fair trial has not been afforded by reason of sickness of the employee, breakdown of equipment, slack operations or other conditions which have caused excessive loss of working time on the new job classification.

After expiration of the 42 day trial period, an employee who the Company disqualifies for failing to satisfactorily perform the job classification to which he has been promoted, except in cases of cutback or disability, shall return to his/her last existing permanent job classification within the line of progression before said disqualification.

Waiver

3. Any employee who declines a promotion or who is not promoted due to an inability to perform a job classification ahead of him (including permanent vacancies and advancements to fill one or more step-up, temporary, or relief turns to which the employee is entitled in accordance with supplemental agreements or practices in his section) shall:
 - a. For purpose of future promotion to any job classification within that line of progression above the employee's permanent job classification, be deemed to occupy a seniority standing directly following that of the employee who accepts the promotion and those employees whose seniority standing places them above the promoted or broken-in employee. If such employee is later promoted level handed to a permanent job classification with the employee who so advanced around him, he will re-establish his full seniority rights to all future seniority entitlements. An employee's permanent job classification is that job

classification on which permanent seniority is maintained at the time the waiver is signed.

- b. In cases of cutbacks, retain his seniority on his permanent job classification or on lower rated jobs classifications in the line of progression.

Each time an employee is entitled to promote he shall be offered and assigned such promotion and if declined, he shall sign a new waiver form indicating such refusal. It shall be the responsibility of the employee's foreman to secure a signed waiver form in each case. If an employee refuses to sign a waiver form, his foreman shall prepare such form, annotate the form that the employee has refused to sign and have the form noted by an appropriate Union Representative. The foreman will provide copies to all affected employees and the Union business office.

4. When a progression chart change is made wherein a new job classification(s) is added in a line of progression, previous waivers which have forfeited promotional rights of employees in the same line of progression shall remain in effect and shall apply with respect to the promotional rights of employees to the newly added job classification(s).

Emergency Conditions

5. In cases of emergency, seniority principles will be applied to the extent practicable, however, it is recognized that under such situations decisions must be made preventing the application of seniority in line with the principles set forth in this Section, and in such situations the Company shall have a reasonable tolerance in such application (including the consideration of the need for scheduling overtime). The tolerance provided herein permits such application for a period not to exceed 3 calendar days following the day on which the emergency occurs. Thereafter, any further acknowledgment of the original emergency shall cease to exist and employees will again be assigned in accordance with the principles outlined in this Article, unless by mutual agreement of the parties the emergency period is extended. It is agreed that any hours worked by an employee out of seniority order in an emergency will not be considered as establishing any prior rights to any permanent vacancy occurring at a later date. The limitations of the application of seniority above outlined shall prevail unless otherwise provided for a particular seniority section by supplementary agreement, as provided in Section C of this Article.

Section E – Special Assignments

Within 120 days from the date of this Agreement, the parties shall identify all positions which are currently occupied with bargaining unit employees on "special assignment" status.

Once identified, during the next 120 days,

1. The special assignment shall be terminated or,
2. If continued, appropriate Officers of the Union and Company Representatives will attempt to agree on placement and filling of the job in the seniority section.
 - a. If agreement is reached, the appropriate procedures to fill the position shall be initiated within 14 days following determination of permanency.
 - b. Absent agreement, the job will be filled by the Company according to the appropriate provisions of Article VIII - Seniority. Officers of the Union and Company Representatives will discuss, and attempt to resolve the dispute prior to scheduling the matter to arbitration. Absent resolution, the matter may be processed to arbitration to resolve the placement and/or filling of the position by either party.

With respect to future special assignments, occurring after the effective date of the Agreement, during the first 120 days of such special assignments, the parties will use the above procedures to terminate or fill the assignments.

By mutual agreement, the parties may modify the above time frames and procedures.

Section F - Overtime

1. The Company agrees that it shall not force an employee who has accepted a call-out overtime turn to work more than eight (8) hours, unless no other qualified employee is available.
2. During the term of this Agreement, the Company commits to resolve scheduling of overtime issues within any seniority section where the Union makes such a request. The parties agree that this resolution shall include a conditional right to refuse overtime for the employee and defined procedures on how the Company will fill the overtime. The Company agrees that, within sixty (60) days of written notice by the Union, it will schedule meetings with the appropriate Union representatives to resolve the scheduling of overtime issues in the seniority section(s) so specified by the Union.
3. The Company agrees that, in a forced overtime situation, it will force the least senior qualified employee working the preceding turn of the turn the Company must fill, provided that the Company shall not force any employee to work more than once during the scheduled week until all other qualified and available employees have been forced to work once during the scheduled week.
4. The parties agree that all terms of the Plantwide Overtime Supplement, dated October 10, 2006 (attached), are applicable for any seniority section without an Overtime Supplemental Agreement.

5. The parties agree to the following should either party terminate any part of an Overtime Supplement or any Addendum or Memorandum of Agreement thereto:

Upon the effective termination date, the Plantwide Overtime Supplement, dated October 10, 2006 (attached), shall become applicable.

Section G - Probationary Period

1. A new employee shall be considered as a probationary employee for a period of the first 1040 hours of actual work, during which period no continuous service credit will be received. A probationary employee may file grievances under this agreement but may be laid off or discharged as exclusively determined by the Management; provided that this will not be used for purposes of discrimination in violation of the Non-Discrimination provisions of this Agreement. If a new employee is continued in the employ of the Company after completion of the probationary period, he shall receive any seniority service credit which would have otherwise become applicable during such probationary period.
2. Where a probationary employee is relieved from work because of lack of work and his employment status terminated in connection therewith, and he is subsequently rehired at the same plant within one year from the date of such termination, he will be given credit for his hours of actual work in the period immediately preceding such termination but his continuous service date shall be from the date of last hire. If, however, such employee is rehired within two weeks of his last termination from employment, his continuous service date will be the date of hire for his prior employment.

Section H - Transfers and Loans

1. An employee who has the qualifications to perform the job classification on which a vacancy exists may be transferred to that job classification for a period not exceeding 42 calendar days commencing with the first day of uninterrupted assignment in such seniority section without losing seniority standing in his former section including Employment Reserve. If at any time before the expiration of the 42 calendar day period such transfer proves unsatisfactory to either the employee transferred or the Company, the employee may return or be returned to his former section without loss of seniority, provided the return is made within the 42 calendar day period. Failing to return to his former seniority section within the 42 calendar day period, the employee's seniority standing in the new seniority section shall be established from the date of transfer and his seniority in his former section shall be lost.
2. When changes in work assignments and/or job classifications of an employee are made in a seniority section as a result of another employee's transfer to

another seniority section, such changes will be considered temporary for the 42 calendar day period, as set forth in Subsection 1 of this Section.

The provisions of Subsection H-1 and H-2 above shall also be applied to transfers from job classifications within the bargaining unit to jobs outside the bargaining unit. It is agreed that the intent of these Subsections shall be that the transferred employee returning to his former seniority section within the 42-day period shall resume his former relative seniority standing and be assigned accordingly.

All transfers shall be arranged through the Employment Department. An employee working on a temporary vacancy in a job classification as a result of the transfer of another employee, and prior to the expiration of the 42 calendar day period as set forth above, who shall become entitled to a permanent vacancy in accordance with Supplemental Agreements and practices in his section will be offered and assigned such permanent vacancy.

In the event that vacancies continue to exist following the application of the procedures outlined in this Section H, the Company and appropriate representatives of the Executive Committee will meet promptly to review the method adopted for filling such vacancies.

3. Permanent Promotions and Transfers.

Employees shall be given preference in order of seniority (applying Company Continuous Service) to promote from one job classification to another job classification within his line of progression (Step 1), to transfer from one line of progression to another within a seniority section (intrassectional transfer Step 2) and to transfer from one seniority section to another seniority section (intrassectional transfer Step 3).

Intrassectional Promotion/Transfer

(Step 1)

- a. An employee job changed to a job classification at the time of the vacancy(s) will be considered for promotion by seniority to another job classification directly above his job classification in his line of progression. The 42-day trial period will apply for all cases of promotions from one job classification to another job classification within the same line of progression. An employee who elects to return to his former job classification within the 42-day trial period will sign a waiver in accordance with Section D, Paragraph 3 of this Article.

Intrasectional Promotion/Transfer

(Step 2)

- b. An employee shall be considered for transfer from one line of progression to the entry level job classification in another line of progression within the same seniority section provided such employee has the necessary qualifications to perform the entry level job classification, has filed timely written application for transfer (on a form provided by the Company), and a period of one year has elapsed since the date of the employee's last intrasectional transfer or a period of 12 months has elapsed since his election to return from the last intrasectional transfer. Such employee will be entitled to submit pre-applications for transfer to another line of progression within the same seniority section provided such pre-applications shall become renewable one year from the date on which they are filed upon written request from the employee. (Receipt for such pre-application will be made available upon request by the employee.) Such transfer shall be in accord with paragraph 1 above.
- c. An employee's application for intrasectional transfer shall remain in effect until such employee:
 - (1) is transferred in accord with his request, or
 - (2) withdraws the request in writing, or
 - (3) refuses to accept such transfer, or
 - (4) is no longer eligible for intrasectional transfer as set forth in "a" above because of transfer to another seniority section or is assigned for reasons of incapacity or terminated.
- d. The 42-day trial period provided for intrasectional transfers shall apply in cases where an employee is changed from one line of progression to another within the same seniority section.
- e. Notice of vacancies subject to intrasectional application shall be posted for a minimum of seven (7) consecutive days. Such notice of vacancies shall be posted at the same location as the weekly work schedule.
- f. Notice of employee selection, including Continuous Service dates, will be posted within the section in conjunction with the posting of the work schedule and a copy will be provided to the Union business office.

Intersectional Promotion/Transfer

(Step 3)

- g. An employee shall be considered for transfer from one seniority section to the entry level job classification in another seniority section provided such employee has the necessary qualifications to perform the entry level job classification, has filed a timely written application for transfer at Employment Office at the Middletown Works (on a form provided by the Company), and a period of one year has elapsed since the acceptance of an intersectional transfer or a period of twelve months has elapsed since the employee's election to return from an intersectional transfer. Such employee will be entitled to have not more than three pre-applications for transfer on file at any given time and the preapplications shall become renewable upon written request by the employee one year from the date on which they were originally filed. If an employee accepts a transfer under these provisions:

 - (1) such transfers will be made in accordance with the provisions of paragraph 1 above, and
 - (2) any other applications for transfer under this provision will be canceled.
- h. Notice of vacancies subject to intersectional transfer shall be posted in conspicuous locations throughout the plants for a minimum of seven (7) consecutive days, and a copy will be provided to the Union business office. Such notices shall indicate the department, job classification, job classification pay level, estimated number of employees needed, date of posting, and the time and location where the applications in accordance with paragraph 3g of this Section can be filed. An employee may bid on any number of posted vacancies.
- i. The prevailing applicant(s) shall be selected from among qualified employees who have filed timely applications.
- j. Notice of the prevailing applicant(s), including Company Continuous Service date, shall be posted at the Personnel and Employment Office for seven (7) consecutive days, and a copy will be provided to the Union business office.
- k. An employee who returns from either an intrasectional (Step 2) or intersectional (Step 3) transfer will not be entitled to transfer to either the line of progression or seniority section from which such employee returned for a period of one (1) year.
- l. A permanent vacancy may be filled by temporary assignments until such time as the prevailing bidder is Identified and assigned.

4. When the physical equipment and/or occupations on which an employee or group of employees were working are transferred from a seniority unit to another seniority unit, and when the equipment and/or occupation is used to create additional work of the same type in the new seniority unit with a corresponding simultaneous decrease in work of that type in the old seniority section, the employee or group of employees will have the right to transfer with the equipment and/or occupation. Those employees who are so transferred will retain in the new seniority section all the length of seniority service which he or they had previously held in the section from which transferred. It is agreed this transfer clause shall not be applied retroactively to past transfers. Employees so transferred may elect to return (without loss of seniority) to the seniority section from which they were transferred, provided the return is made within 42 calendar days commencing with the effective date of such transfer.

Employee Loans

5. All loans shall be arranged through the Employment Department who shall record the loan and notify by letter the heads of the seniority sections or departments involved and the Union Delegate for the employee's home seniority section. A copy of such notification is to be forwarded to the Union Office at 1100 Crawford Street, Middletown, Ohio. Should the loan exceed 90 calendar days, the Company will give similar notice and the reason for extension of the loan of an employee. If more than one extension is required, similar notice shall be given.
6. An employee may be loaned to another seniority section or another line of progression without losing his seniority in his former seniority section or former line of progression. If the employee on loan does not return to his regular seniority section, but is transferred to the seniority section to which he has been loaned, the transfer shall be in accordance with the provisions of Subsection 3 of this Section.
7. The Company shall notify the Union in writing before loaning an employee.
 - a. The Company shall only loan employees from one seniority section to another seniority section or from one line of progression to another line of progression for legitimate business reasons to resolve temporary needs.
 - b. The Company shall not loan an employee from one seniority section to another seniority section or from one line of progression to another line of progression to avoid the transfer and staffing of permanent vacancies.
 - c. The parties shall meet to review all loans each 60 days to consider alternative staffing.
 - d. In the event the Union disagrees or challenges a particular loan and claims that it did not meet the above criteria, the Union may file a

grievance directly in Step II of the grievance procedure and process it through Regular Arbitration. The arbitrator shall have the authority to fashion an appropriate remedy.

8. Regular members of Employment Reserve and employees referred to Employment Reserve under Section I of this Article, shall acquire seniority standing in a section of a department other than their regular department only upon transfer to such section of a department. An employee's seniority standing in the new section shall commence with the Sunday of the workweek in which such transfer was made effective.

Section I - Force Reduction

1. Cutbacks shall follow the lines established in the progression charts, demotions being made in the reverse order in which promotions would have occurred under the chart.
 - a. If more than one line of progression exists in a seniority section, an employee who reached a job classification through one of the established lines shall cut back through the same line.
 - b. In some instances changes in progression charts have occurred which resulted in deletions of former progression lines and establishment of new progression lines. An employee who did not reach his job classification through any of the established lines shall cut back through that line in which the lowest ranking individual occupies the top job classification.
 - c. An employee who has been displaced from his line of progression will compete by seniority for promotion within another line of progression in his seniority section with any other employee not holding line or job equity in that line of progression.
 - d. An employee who has been displaced from an established line of progression and assigned work in another line of progression in the same seniority section, shall hold seniority standing in his regular job classification; however, when work in his established line of progression to which the employee is entitled by seniority becomes available for a workweek or more, he shall be scheduled to such job classification and/or work assignment.
2. An employee whose assignment is eliminated or is temporarily discontinued in a job classification or who is cut back to such a job classification, due to a force reduction, may replace for the remainder of the workweek the employee on turn having the least seniority. Such employee, however, may claim assignment preference within the job classification on the basis of seniority provided no less than a scheduled workweek is known to be available for

such assignment prior to the posting of the workweek schedule, subject to other terms and conditions of this Agreement, including Article XIII.

3. Employees cut back from their regular seniority section shall be referred to the Employment Department for reassignment or layoff. Such employees assigned to Employment Reserve shall displace other employees with less seniority who are working on regular job classifications through Employment Reserve.
4. Nothing in this Article shall deprive employees with greater seniority of the opportunity to be placed in a regular job classification in the event of force reductions in preference to employees with less seniority. Not later than Thursday of the second week following the week in which the force reduction occurs, a sufficient number of employees with less seniority shall be displaced from their regular job classification or their regular seniority sections, if necessary, to provide opportunities to be placed in a regular job classification for employees with greater seniority. A displacement date shall be established in order to designate by seniority the employees necessary to be displaced from their regular seniority sections; however, such action shall not require the displacement of employees in any seniority section to the extent such displacement would result in undue dilution of experienced employees in such seniority section. An employee who meets a displacement date and is referred to Employment Reserve for reassignment and, while included in a displacement date, is assigned to his seniority section will forfeit his seniority entitlement in that section for the duration of the assignment. It is understood this procedure does not apply to any employee who meets a displacement date and is retained in his seniority section to avoid dilution.
5. Any cutback employee assigned to Employment Reserve not included in a displacement date shall be returned to his regular seniority section when a week of scheduled work (known at the time of posting of the work schedule for such workweek) to which the employee is entitled becomes available.
6. When two or more employees are assigned through Employment Reserve at the same time on the same turn to the same seniority section, assignments to the higher job classification shall be made, where practicable and reasonable, on the basis of seniority. No changes in such assignments on that turn shall be required by later assignments of employees to that seniority section.
7. In the application of the foregoing paragraphs of this Section, it is recognized that the attainment of the overall objective, as stated in paragraph 4, is intended rather than the placement of individual employees to specific job classifications and/or work assignments. The Company shall have the right to designate the specific job classification and/or work assignments on which an employee shall be placed, and to displace and reassign to provide work for employees with greater seniority.

8. When the Company reduces forces and gives notice of layoffs, it shall establish a layoff date. Employees shall be laid off and called back in accordance with their seniority, using the layoff date which has been established.

When the Company, in its judgement, decides to temporarily layoff employees, employees may request voluntary layoff status in accordance with the following procedures.

- a. An employee must notify the Company in writing of his/her request to participate in the voluntary layoff program.
- b. The Company will process the request for voluntary layoff promptly. The Company may take into consideration factors such as technical training, experience, or special education in the review of the request.
- c. The Company may revoke or recall an employee from voluntary layoff status at its discretion.
- d. An employee who has been granted voluntary layoff status will notify the Company seven (7) days prior to his/her election to return to work. Upon the receipt of the written request the Company will return the employee to active work status no later than the second full week of available work, consistent with the provisions of this Agreement.
- e. An employee who is on voluntary layoff status will return to work after notification to report has been sent by certified mail or telegram to the employee's last address as it appears on the records of the Company.
- f. An employee who is granted voluntary layoff is entitled to SUB benefits, if otherwise eligible.

The Company, when there is a need, may exclude from layoff or may call back from layoff, employees with technical training and experience or special education, irrespective of seniority service.

Within seven calendar days of such exclusion from layoff, the appropriate representatives of the parties will meet to develop alternate solutions. If no agreed upon solution is reached within 30 days, the Union may file a grievance in Step II of the grievance procedure.

9. An employee laid off because of a force reduction shall retain his relative seniority status in his regular seniority section.
10. In making force reductions in a seniority section, the employees affected and their Union delegate and the Union business office shall be notified, and whenever possible, be given one week's advance notice of such reductions.

11. In the application of the provisions of this Section, the Company will provide to the Union the date established for layoff and displacement purposes and a list of the employees involved.

Section J - New Operations

1. When new operations are added and new seniority sections created, job classifications and/or work assignments on such new operations shall be filled by seniority among employees who desire the job classification and/or work assignment from the operations directly affected as a result of the addition of the new operations.
2. The placement of employees on the new operations, as provided in paragraph 1 above, shall not disturb previous relative seniority standings.
3. The Union and the Company shall meet to consider the problems involved with the administration of the above procedure and may adopt by agreement such rules and regulations as may be helpful. Any issue or dispute which remains unresolved after sixty (60) days may be submitted directly in arbitration for resolution.

Section K - Seniority Service List and Records

1. The seniority standing of employees established under the prior Agreement shall not be altered except by changes in employee status made on and after the effective date of this Agreement.
2. The Company shall continue to post in each seniority section a list, reviewed by both parties in advance of the posting, showing the length of seniority service and the seniority standing of each employee in the section, and shall bring such list up to date at least once each year. In determining seniority service, calendar days shall not be subdivided.
3. Where employees' dates of seniority service have been posted for 30 calendar days without a grievance in respect thereto, they shall become final, except that wherein established errors are discovered the dates may be corrected by agreement between representatives of the Plant Managements and the following representatives of the Executive Committee of the Union, the President, the Vice President of the plant involved, and the appropriate Trustee.

The posting of a revised seniority list shall not constitute cause for a grievance under this Subsection unless the revisions made alter an employee's relative seniority standing.

4. Service records in effect at the date of this Agreement shall be used by the parties hereto as the records of seniority service as of such date. The

Company shall maintain the service records of present and new employees, as required for the purposes of this Article.

5. When permanent promotions are made, a job classification change form shall be prepared by the appropriate supervisor. A copy of this form will be provided to the employee and to the Union Business Office, and the job classification change shall be called to the attention of the appropriate Union representative.
6. An increase in work force shall be considered a temporary vacancy for a period of four consecutive calendar weeks. Such period may be extended subject to mutual agreement between the Company and the Union.
7. When a temporary vacancy has continuously existed in a job classification for a period in excess of four calendar weeks, the senior employee, at the time the vacancy occurred, who is permanently job classification changed to the job classification directly below the job classification where the vacancy occurred will be entitled to fill that temporary vacancy for its duration. Should that temporary vacancy become permanent, the senior employee permanently job classification changed to the lower job classification at the time the vacancy becomes permanent will be entitled to promote to the permanent vacancy. In the event that an employee has seniority entitlement to such vacancy as provided herein but is not job classification changed as provided, such employee will be promoted to the permanent vacancy.

Section L - Leaves of Absence

1. Employees requesting leaves of absence shall first make application in writing to their departmental supervision on a form to be provided by the Company. Such leave of absence may be granted to an employee for not more than 30 calendar days on approval of the Employment Department.
2. Such leaves of absence may be extended upon application to the Employment Department, but only at the discretion of the Company. Such leaves of absence will not be extended if the employee would have been laid off had he been working with the Company during the time of the leave.
3. Any employee who is known to be ill or disabled, whose illness or disability is supported by satisfactory evidence, will be granted a leave of absence without application in writing to his departmental supervision for the period of such illness or disability subject to the provisions of Section M of this Article.
4. In injury and occupational disease cases which are compensable under the Workers' Compensation Act of Ohio, employees will be granted leaves of absence without application in writing to their departmental supervision for the period of such disability, subject to the provisions of Subsection 2a (11) of Section M of this Article.

5. Employees called upon for full-time service with the Union shall be granted, upon request of the Union, a leave of absence in accordance with Subsection B(1) of Article VI.
6. All the foregoing leaves of absence are cumulative on Continuous Service in accordance with the provisions of Section M of this Article and are granted subject to the following conditions:
 - a. An employee who returns from a leave of absence within 2 years from the beginning date of such leave shall not lose seniority standing or assignment preference consideration to employees who were below him at the time the leave was granted.
 - b. An employee who returns from a leave of absence after 2 years from the beginning date of such leave shall not be permitted to contest the seniority of any employees who have advanced around him or assignment preference claims made during the absence. If such employee is later promoted level-handed with an employee who has so advanced around him, he will re-establish his full seniority rights to all future seniority entitlements.
 - c. Employees returning from a leave of absence shall give not less than 7 calendar days notice to the plant Employment Department. Any employee who fails to return to work in accordance with such notice shall be considered as having voluntarily quit unless a satisfactory reason is given.
7. The provisions of this Article VIII, Section L-6 are made subject to the provisions of Article XXIII - Military Service.

Section M - Continuous Service

1. Calculation of Continuous Service
 - a. Continuous Service for each employee shall be calculated from the first date of employment or subsequent date of reemployment following a break in Continuous Service in accordance with the provisions of Subsection 2 of this Section provided, however,
 - (1) the provisions of Section K, Subsection 4, of this Article are observed.
 - b. Continuous Service for seniority purposes shall have no deductions for any time lost which does not constitute a break in Continuous Service, provided, however,
 - (1) appropriate preservations are observed with respect to situations, such as interplant transfers, leaves of absence, etc.

2. Loss of Continuous Service

a. An employee's rights and Continuous Service with the Company shall be broken and seniority status lost for the following reasons:

- (1) Voluntarily quitting (exceeding a leave of absence shall also be considered voluntary quitting).
- (2) Violation and/or misuse of conditions of authorized leave.
- (3) Discharge for cause, including the causes listed in the Company's General Safety Instructions as in effect the date of this Agreement, provided that if the employee is rehired within six months the break in Continuous Service shall be removed. It shall be the responsibility of the Company to make available, and the responsibility of each employee to secure a copy of said General Safety Instructions.
- (4) Absence for five working days without properly notifying the appropriate departmental supervisor or office, or the main gate watchman of the plant or the plant Employment Department, in which case the employee shall be considered to have quit voluntarily. Where an employee is delayed in giving notice by causes beyond his own control, he shall notify the Employment Department as soon as possible under the circumstances.
- (5) Failure to report for work within 5 calendar days after notification to report has been sent by registered mail or telegram to the employee's last address as it appears on the records of the Company and allowing usual time for mail delivery to such address. It shall be the duty of all employees to notify the Company in writing of any change of address.
- (6) Absence because of layoff due to lack of work exceeding the limitations set out in paragraph 10 of this Subsection 2a.
- (7) Termination of a sick or disability leave under Section L of this Article and paragraphs 10 and 11 of this Subsection 2a.
- (8) Retirement.
- (9) Payment of severance allowance under Article XXII.
- (10) If an employee shall be absent because of layoff or physical disability, such employee shall continue to accumulate Continuous Service for all purposes and seniority service during such absence up to a maximum of two years and he shall retain his accumulated Continuous Service for benefit purposes and further accumulate

Continuous Service for seniority purposes for an additional period equal to (1) 3 years, or (2) the excess, if any, of his length of Continuous Service at commencement of such absence over 2 years, whichever is less, provided, however, that in order to avoid a break in service after an absence in excess of 2 years, the employee must report to work promptly, as required by this Section, upon termination of either cause of absence.

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

Section N – Total Quality System (TQS) Staffing

1. Staffing – TQS Coordinators

- a. When it is determined that a need exists to staff a department or section TQS-Coordinator position, the position will be filled by seniority from within the appropriate department or section.
 - (1) Employees will be permitted to bid for the TQS assignment and then contacted in company service date order to determine the senior employee for the assignment.
 - (2) Employees will be selected for the position based upon their seniority as defined in Section B of this Article, subject to the conditions set forth in this Section N.
- b. Employees will be assigned to the coordinator positions, retaining their seniority on their incumbent classification within their department.
 - (1) Should employees be disqualified or choose to relinquish the TQS assignment, they will be returned to their former position and receive any promotional moves that they would have received had they remained on the job.
 - (2) Replacement of any of the Department TQS Coordinators will be done in accordance with the above procedures.

2. Compensation

a. Rates

Plant and Department TQS Coordinators will be assigned to the job classification of Operator Technician I at pay grade 3.

b. Incentives

Plant and Department TQS Coordinators will receive the incentive compensation of the group that they are assigned or loaned from.

3. Overtime

- a. TQS Coordinators will remain eligible to work overtime in their department for which they are qualified to perform.
- b. They will be charged with all overtime worked on the TQS position or overtime worked or refused in their department or section in accordance with the provisions of their department supplement.

4. Selection and Testing Procedures

- a. The following selection and testing procedures will be utilized to select the employees for the TQS assignments:
 - (1) The TQS job posting will list the job requirements and will be posted for seven (7) consecutive days in the departments. To be considered for the TQS vacancy, employees must bid by signing the departmental posting in their departments. Employees may pre-apply for the TQS assignment by signing up in their departments.
 - (2) The selection process in each department will begin immediately following the seven (7) day posting period. The company will contact the employees in company continuous service order to determine the number of employees interested in each position. Employees must decline in writing the assignment or further consideration.
 - (3) Where a Department TQS assignment covers multiple areas or sections, the company will designate which sections are eligible to bid. This identification should consider the scope of TQS responsibility or if the job has been previously bid by seniority from a particular group. [For example, considerations should be given to whether the job has department-wide responsibility equally distributed or if the majority of the work is concentrated in a particular section, or if a job has previously been bid in the department.]
 - (4) Up to five (5) of the most senior, in company continuous service, employees who bid for each TQS vacancy will be scheduled to take the established TQS qualification examination.

- (a) Employees must successfully complete the TQS qualification examination prior to the staffing of the positions(s) in their department. To qualify, the employees must attain a minimum score in the 70th percentile overall cognitive aptitude.
 - (i) Employees who have greater company continuous service than the prevailing bidder(s) and fail to qualify with a percentile overall cognitive aptitude score in the 60-69% range may at their option retake the examination.
 - (ii) Employee's test scores will be kept confidential. Employees who fail to qualify may be shown their individual score by Training Department personnel following prior request for an appointment.
 - (iii) The union will be notified of any significant content changes in the TQS qualification examination. No changes in the examination will be made without discussions between the parties. If the union disagrees with the changes, a grievance may be processed directly to expedited arbitration for resolution.

**ARTICLE IX - NON-DISCRIMINATION AND CIVIL RIGHTS
(Tentatively Agreed)**

Section A. Non-Discrimination and Civil Rights

1. The provisions of this Agreement will apply equally to all employees without regard to their race, religion, color, national origin, sex (including pregnancy, childbirth, or related medical conditions), age, ancestry, disability or handicap (physical or mental), veterans disability or status as a veteran.
2. The Company shall not intimidate, threaten, coerce, or retaliate against an employee who complains of discrimination, or who participates in an investigation of a complaint of discrimination.
3. A Joint Civil Rights Committee composed of 3 members of the Union and 3 members of the Management shall meet not less than once each month to review Civil Rights matters. The Committee shall advise the Company and the Union on such matters.
4. Nothing herein shall be construed to in any way limit or deprive any employee of any right or forum under public law.

Section B. Workplace Harassment, Awareness and Prevention

1. Within six (6) months of the Effective Date of this Agreement, members of the Joint Civil Rights Committee will be trained in matters relative to this provision.
2. All Committee Members shall be compensated for time spent in training referred to in this Section.

Section C. Child Care, Elder Care, and Dependent Care

1. The Parties agree to identify programs that meet the changing needs of working families, particularly in regard to dependent care.
2. The Parties shall create a Dependent Care Committee, comprised of at least one (1) Union member and one (1) Company member. The Committee shall meet and be responsible for the identification and, where appropriate, development of dependent care programs. The Committee will utilize local community resources which are able to support the issues of child, elder, and dependent care.
3. The Committee's efforts shall include fact finding and identifying working model programs during the term of this Agreement, such as:
 - a. twenty-four (24) hour resources and referral systems;

- b. subsidy and/or reimbursement provisions for dependent care services;
- c. pre-tax programs;
- d. near-site or on-site dependent care centers;
- e. before and after work care for extended workdays;
- f. holiday, emergency and sick care on workdays; and
- g. development of community-based groups with other unions and companies in the region to cost effectively provide dependent care services.

ARTICLE X - MEDICAL (Tentatively Agreed)

Section A. General Provisions

1. The Company shall maintain the confidentiality of reports of medical examinations of its employees and shall only furnish such reports to a physician designated by the employee upon the written authorization of the employee; provided, that the Company may use or supply such medical examination reports of its employees in response to subpoenas, requests to the Company by any Governmental agency authorized by law to obtain such reports, and in arbitration or litigation of any claim or action involving the Company.
2. Whenever the Company Physician detects a medical condition which, in his judgment, requires further medical attention, the Company Physician shall advise the employee of such condition or advise him to consult with his personal physician.
3. Any employee who, while performing work to which he was assigned, is injured and unable to continue to perform work on a regularly scheduled job, as determined by the Company Medical Department, shall be paid for any loss of earnings for the balance of the shift on which he was injured.
4. When an employee has been absent from work due to sickness or injury for five (5) or more consecutive scheduled days of work, the employee must report to AK Health Services prior to returning to work. Such employee shall be examined and approved by AK Health Services before returning to work. Work restrictions or work releases issued by the Company Physician to an employee shall be placed in writing and promptly given to the employee and Union business office, but no later than when the employee commences work.
5. When an employee is injured on the job and returned by the Company physician under medical work restrictions to a job classification lower than his regular job classification, the employee will be compensated for all hours worked, at the pay grade level, including incentive, as his regular job classification, for a period no longer than ninety (90) calendar days.

Section B. Third Physician Procedure

1. The Third Physician Procedure is available for an employee who is not satisfied with any of the following:
 - a return to work report of the Company Physician;
 - permanent work restrictions placed on the employee by the Company Physician where those permanent restrictions disqualify the employee

from his incumbent job classification or actually prevents the employee from voluntarily promoting or transferring to a higher job classification;

- temporary work restrictions placed on the employee by the Company Physician that extend beyond ninety (90) consecutive days; or
- cases of requested disability pension.

In the above circumstances, the employee may be examined by his Personal Physician at his own expense. If the two physicians disagree, the employee may utilize the following procedure to obtain the opinion of a Third Physician from an agreed upon Third Party list:

- a. The employee must make a written request for a Third Physician examination and have a written request date stamped as received in Labor Relations within 7 calendar days from the date the disagreement occurred. The date the disagreement occurred shall be defined for purposes of this Article as the date when either the Company Physician or employee's Personal Physician states in writing an opinion which disagrees with the previously stated opinion of the other physician.
- b. The employee must select a physician of the appropriate medical specialty from the agreed upon Third Party list; state his selection in writing; and have the written selection date stamped as received in Labor Relations within 10 calendar days of Labor Relations' receipt of his written request for a Third Party examination. When the employee provides Labor Relations with his Third Party selection, the employee will provide the Company with a signed copy of written authorization for release of medical information (on a form agreed upon by the Company and the Union) to the Third Physician chosen to assess him. The information will be disclosed on a need to know basis.
- c. A Labor Relations representative, a Union representative and the employee will jointly call to schedule an appointment for the employee with the selected Third Physician. The appointment will be scheduled based on the first available date agreeable to the employee and the Third Physician. It is the intent of the parties to schedule the appointment within 30 days of disagreement.
- d. Labor Relations and the Union will jointly sign and send an agreed upon letter (on a form agreed upon by the Company and the Union) to the Third Physician that will include the following: confirmation of the date and time of the appointment; direction as to whom is responsible for any fees related to the appointment; instructions to the Third Physician regarding contact with him by anyone other than the employee; and, what information the Third Physician may request from

either the Company's Physician(s) or the employee's Personal Physician(s).

- e. Following receipt of the letter referenced in paragraph d the Company Physician and the employee's Personal Physician may submit information to the Third Physician to consider when performing the evaluation.
 - f. The employee will be responsible for attending the examination as scheduled and for cooperating with the Third Physician.
 - g. The decision of the Third Physician will be binding on all parties.
 - h. If the employee fails to make a timely written request in accordance with Paragraph a. above to obtain the opinion of the Third Physician or the employee fails to attend the Third Physician examination as scheduled without reasonable and documented justification or the employee takes any action that would impede resolving the aforementioned disagreement of the physicians, the decision of the Company Physician will be binding.
 - i. The cost of the Third Physician and the employee's transportation to and from the scheduled appointment shall be borne by the Company.
- 2. The parties will meet as necessary to select or review an entity (University or other party) to provide third physicians for this process. The parties will endeavor to select at least two such providers of third physicians. The parties have agreed not to limit the number of physicians who will be available for selection.
 - 3. The Company will provide a letter detailing the rights and responsibilities of the employee regarding the process.
 - 4. An employee receiving Workers' Compensation may use the third-party procedure as set forth in this Article, except the provisions of this Article are not applicable to the determination of an individual's entitlement to compensation or benefits under the Ohio Workers' Compensation Act.
 - 5. An employee otherwise eligible to receive Sickness & Accident benefits will, in the event the employee is returned to work by a Third Physician, continue to receive those benefits until the first day of the work week in which the employee is scheduled to work.

Section C. Medical Waiver

An employee who is working on the job to which he is entitled by seniority and who is not promoted because of a temporary disability shall:

1. Not be entitled to promote above the job on which he is working until such disability is removed. Should such disability be removed within two years from the effective date of such medical waiver he shall then be promoted in accordance with his applicable seniority rights and without forfeiture of any seniority rights because of such temporary disability.
2. Not be permitted to contest the seniority of any employee(s) who have advanced around him or job preference claims made during the period of disability if the period of disability extends after two years from the effective date of such medical waiver. Provided, however, that if such employee is later promoted level-handed with any employee who has so advanced around him, he will reestablish his full seniority rights to all future seniority entitlements.
3. In case of cutbacks, retain his seniority on his own job or on lower jobs in his line of progression.
4. The existence and extent of such temporary disability shall be determined by the Company Physician; such temporary disability shall be reviewed at least every 90 calendar days; when the temporary disability of an employee is terminated or continued as determined by the Company Physician, the employee and the appropriate Company representatives shall be notified promptly in writing of such termination or continuation. In addition, a copy will be provided to the Union business office.

Section D. Placement of Disabled Employees

1. Any temporarily disabled employee may be assigned, as determined by the Company, during the continuance of such disability, to any job in their line of progression beneath their job that may be suitable to his temporary disability or be assigned to any vacancy in any seniority section which may be suitable to his temporary disability, irrespective of seniority. An employee so assigned shall not promote or contest the promotion of other employees who are or may be assigned in the seniority section in which he is placed. An employee reassigned due to disability under this Section D(1) will forfeit his permanent job after five (5) years' absence from such position.
2. The existence and extent of a temporary disability shall be determined by the Company Physician; such temporary disability shall be reviewed at least every 90 calendar days; when the temporary disability of an employee is terminated or continued as determined by the Company Physician, the employee and the appropriate Company representatives shall be notified promptly in writing of such termination or continuation. In addition, a copy will be provided to the Union business office.
3. An employee who returns from such temporary assignment to his job within 2 years from the beginning date of such temporary assignment shall not forfeit

any seniority rights and shall be promoted in accordance with his applicable seniority rights.

4. An employee who returns from such temporary assignment to his job after 2 years from the beginning date of such assignment shall not be permitted to contest the seniority of any employee(s) who have advanced around him or job preference claims made during his absence from his job, but if such employee is later promoted level-handed with any employee who has so advanced around him, he will reestablish his full seniority rights to all future seniority entitlements.
5. A temporarily disabled employee assigned to another job in his own line of progression shall retain his original seniority standing in such line in the event of a cutback during such assignment.

Section E. Medical Procedure - Return to Work

When an employee has been absent from work for any reason for more than forty-five (45) calendar days, the employee must report to and be cleared by AK Health Services prior to returning to work. This return to work exam will include drug and alcohol testing.

Section F. Family and Medical Leave Act

With respect to the Family and Medical Leave Act of 1993 ("FMLA"), the Company agrees to grant a leave of absence of up to 12 weeks to employees who have a minimum of one year of company service ("eligible employees") to care for a newly-born or newly-adopted child, or for a serious health condition of the employee's spouse, son, daughter, parent or step-child living in an immediate family relationship, under the following conditions.

1. Eligible employees may take up to 12 weeks' leave to care for a newly-born or newly-adopted child. This leave must be taken in 12 consecutive weeks within the first 12 months after birth or placement.
2. Eligible employees may take up to 12 weeks' leave in any 12-month period to care for a spouse, son, daughter, parent, or step-child living in an immediate family relationship who has a serious health condition. The Company may require the employee to provide certification from a health care provider identifying the date on which the serious health condition commenced, the probable duration of the condition, appropriate medical facts within the knowledge of the provider regarding the condition, and a statement that the employee is needed to care for the spouse, son, daughter, parent, or step-child as well as an estimate of the amount of time the employee will be so needed. The Company agrees to maintain confidentiality with respect to the medical facts and reasons for the leave of absence.

3. Employees returning from FMLA leave will be placed in the position to which they are entitled in accordance with the provisions of this Agreement.
4. To the extent an employee taking any leave provided above has any unused vacation allowance during any year in which said leave is taken, the employee may reserve one week of vacation to use at a later time, but all other weeks must be used as a part of the leave. As such, the employee will be paid for any vacation weeks in excess of one, and the employee's vacation balance for the year will be debited by the same number of weeks. All additional weeks of such leave will be unpaid. In the event an employee's voluntary leave extends beyond December 31 of any calendar year, the employee's vacation eligibility for the following year will be established on his/her first day of return to work following the leave, and the weeks of leave in excess of one taken in the new year that do not exceed the employee's vacation allowance for that year will be considered vacation time for which the employee will be paid, and will be debited against his/her vacation balance for that year. All additional weeks of leave will be unpaid.
5. Insurance benefit coverage for voluntary leaves of absence taken, except for sickness and accident benefits, will be continued on the same basis as if the employee were actively at work. If an employee becomes disabled while on leave, sickness and accident benefits will not apply. However, in accordance with the provisions of the Sickness and Accident Benefit Plan, S & A benefits shall be paid for any weeks the employee remains disabled beyond the term of the voluntary leave. If an employee does not return to work after the leave of absence, the Company may recover from the employee the amount of insurance premiums paid on his/her behalf during the period of the absence unless (i) the leave was taken because of a serious health condition of the employee's spouse, son, daughter, parent, or step-child who is living in an immediate family relationship, and that serious health condition continues, or (ii) the employee does not return to work because of other circumstances beyond the control of the employee.
6. Employees with serious health conditions remain covered by existing leave provisions.
7. Employees will not accrue company service for purposes of benefits or seniority during a voluntary leave of absence, or any extended period during which S & A payments are received, unless they return to active employment status. Employees unable to return to work due to a permanent incapacity, permanent disability or due to the death of the employee, shall be deemed not to have broken service at the beginning of the leave of absence.
8. The Company agrees that it will not discharge or in any other manner discriminate against any employee on the basis that the employee requested or took a leave of absence hereunder, or on the basis that the employee participated in proceedings under the FMLA.

9. Nothing in this Agreement shall limit an employee's rights to a FMLA benefit required by law. Terms used herein shall have the same meaning as in the FMLA.

ARTICLE XI - DISCHARGES AND DISCIPLINARY SUSPENSIONS (Tentatively Agreed)

Section A - Objective

1. In the exercise of its rights, Management agrees that no employees shall be discharged or disciplined without just cause and due consideration.
2. It is intended that an employee may remain on the job during the time required for the departmental management to review the circumstances of the case, unless it is determined that such retention on the job could be detrimental to the employee or others.
3. The parties agree that corrective actions involving an employee must be reasonable under the circumstances and that disciplinary penalties must be proportionate to the infraction involved.

Section B - Discharge Procedure

1. In the event it is concluded that discharge is warranted, the employee shall be notified in a meeting held by the department head, or his delegated management representative, of a period of suspension not to exceed five calendar days duration, and at the same time, also notified that it is the intention of the Company to discharge him at the end of such suspension. The department head shall be responsible for the preparation of a memorandum of the meeting. A copy of the memorandum shall be made available to the Union.
2. During this 5-day period of suspension, the employee may request an appeal hearing before the Plant Management and a statement of the offense.
3. After such hearing, but within ten (10) days of the suspension, the Plant Management will decide whether the suspension shall be revoked, affirmed (resulting in discharge), or converted to a disciplinary suspension. If the discharge suspension is revoked, the employee shall be returned to work without loss of pay for the time which he actually lost.
4. In the event Plant Management's decision results in discharge of the employee, he may file a grievance in Step II of the grievance procedure, as outlined in Article VII of the Agreement, provided such filing is made by the presentation of the grievance by an appropriate officer of the Union to the Step II Management representative within a period not exceeding 30 calendar days after the date on which the discharge was affirmed. A grievance thus entered into the grievance procedure shall be entitled to be processed in accordance with Article VII, including arbitration. The Step II disposition of such grievance shall be rendered within a period not to exceed 10 calendar days after the date of the Step II meeting.
5. Should the Company in its grievance disposition, or in the case the grievance is appealed to arbitration, an arbitrator in his award decide that the employee should

be reinstated, the Company shall reinstate the employee with or without back pay, as may be agreed upon between the parties or as directed by the arbitrator. When an arbitrator awards back pay (whether expressed as an award of "back pay" or "make whole" or such other equivalent verbiage) in discharge and disciplinary suspension cases of 10 days or more, or when the parties otherwise so agree, all payments will be calculated as follows, and subject to legally required tax and other withholdings:

a. Basic Back Pay. Back pay will be calculated as follows.

- (1) The "Basic Back Pay Hourly Rate" ("BBPHR") shall be the employee's vacation rate calculated pursuant to Article ____ of the Agreement on the basis of the employee's earnings during the calendar year prior to the discharge or suspension. There shall be adjustments to reflect intervening general wage changes or other changes within the meaning of Article ____.
- (2) The "Back Pay Weekly Hours" ("BPWH") shall be the employee's average hours paid for the employee in each week of the prior calendar year as calculated pursuant to Article ____ of the Agreement, except that the maximum number of BPWH shall be 56.
- (3) For each whole week of the time period that the parties agree or an arbitrator awards back pay, the back pay shall be calculated by multiplying the BBPHR under section (1) times the BPWH under section (2) above. For partial weeks absences for which back pay is agreed or awarded (for example, suspensions of less than a week, or where one or more days are actually worked in the initial and terminal weeks of a disciplinary absence), this figure shall be pro-rated (based upon a 7-day work week) to obtain a daily back pay amount, which shall then be paid for each lost work day in said week(s).

b. Offsets for Interim Earnings. Subject to the second sentence of this Section 2, the Company shall be entitled to offset (reduce) the gross amount of back pay calculated pursuant to Section 1 above by the gross amount of the interim earnings (earnings from other employment, unemployment compensation, etc.) of the employee for the period of the absence. If the employee can demonstrate that some portion of interim earnings is attributable to outside employment that commenced prior to the discipline or discharge and that such portion would have been earned even if the discharge or suspension had not occurred, then said portion of interim earnings shall not be subject to offset. The employee shall provide to the Company available records and information concerning interim earnings and employment as may be reasonably requested by the Company to administer this agreement.

- c. Profit Sharing. For each employee for whom the parties agree or an arbitrator awards back pay for any period of time; the Company shall pay an amount to compensate for lost profit sharing income. To calculate this payment, the Company shall apply the Profit Sharing Distribution Percent to 1) the back pay amount calculated pursuant to Section 1 above adjusted to include only those earnings which are includable for profit sharing purposes under Article ____; plus 2), the sum of pay paid to the employee, as determined in accordance with Article ____, in the applicable calendar year(s) while not otherwise on suspension or discharge.
- d. Safety Shoe Allowance. For each employee for whom the parties agree or an arbitrator awards back pay for any period of time, and who by reason of the disciplinary absence was not given the pertinent safety shoe voucher that would otherwise have been given, the Company shall provide a safety shoe voucher pursuant to Article ____.
- e. Lump Sum Payments. For each employee for whom the parties agree or an arbitrator awards back pay for any period of time, and who by reason of the disciplinary absence was not paid a lump sum payment(s) that would otherwise have been paid, the Company shall pay such an employee an amount equal to the lost payment(s).
- f. Vacations. The Company shall permit a reinstated employee to take all remaining vacation weeks as were scheduled prior to the employee's suspension or discharge. In the event such employee was compensated for such remaining scheduled vacations at or after discharge, such remaining scheduled vacation weeks shall be uncompensated when taken. In the event such employee was not compensated for such remaining scheduled vacation weeks at or after discharge, such remaining scheduled vacation weeks shall be compensated when taken in accordance with Article ____ of the Agreement. An employee who, prior to suspension or discharge, elects to receive vacation pay in lieu of time off, shall not be entitled to revoke such election and receive the time off upon reinstatement. In no event, however, shall pay in lieu of time off offset any award of back pay.
- g. Health Insurance Benefits. The following will apply to health insurance benefit coverage for discharged employees reinstated with back pay. The following will also apply to health insurance benefit coverage for discharged employees reinstated without back pay as to whom the parties agree upon, or the arbitrator awards, a make-whole remedy with respect to lost health benefits.
- (1) An employee who elected COBRA, as defined by the Consolidated Omnibus Budget Reconciliation Act of 1985, will be reimbursed for the COBRA payments(s).
 - (2) An employee who declined COBRA and purchased alternative health care insurance coverage will be reimbursed for the premium payment of

such coverage but not to exceed the premium payment the employee would have paid had the employee elected COBRA health care coverage, and the Company will also pay any health benefit claim(s) that were not paid under such alternative coverage but which would have been paid under the Company's plan had the employee not been discharged.

- (3) For an employee who declined COBRA and who became covered under his or her spouse's health plan, the Company will reimburse the employee for the additional premium cost incurred, if any, to obtain such coverage, but not to exceed the premium payment the employee would have paid had the employee elected COBRA health care coverage, and the Company will also pay any health benefit claim(s) that were not paid under such spouse's plan but which would have been paid under the Company's plan had the employee not been discharged.
- (4) If an employee declined COBRA and did not purchase or obtain other alternative health care coverage, the Company will pay any benefit claim(s) which would have been paid under the Company's plan had the employee not been discharged.
- (5) For purposes of administering this agreement, the employee shall provide to the Company available records and information concerning interim health insurance and claims history as may be reasonably requested by the Company.

h. Payment will be made within 45 days of the Company's receipt of all requested documentation.

6. Employees who have been discharged or suspended pending discharge who are later returned to work through a settlement agreement will retain the right to grieve the disciplinary action taken, unless otherwise agreed by the parties.
7. Upon written notice to the Company, the Union may invoke the following accelerated procedure for the arbitration of any discipline or discharge grievance, with the respective time periods beginning seven (7) days from the date of such notice:
 - a. For discipline involving five days or more, the parties agree to arbitrate within 240 days. If the Company fails to arbitrate within this time limit, it shall remove the discipline from the employee's record and make him/her whole. If the Union fails to arbitrate within this time limit, it shall withdraw the grievance without pay.
 - b. For discharge grievances filed after this date, the parties agree to arbitrate within 90 days. If the Company fails to arbitrate within this time limit, it shall reinstate the employee and make him/her whole. If the Union fails to arbitrate within the time limit, it shall withdraw the grievance without pay or reinstatement.

8. Discharge arbitrations will be processed on the following schedule:
 - a. Hearing transcripts will be prepared and distributed to the parties within 21 days of the close of the arbitration hearing;
 - b. Briefs will be submitted to the arbitrator within 21 days of the date of distribution of the hearing transcript to the parties;
 - c. the arbitrator will issue a written decision within 30 days of the date of submission of the parties' briefs.
9. The Company shall not discipline or discharge an employee with three (3) years of service or more for falsification of their employment application. Any employee with less than three (3) years of service disciplined or discharged by the Company for falsification of his employment application may contest the discipline or discharge through the grievance and arbitration procedure.
10. The Company agrees to furnish copies of all available documentation relied upon by the Company in a discharge meeting to the attending Union representative before the meeting is concluded.

Section C - Disciplinary Suspensions

1. A disciplinary suspension is one in which an individual is denied employment for just cause for a period of time for disciplinary purposes. The extent of such disciplinary suspensions shall be determined in each particular case, as circumstances may warrant.
2. The employee and his appropriate Union representative shall be notified promptly of any such disciplinary suspensions in a meeting conducted by management.
3. Any employee who has been suspended for disciplinary purposes and who feels that the action taken is not justified may file a grievance in Step II of the grievance procedure as outlined in Article VII of this Agreement, provided such filing is made by the presentation of the grievance by an appropriate officer of the Union to the Step II management representative within a period not exceeding 30 calendar days after the date the employee was notified of his suspension. A grievance thus entered into the grievance procedure shall be entitled to be processed in accordance with Article VII, including arbitration.
4. The Company agrees to furnish copies of all available documentation relied upon by the Company in a discipline meeting to the attending Union representative before the meeting is concluded.

Section D - Union Representation

1. Any employee desiring Union representation in the notification meeting of Section B, Paragraph 1, and Section C, of this Article shall be entitled to such upon request.
2. Union representatives shall be entitled to be present at the notification meeting of Section B, Paragraph 1, and Section C, of this Article even if the involved employee has not made a request.
3. Union representatives shall be entitled to be present in the appeal hearing of Section B, Paragraph 2 of this Article.

Section E - Disciplinary Records

It is agreed that personnel records of disciplinary action against an employee shall not be used in arbitration proceedings if the recorded disciplinary action occurred three (3) or more years prior to the date of the event which is the subject of such arbitration. The Company shall remove any disciplinary action from an employee's record when an employee has no discipline for three years from the date of his/her last discipline.

Section F - Last Chance Agreements

The parties shall limit all existing and future Last Chance Agreements to three (3) years from the date of execution of the Last Chance Agreement.

Section G - Garnishment of Wages

Any employee whose wages have been garnisheed will not be disciplined for reason of such garnishment.

ARTICLE XII - WORKPLACE RESTRUCTURING: ECONOMIC OPPORTUNITY

Section A – Pay Grades

1. The following shall be the pay grades in effect on the effective date of the Agreement and the straight-time hourly rate for such grades, but the establishment of these pay grades creates no obligation on the Company to actually have any employee in each grade nor does it restrict the Company from exercising its managerial rights as set forth in Article V – Management. The number of permanent vacancies in each of the newly established job classifications will be determined by the Company.

Grade Level	New Job Classifications	Standard Hourly Wage Rate		
		Effective Date	18 months after Effective Date	36 months after Effective Date
1	Utility Person	\$15.66	\$16.16	\$16.66
2	Utility Technician	\$17.25	\$17.75	\$18.25
3	Operating Technician I	\$19.11	\$19.61	\$20.11
4	Operating Technician II	\$20.17	\$20.67	\$21.17
	Maintenance Technician			
5	Senior Operating Technician	\$21.50	\$22.00	\$22.50
	Senior Maintenance Technician			

2. Wage Protection – Current Employees

All employees hired prior to March 1, 2006 shall not receive a reduction in their prior position rate of pay as a result of the implementation of the new job classifications and standard hourly wage rates. In the event employees' prior positions are slotted to classifications that have lower standard hourly wage rates than their prior positions, those employees will be red-circled at their prior position wage rates until they permanently promote, demote, or transfer to a different job classification.

3. Incentive Calculation Rates

Grade Level	New Job Classifications	Rates
1	Utility Person	\$5.696
2	Utility Technician	\$6.703
3	Operating Technician I	\$7.628
4	Operating Technician II	\$8.495
	Maintenance Technician	
5	Senior Operating Technician	\$9.440

4. New Hire Tier Rates

- a. Employees hired on or after effective date of this Agreement shall start at 70% of their standard hourly wage rate and receive an automatic ten (10) percent increase at expiration of each successive year of their Continuous Service Date until the expiration of the third year of Continuous Service when 100% is achieved.

Applicable rate schedule is as follows:

- 1st Year Service – 70% of Applicable Grade
- 2nd Year Service – 80% of Applicable Grade
- 3rd Year Service – 90% of Applicable Grade
- 4th Year Service – 100% of Applicable Grade

5. Job Titles and Job Descriptions

The parties agree to the following job titles and job descriptions. The job titles and applicable labor grades referenced in this Workplace Restructuring Agreement supersede all job titles, job descriptions, and rates of pay contained in the November 1, 1999 Agreement.

Senior Operating Technician (Labor Grade 5):

Operates and is responsible for the performance of all functions on a major producing unit as a member of the operating team. Directs other operating crew members and service areas, and communicates with maintenance, as required, to maximize production. Performs or leads maintenance activities as required with operating crew members and coordinates and works in conjunction with maintenance technicians.

Senior Maintenance Technician (Mechanical, Electrical, and/or Production) (Labor Grade 5):

Coordinates and performs mechanical, electrical, or electronic functions necessary to maintain operating and service equipment using standard and specialized tools and equipment. May include Crew Chief responsibilities and duties. May utilize special skills or ability to make mechanical, electrical, or electronic repairs, to perform inspections, and to perform preventive maintenance as required. Operates production equipment as directed to optimize safety, product quality, and productivity. May work in conjunction with Operating Technicians and/or Maintenance Technicians in the performance of maintenance and operations tasks.

Maintenance Technician (Mechanical and/or Electrical) (Labor Grade 4):

Performs all maintenance functions (mechanical and/or electrical/electronic) necessary to maintain all operating and service equipment using standard and specialized tools and equipment including mobile equipment and overhead cranes as required. Operates equipment in conjunction with repairs and provides assistance in operating functions as

necessary to maintain the efficiency and continuity of operations. May work alone, with minimal supervision or with other Maintenance Technicians and coordinates and works in conjunction with operating team members in the performance of maintenance tasks.

Operating Technician II (Labor Grade 4):

Operates and is responsible for a significant producing unit (such as Galvanizing Line) or operates and assists Senior Operating Technician on a major producing unit as a member of the operating team. Directs other operating and support crew members, performs administrative duties, and communicates with maintenance, as required to maximize production. Performs and assists in production and maintenance tasks and functions necessary to assure maximum production, quality and inspection. Performs or leads maintenance activities as required with operating crew members and coordinates and works in conjunction with Maintenance Technicians. Includes hybrid maintenance/ operating jobs.

Operating Technician I (Labor Grade 3):

Operates and is responsible for producing and support units other than those described above or operates key sections of a producing unit and assists Operating Technician II or Senior Operating Technician as a member of the operating team. Directs support crew members, performs administrative duties, and communicates with maintenance, as required to maximize production. Performs and assists in production and maintenance tasks and functions necessary to assure maximum production, quality, and inspection. Performs or leads maintenance activities as required and coordinates and works in conjunction with Maintenance Technicians.

Utility Technician (Labor Grade 2):

Operates equipment and performs tasks that support operations of the various producing units and works with materials and equipment to handle, transport and process product and materials. Directs the flow of material to and from producing units and inspects material. Operates equipment associated with producing units such as roll grinders, etc. and operates material handling equipment such as overhead electric cranes, feeders, etc. and mobile equipment such as tractors, trucks, heavy equipment, dozers, loaders, boom trucks, mobile cranes (various sizes and types), etc. Inspects and performs maintenance on all associated equipment.

Utility Person (Labor Grade 1):

Operates equipment and performs tasks such as operating labor, general labor and light mobile equipment operation required to support and maintain Plant operations. Supports and assists in maintenance activities. Performs all clerical and administrative activities.

6. Maintenance Technician Learner Rates

Existing apprentices and future maintenance employees placed into the newly created maintenance technician position who are not fully qualified will receive the following:

<u>Years of Maintenance Service</u>	<u>Rates</u>
Less than 1 year	Grade 1
One	Grade 2
Two	Grade 3
Three	Grade 4

Section B - Inflation Recognition Payment

1. General Description

The below general description is qualified in its entirety by Paragraphs 2 through 6 below.

The purpose of the Inflation Recognition Payment (IRP) is to make quarterly lump-sum payments to Employees if cumulative inflation, as measured over the life of the Agreement, exceeds three percent (3%) per year.

At the end of each calendar quarter, the Consumer Price Index (CPI) for the final month of that quarter will be compared to a CPI Threshold (as found in the Table in Paragraph 5 below) which represents what the CPI would be if total inflation since the beginning of the Agreement had averaged three percent (3%) per year. If the actual CPI is higher than the CPI Threshold, a lump sum payment shall be made equal to each full one percent (1.0%) by which the actual CPI is higher than the CPI Threshold, multiplied by the Regular Rate of Pay for each position worked by an Employee for all hours actually worked and overtime allowance (hereafter referred to as "earnings") for the quarter.

Thus, if in a given quarter three percent (3%) annual inflation since the beginning of the Agreement would have produced total inflation of ten percent (10%) and the actual CPI indicates that inflation since the beginning of the contract has been twelve percent (12%) and an Employee had earnings as defined in the paragraph above during the quarter of \$12,000, then that Employee would receive a lump-sum payment of two percent (2%) (12% actual inflation minus a 10% CPI Threshold) times \$12,000 or \$240.

2. IRP Payments

- a. Beginning the first full calendar quarter after January 1, 2007, the Company shall, on each Payment Date, make to each Employee an IRP payment equal to:
 - (1) their total earnings as defined above for the Covered Period, multiplied by
 - (2) each full percentage (1.0%), by which the CPI for the Measurement Month exceeds the CPI Threshold for the Measurement Month.
- b. No IRP will be made for any Covered Period unless the CPI for the Measurement Month is greater than the CPI Threshold; in the event the CPI is lower than the CPI Threshold there shall be no recoupment of any kind.

The IRP shall be a lump-sum payment and shall not be part of the Employee's Base Rate of Pay or used in the calculation of any other pay, allowance or benefit.

3. Definitions

- a. CPI shall mean the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), U.S. City Average, All Items, Not Seasonally Adjusted (1982-84=100) as published by the Bureau of Labor Statistics. If the Consumer Price Index in its present form and on the same basis as the last Index published prior to January 1, 2007 becomes unavailable, this Section shall be adjusted to produce as nearly as possible the same result as would have been achieved using the Index in its present form.
- b. Payment Date shall be the forty-fifth (45th) day after the last day of the Measurement Month.
- c. Measurement Month shall be the last month of a Covered Period.
- d. Covered Period(s) shall be as shown in Paragraph 5 below.
- e. CPI Threshold(s) shall be as shown in Paragraph 5 below, based on the formula in Paragraph 6 below.

4. Example:

Covered Period	10-01-05 – 12-31-05
Measurement Month	December 2005
Hypothetical CPI in Measurement Month	202.3
CPI Threshold for the Covered Period	196.6

The amount, of full percentage point(s), by which the CPI for the Measurement Month exceeds the CPI Threshold for the Covered Period

$$((202.3 - 196.6)/196.6) = 2.0\%$$

Earnings in Covered Period \$12,000

IRP Payment (\$12,000 x 2.0%) = \$240.00

5. Covered Periods and CPI Thresholds

Covered Period	CPI Threshold
04-01-06 – 06-30-06	202.5
07-01-06 – 09-30-06	202.5
10-01-06 – 12-31-06	202.5
01-01-07 – 03-31-07	202.5
04-01-07 – 06-30-07	208.6
07-01-07 – 09-30-07	208.6
10-01-07 – 12-31-07	208.6
01-01-08 – 03-31-08	208.6
04-01-08 – 06-30-08	214.9
07-01-08 – 09-30-08	214.9
10-01-08 – 12-31-08	214.9
01-01-09 – 03-31-09	214.9
04-01-09 – 06-30-09	221.4
07-01-09 – 09-30-09	221.4
10-01-09 – 12-31-09	221.4
01-01-10 – 03-31-10	221.4
04-01-10 – 06-30-10	228.0
07-01-10 – 09-30-10	228.0
10-01-10 – 12-31-10	228.0
01-01-11 – 03-31-11	228.0

6. Formula to Calculate CPI Threshold

The CPI Threshold shown in the Table above is the CPI for the month of March 2002 multiplied by 1.03 per year as expressed in the following formula:

$$\text{CPI-W for 3-02} \times (1.03)^n$$

Where n is the number of Covered Years from the first calendar year of 2002 to the Covered Year in which the calculation is made.

Section C - Shift Differentials

1. For hours worked on the Afternoon Shift there shall be paid a shift differential of 30 cents per hour. For hours worked on the Night Shift there shall be a shift differential of 45 cents per hour.
2. For the purpose of applying the aforesaid shift differentials, shifts shall be defined as follows: The Afternoon Shift shall be any regularly scheduled working period beginning between the hours of 2:00 p.m. and 4:00 p.m. inclusive. The Night Shift shall be any regularly scheduled working period beginning between the hours of 10:00 p.m. and 12:00 Midnight inclusive. The Day Shift shall be any regularly scheduled working period beginning between the hours of 6:00 a.m. and 8:00 a.m. inclusive.
 - a. An employee who completes a working period of eight hours on a Day Shift and continues to work into the Afternoon Shift shall receive the afternoon shift differential for all hours worked in excess of four hours on the Afternoon Shift, except, if such employee shall complete the Afternoon Shift he shall receive the Afternoon Shift differential for all hours worked on the Afternoon Shift.
 - b. An employee who completes a working period of 8 hours on an Afternoon Shift and continues to work into the Night Shift shall receive the Afternoon Shift differential for all hours worked into the Night Shift, except, if such employee shall complete the Night Shift he shall receive the Night Shift differential for all hours worked on the Night Shift.
 - c. An employee who completes a Night Shift and continues to work into the Day Shift shall be paid the Night Shift differential for all hours continuously worked from the beginning of the Night Shift.
3. Any hours worked by an employee on a scheduled shift which commences at a time not specified in Subsection 2 of this Section shall be paid as follows:
 - a. For hours worked which would fall into the prevailing normal day turn of the department no shift differential shall be paid.
 - b. For hours worked which would fall into the prevailing normal afternoon turn of the department the Afternoon Shift differential shall be paid.
 - c. For hours worked which would fall in the prevailing normal night turn of the department the Night Shift differential shall be paid.
4. For hours worked by an employee during an emergency call-out, shift differentials shall be applied as though the employee had worked the entire regularly scheduled shift in the department on which he started such emergency work.

5. Shift differentials shall be included in the calculation of allowed time and overtime compensation. Shift differentials shall not be added to the base hourly wage rate for the purpose of calculating incentive earnings.

Section D - Profit Sharing Plan

1. Introduction

The Parties agree to establish a profit sharing plan (the Plan). The terms of this Plan are effective January 1, 2007.

2. Level of Payout

The Company agrees that it will create a profit sharing pool (the Pool) consisting of the following percentages of the Company's Quarterly Profits, as defined below, and to distribute the Pool within forty-five (45) days of the end of each fiscal quarter, in the manner described below. The fourth (4th) quarter payment will be distributed within fifteen (15) days following the date of public release of the Company's annual audited financial statements, which may include an adjustment for the correction of errors in prior quarters.

- a. Seven and one-half percent (7.5%) of all Profits between \$10 and \$50 of Profit per Ton shipped; and
- b. Ten percent (10%) of all Profits above \$50 of Profit per Ton Shipped.

3. Calculation of Profits

- a. Profit shall be defined as Income from Operations of the Company, calculated on a consolidated basis in accordance with the United States Generally Accepted Accounting Principles (GAAP), less the following exclusions:
 - (1) Income or loss related to any charges or credits (whether or not identified as special credits or charges) for unusual, infrequently occurring or extraordinary items, including credits or charges for Plant closures, business dispositions, pension and OPEB Corridor charges or credits, and asset sales that are not normal operating charges or credits of the Company;
 - (2) Any administrative cost or expense associated with any newly-established Benefit Trust under this Agreement;
 - (3) Any administrative cost or expense associated with the Profit Sharing Plan; and
 - (4) Any payments, fees or other expenses that are not in the normal course of business paid directly or indirectly to any person or entity who directly

or indirectly owns or controls any equity or equity-like interest in the Company.

b. Calculation Sequence

Profit as determined in Paragraph 3(a) above will be used to calculate the amount of the payment to any newly-established Benefit Trust under this Agreement. Profit after deducting the amount of the Payment to the Benefit Trust will then be used to calculate the Pool available for Profit Sharing.

c. Tons Shipped shall be defined as tons of steel products shipped by the Company on a consolidated basis to third parties.

4. Individual Entitlements

The IAM/Middletown Works portion of the Pool will be determined by multiplying the ratio of hours worked by IAM/Middletown Works Bargaining Unit employees to the hours worked by all AK Steel represented employees by the Pool available for Profit Sharing as defined and calculated in Section 3 above.

$$\text{Pool} \times \left(\frac{\text{IAM/Middletown Bargaining Unit Hours Worked}}{\text{AK Represented Hours Worked}} \right)$$

The resulting amount will be divided among all Employees (Participants) on the basis of the Hours (as defined below) of each such Participant in the calendar weeks within each fiscal year.

- a. Hours shall include the following, but shall not exceed forty (40) hours for any week for any Participant: hours worked (including straight time and overtime hours), vacation and holiday hours at the rate of eight (8) hours for each holiday or day of vacation; hours on Union business; hours for which an employee has been involuntarily activated and is actively serving in the U.S. Military, and hours, at the rate of eight (8) hours a day, while receiving Workers' Compensation benefits (based on the number of days absent from work while receiving such benefits).
- b. Any payments made to a Participant pursuant to this Plan shall not be included in the Participant's earnings for purposes of determining any other pay, benefit or allowance of the Participant.

5. Administration of the Plan

- a. The Plan will be administered by the Company in accordance with its terms and the costs of administration shall be the responsibility of the Company. Upon determination of the quarterly calculation, such calculation shall be forwarded to the Chair of the Union Negotiating Committee accompanied by a Certificate of Officer signed by the Chief Financial Officer of the Company, providing a detailed description of any adjustments made to Income from

Operations and stating that Profit was determined in accordance with GAAP and that Quarterly Profit was calculated in accordance with this Section

- b. The Union President or his/her designee, shall have the right to review and audit any information, calculation or other matters concerning the Plan. The Company shall provide the Union with any information reasonably requested in connection with its review and the Union and any outside consultants that it uses shall not disclose any portion of such information that is confidential. The reasonable actual costs incurred by the Union in connection with any such audit shall be paid from the Pool and deducted from the amount otherwise available under the Pool for distribution to Employees.
- c. In the event that a discrepancy exists between the Company's Profit Sharing calculation and the results obtained by the Union's review, the Union President and General Manager of Labor Relations shall attempt to reach an agreement regarding the discrepancy. In the event that they cannot resolve the dispute, either Party may submit such dispute to final and binding arbitration under the dispute procedure provided in this Agreement.

6. Prompt Payment

Notwithstanding Paragraph 5, the Company shall comply with the requirements of Paragraphs 2 through 4 based on its interpretation of the appropriate payout. If the process described in Paragraph 5 results in a requirement for an additional payout, said payout shall be made no more than fourteen (14) days after the date of the agreed upon resolution or issuance of the arbitrator's decision.

7. Summary Description

The Parties will jointly develop a description of the calculation used to derive profit sharing payments under the Plan for each year and distribute it to each Participant.

Section E – Hourly Wage Incentive Plan

1. The existing Hourly Wage Incentive Plan shall be retained and the Management will make a continuing effort to instruct the employees with respect to such plan as it applies to their particular jobs.
 - a. Incentive plans to replace plans currently in existence will be installed when developed by the Company, consistent with workplace restructuring, to improve such existing plans and shall meet the following criteria for earnings opportunity for the jobs covered by such plans:

(1) Direct Category

Direct category incentive jobs include those jobs which can directly and to a substantial degree positively affect the rate of output or the attainment of optimum equipment utilization. Such direct category incentive jobs shall have

the opportunity to earn an incentive of 35% of the appropriate base scale for incentive at 100% performance,

(2) Indirect Category

Indirect category incentive jobs include those jobs which positively affect the rate of output or the attainment of optimum equipment utilization to a significant degree, but not as directly and substantially as direct category jobs. Such indirect category incentive jobs shall have the opportunity to earn an incentive of 25% of the appropriate base scale for incentive at 100% performance,

(3) Third Category

Third category incentive jobs include those jobs which normally have the opportunity to make a positive, appreciable, and definable contribution to production or efficiency above a normal rate. Such third category incentive jobs shall have the opportunity to earn an incentive of 12% of the appropriate base scale for incentive at 100% performance,

A job does not qualify for incentive unless it meets one of the above defined criteria; or the cost to the Company for installing and properly administering an incentive plan is excessive in relation to the cost benefit that should be achieved by an incentive plan; or if the job output or effect on output cannot be measured with reasonable accuracy. Disputes as to the proper incentive category for jobs on operations newly covered after the effective date of this Agreement are subject to the grievance and arbitration procedure. Disputes as to whether or not jobs on new operations starting up after the effective date of this Agreement are properly subject to incentive and to what category are subject to the grievance and arbitration procedure.

100% performance is the attainable performance by employees and equipment assuming full response by qualified employees, normal conditions of product and operations, and optimum equipment efficiency.

- b. The Union shall be forwarded a copy of all new or revised incentive standards prior to implementation of the new or revised incentive standards. To the fullest extent practicable, all new and revised incentives shall be reviewed with the individual or crew affected and the appropriate district delegate or grievanceman before being placed in effect. The failure of an employee so affected or his delegate or grievanceman to attend a meeting held for this purpose shall not constitute cause for delay in applying the incentive or incentives involved.
- c. Copies of the incentives currently in effect for any operation shall be made available at all times for the information of the appropriate Union representatives for such operation.

- d. The Management shall at the request of the Union, review with appropriate representatives of the Union the data and computations upon which any incentive is based.

2.

- a. The existing incentives will be continued in effect unless changed by agreement or until changed because of changed conditions, such as changes in equipment, methods, processes, procedures, quality, manpower, or materials.
- b. The Company, at its discretion may establish incentives for new jobs and jobs not presently covered by incentive applications.
- c. The Company shall revise incentives to reflect any change in conditions. If such new or revised incentives are alleged by a regularly assigned incumbent to be unrepresentative of the conditions under which they were established, or to improperly reflect the change in conditions on which the revision was based, they may be made the subject of a grievance.
- d. When the Company revises or replaces an incentive, the rate of straight time average hourly incentive earnings for any job shall not be less than the rate of such earnings during the last 13 weeks preceding the changed conditions, provided the average performance of the 13-week period, as related to the changed conditions, is maintained.
- e. Any correction of new or revised incentives shall be retroactive to the effective date of such incentives.
- f. It is recognized, that delays in revising incentives to reflect current conditions are undesirable. It is the intention that such revisions shall be made as soon as practicable after the occurrence of the changed conditions.
- g. It is further agreed that new applications of the incentive Plan covering units not now covered will be discussed first with the Union before the Company proceeds with such an application.
- h. It is recognized by the parties that situations will arise where it becomes necessary (because of changed conditions) to discontinue the application of incentives for a temporary period pending the development of revised incentives. In such situations, the Company will apply an interim period incentive for the group or unit affected by such discontinuance effective with the discontinuance of the prior incentives. Such interim period incentive payment shall be uniformly applied to each individual in the respective checking groups and shall be based on the average of the percentage of all straight-time incentive earnings to all straight-time base earnings on which the incentive earnings were applied in the 13 payroll weeks, excluding weeks not worked, immediately preceding the changed condition. During such

period, individual performance shall be maintained at a rate reasonably equivalent to that of past performance, as related to the changed conditions. The interim period incentive shall be terminated and the new incentives shall be applied as soon as practicable and within a period of not more than 6 months. If the new incentives are not applied within 6 months, except as the parties have agreed to an extension, the issue may be processed to arbitration and will be heard by a member of the arbitration panel. The arbitrator will have the authority to determine if such delay was reasonable. If the arbitrator determines such delay was not reasonable, he may establish a timetable for implementation of the new incentives.

- i. When operations on a production basis are started on a new facility for which it has been decided to establish incentives, but such Incentives are not ready for application, a uniform percentage interim incentive shall be determined and paid as follows:
 - (1) The straight-time percentage incentive of the employees initially transferred to the new operation shall be averaged by a calculation on the basis of their work time incentive earned during the 13 payroll weeks prior to their respective dates of transfer.
 - (2) Such average percentage of incentive shall be the incentive rate applicable for the interim period following the start of operations on a production basis.
 - (3) The interim incentive rate determination initially made in accordance with the foregoing shall apply without change during the interim period and to all employees who work in the appropriate incentive groupings.
 - (4) The interim period incentive shall be terminated upon the effective date of the installation of the new incentive.
- j. After such interim period incentives, referred to in paragraphs h and i above, are terminated and new incentives are made effective, the Company shall promptly, but no later than 60 days, pay retroactively to all employees affected, any difference over the interim payment due the employees which is earned by application of the new incentives to the production of the interim period, calculated and paid for each checking period separately.

Section F- Committee

A Rate and Incentive Committee, composed of not more than 4 representatives designated by the Union and not more than 4 representatives designated by the Company, shall be established except as otherwise agreed upon by the parties for the purpose of:

1. Reviewing, as necessary, the application of the Evaluation Plan to new and changed jobs, with the objective of resolving any questions or disputes concerning the job evaluations.
2. Reviewing as necessary and revising as may be agreed upon any portions of the Evaluation Plan (including the Manual) which may from time to time require attention because of changed circumstances, or the establishment of new types of jobs or new skills not contemplated by the provisions of the Evaluation Plan.
3. Reviewing, as necessary, the application of the Wage Incentive Plan with the objective of resolving any questions or disputes regarding incentives.

The Company will provide relevant information to members of the Incentive Committee to enable prompt resolution of incentive issues.

Section G- Trial Periods and Grievance Limitations

1. Any grievance directed to a base rate or incentive established or changed by the Company under this Article shall not be filed until the complained of base rate or incentive has been in effect for a trial period of 60 calendar days. Such grievance must be presented in writing within 30 calendar days following the expiration of the 60 calendar day trial period.

Following establishment and notification to the Union of a new or revised temporary rate, the Company will give the Union the job description and evaluation no later than 180 days of the establishment of the temporary rate. If the Company fails to provide the documentation the Union may file a grievance contesting the rate with the backpay remedy, if any, to the date of the temporary rate establishment. Any grievance directed to the temporary base rate must be filed within 60 days of: 1) receipt of the job description and evaluation; or 2) the conclusion of the 180 day period, whichever comes first, unless otherwise agreed.

2. The provisions of this Section shall not prevent the settlement, by mutual agreement of the parties, of a question arising from the application of new or revised base hourly wage rates or incentives prior to the expiration of the 60 calendar day trial period.
3. A grievance alleging that a substantial change in job content necessitating a base hourly wage rate adjustment has occurred, shall be filed within 30 calendar days of the date that the last change occurred. Any adjustment of the base hourly wage rate that is made as a result of such grievance shall be retroactive not more than 30 calendar days prior to the filing of the grievance.

Section H - Qualification of Arbitrator

In the event that submission to arbitration of a question arising under Section B or C of this Article becomes necessary, the arbitrator selected shall be an individual, not employed or associated with either party, who is experienced in the establishment and

administration of job evaluation plans or wage incentive plans, as the case may necessitate.

Section I - Base Hourly Wage Rates Applicable to Changed Job Assignment During a Turn

1. When an operation is interrupted during a turn and it is anticipated that it will be resumed during the same turn, the employees affected will be paid during the interruption the rate of their regularly assigned jobs for the turn, but will assist in other work in any way possible. Should, during such an interruption, an employee be temporarily assigned to a job paying a higher rate than that of his regularly assigned job for the turn, the employee shall receive such higher rate.
2. When scheduled work on an employee's scheduled job is available and he is assigned, at the convenience of the Management, to a lower rated job he will receive the rate of his regularly assigned job for the turn, and an additional allowance if required to equal the earnings that otherwise would have been realized by such employee.

ARTICLE XIII – WORKPLACE RESTRUCTURING: IMPLEMENTATION AND TRAINING

Section A – Workplace Restructuring and Productivity

1. The Parties recognize that employment security and productivity improvement must be inseparably linked if the Company is to attain sustained profitability. During the course of the negotiations leading to the 2007 Labor Agreement, the Parties agreed to workplace restructuring. The objective of this restructuring is to maximize efficiency by having employees perform a broader range of duties and by eliminating jurisdictional and other barriers, which would interfere with maximizing flexibility and productivity. This process began by replacing the hundreds of job titles existing under the 1999 Agreement and agreeing to new lines of progression ("LOP") for these new job classifications.
2. In order to achieve the workplace restructuring objective, the Parties have agreed to the following to govern its implementation:
 - a. A box (e.g., Operating Technician I, Labor Grade 3) in a LOP represents a job classification to which an employee may hold incumbency. Former job titles listed inside a box in a LOP represent the duties of the position encompassed by that position box. Such a former job title is not a "job" as that term is used in the 1999 Labor Agreement.
 - b. Employees may be assigned to perform any function within their new position description or job classification that they are capable of safely performing or can be trained to safely perform, excluding hybrid operating/maintenance jobs as determined by the Company. Rotation through the various functions encompassed by the new positions will be necessary and required to provide training and maintain knowledge and skills.
 - c. In periods of stable operations, where employees have been fully trained such that maximum workforce flexibility and productivity is achieved, employees may select their preferences to repetitive routine assignments within a new position box or job classification and shift patterns on the basis of seniority. These preferences will be honored, provided that the exercise of such preferences does not interfere with break-in, new, or refresher training, or the efficient utilization of the workforce. To this end, employees may be temporarily reassigned to duties and shift patterns other than their preferences as required by operations.
 - d. Existing seniority agreements and working conditions will be eliminated or modified as appropriate to implement the new lines of progression, slotting agreement and achieve the workplace restructuring objective. Those seniority agreements and working conditions unaffected by the foregoing will be preserved.

Section B – Training for New Job Classifications and Job Descriptions

1. The Parties agree that the right to adequate training is fundamental to achieving the safe and successful implementation of our agreement to restructure jobs and the workplace. The Company will pay for all training required by the Company.
2. Employees who were, on the Effective Date, incumbents in a job which has subsequently been combined into a new or restructured job classification shall, subject to their seniority and the number of available positions, be provided an opportunity to be placed in such new or restructured job classification.
3. The Parties recognize that the new job classifications and job descriptions may require skills, which certain newly incumbent employees do not possess. In light of this situation, the Company agrees to provide employees who do not have the required skills for their new job classification or description with reasonable break-in or training opportunities to ensure competent job performance.
4. In the event that, despite the efforts described in Paragraph 3 above, the employee is not capable of acquiring the new skills, then the Company shall be relieved of its obligation to provide further training and the employee shall be assigned work in a lower job classification for which he is qualified.
5. The break-in or other training programs necessary to carry out the provisions of this Section B will be conducted during the employee's normal working hours or other paid time as appropriate.
6. No Employee will be disciplined for poor job performance that results from a failure of the Company to provide training pursuant to this Section B or for failure to acquire new skills when returning to a new or restructured job, excluding non-disciplinary demotions or disqualifications.
7. To maintain competent performance, continuing familiarization and rotation within various work assignments related to new job descriptions and job classifications is both required and necessary, excluding hybrid operating/maintenance jobs as determined by the Company.
8. Maintenance Training
 - a. Within ninety (90) days from the effective date of this Agreement, the parties will develop an assessment and training program designed to upgrade the knowledge and skills of those employees needing training to become qualified Maintenance Technicians. The parties may agree to use appropriate existing programs for this purpose. Should the parties fail to establish or agree upon an appropriate assessment and training programs within the 90-day period set forth above, the Company may implement a training program for Maintenance Technicians, as appropriate.

- b. Employees must complete assessment and training within the time period specified in the program. If an employee cannot complete the program within the time period specified due to an extended illness or injury, such employee must complete the remaining training within the appropriate period upon return to work.
- c. Upon completion of the program, an employee must promptly take and achieve a passing score on a test to determine ability to perform a multi-purpose maintenance job.
- d. Employees who do not complete the program in the time period specified or do not pass the multi-purpose maintenance test will be assigned work in a lower job classification for which they are qualified.
- e. The Company will discuss with the Union any existing programs or services offered by the IAM that may be of assistance to the Company in the development of a maintenance training program.
- f. Nothing in this paragraph 8, Maintenance Training, shall prevent the immediate cross-training and assignment of employees to work assignments within their new job classifications, or the training and assignment of hybrid or maintenance/operators in accordance with Section C below.

Section C – Operating Positions Filled by Maintenance Technicians (Hybrid Maintenance/Operating Technician II)

1. Filling Vacancies: When filling Operating positions with Maintenance Technicians, the Company shall post a department-wide Step II bid as a Maintenance/Operating Technician II (sometimes referred to as “maintenance/operator”). If there are no successful bidders, a plant-wide Step III bid shall be posted. If the bid is awarded at Step III, the successful bidder shall become an incumbent of the posting assigned maintenance department. If Maintenance/Operating Technician II vacancies remain unfilled following the posting process, the Company may exercise its right to transfer the most junior qualified Maintenance Technicians from the posting department or plantwide (if necessary) to such vacancies. In all cases, the employees so transferred shall be incumbent to the posting Department Maintenance seniority unit and line of progression.
2. Training: An employee incumbent to a Maintenance/Operating Technician II job will be trained on production work assignments as determined by the Company.
3. Incentive Coverage: Maintenance/Operating Technician II positions will receive the incentive coverage for their incumbent Maintenance seniority unit and line of progression.
4. Overtime: Maintenance/Operating Technician II positions will be eligible for overtime in both their maintenance unit and their specific operating work assignments. They will be charged for overtime in their maintenance unit only.

5. Implementation of Maintenance/Operating Technician II positions:

The job title Maintenance/Operating Technician II establishes no limitation on the specific production work assignments that may be assigned by the Company to the Maintenance/Operator. The Maintenance/Operator can be assigned any production work assignments in the Plant, and can be assigned any maintenance work in the Plant.

Nothing in this Agreement or in any other agreement between the parties shall restrict or limit the Company's right to create and staff Maintenance/Operator positions or the Company's ability to assign Maintenance/Operators throughout the plant to perform maintenance and/or operations work as determined by the Company or the Company's right to replace Maintenance/Operators assigned to other duties with operators from the same department, except the Company may make cross-department assignments of crane operators where available and qualified.

Section D – Restructuring Oversight Committee

The parties will create a Restructuring Oversight Committee. The Company members will be the Plant Manager, Labor Relations Manager, and operational and Section Managers as designated by the Company. The Union members will be the IAM International Representative, the Local Union President, and other Union Committeemen as designated by the Union.

The committee will meet at least monthly, or as otherwise agreed, to review the impact and timing of workforce restructuring including the new Maintenance/Operator positions and to offer advice on existing and planned restructuring.

ARTICLE XIV – HOURS OF WORK (Tentatively Agreed)

Section A - Scope

This Article defines the normal hours of work and shall not be construed as a guarantee of hours of work per day or per week, or of days of work per week. This Article shall not be considered as any basis for the calculation of overtime.

Section B - Normal Workday

The normal workday shall be eight hours of actual work on the job in accordance with authorized practices heretofore prevailing in the plant.

Section C - Normal Workweek

The normal workweek shall be 5 normal workdays in a payroll week.

Section D - Scheduling

1. The establishment of employee work schedules and the determination of the starting time of daily and weekly work schedules shall be made by the Company, and such schedules may be changed by the Company from time to time to suit varying operating conditions. Major changes in long established or historical scheduling practices, not involving changes required by operational needs, day-to-day or period-to-period variations for fluctuating work volume, or changes of individual employees from one group schedule pattern to a different one, shall not be made without agreement with the Union.
2. Unless otherwise provided by agreement, employees shall be able to obtain from posted schedules or other reasonable sources of information, their working schedules for the following week not later than Thursday of the current week. Copies of all work schedules will be made available to the Union upon request.
3. Schedules may be changed by Management at any time, provided however, that any changes made after schedules are posted on Thursday or after an employee has commenced work on such schedule, shall be explained at the earliest practicable time to the appropriate Union representative of the employee affected; and provided further, that with respect to such weekly schedules, no changes shall be made after Thursday except for breakdowns or other matters beyond the control of Management which require rescheduling.
4. Should changes in schedules be made after Thursday contrary to the provisions of Subsection 3 of this Section so that an employee:
 - a. is laid off and does not work on a turn that he was scheduled to work, and 1) is not scheduled to work a replacement turn as described in b. below, or 2) is scheduled to work an additional turn on a day that he was already scheduled

he shall have been deemed to have reported to work for such a turn and shall be eligible, subject to the provisions of Article _____, Section D, paragraph 1d and 1e, for Reporting Pay Allowance of 4 hours at the Standard Hourly Wage Scale rate (plus the applicable shift differential, Sunday Premium, if any) of the occupation for which he was so scheduled.

- b. is laid off on any of his scheduled turn(s) and in place thereof is required to work on what would otherwise have been a scheduled day off, the employee shall be paid loss of earnings for the scheduled turn(s) of work eliminated by the schedule change replacing turns of work. In addition, the loss of pay shall also include any overtime hours worked to which he would have been entitled on the scheduled day of work eliminated.
5. Hours paid for under Subsection 4 of this Section which are not worked shall not be counted for the purpose of determining overtime.
 6. An allowance of four (4) hours at the standard hourly wage scale rate will be provided:
 - a. When less than five (5) days of work is scheduled and an additional day is added, or
 - b. When a turn of work is moved within a day after the start of the work week.
 - c. The allowance provided herein shall amount to four (4) hours at the standard hourly wage scale rate and shall not be counted for the purpose of determining overtime.

**ARTICLE XV - OVERTIME AND ALLOWED TIME
(Tentatively Agreed)**

Section A - Purpose

This Article provides for the calculation and payment for overtime and allowed time and shall not be construed as a guarantee of hours of work per day or week, or a guarantee of days of work per week.

Section B - Overtime Rates and Conditions

1. Subject to the further provisions of this Article, overtime shall be paid as follows:
 - a. Time and one-half shall be paid for hours worked in excess of 8 hours within a period of 24 hours commencing with the time an employee begins work.
 - b. Time and one-half shall be paid for hours worked in excess of 40 hours in any one regularly scheduled workweek.
 - c. Time and one-half shall be paid for hours worked on the sixth day worked in a regularly scheduled workweek in which work has been performed on 5 preceding days.
 - d. Double time shall be paid for hours worked on the seventh day worked in a regularly scheduled workweek in which work has been performed on the 6 preceding days.
2. Hours for which overtime is paid shall not be counted further for any purpose in determining overtime liability except hours for which overtime is paid shall be counted in accordance with Subsection 6 of this Section in the computation of the number of days worked.
3. Hours paid for but not worked shall not be counted in determining overtime liability except that:
 - a. holiday hours shall be counted in accordance with Subsection C-3, Article ____, and
 - b. hours paid for in accordance with the provisions of Subsection D-4 of Article ____ shall be counted.
4. Where the same hours worked are subject to more than one overtime condition, overtime payments shall not be duplicated but the higher of the applicable rates shall be used.

5. For the purpose of calculating overtime compensation under the above conditions, a day shall be the calendar day beginning at midnight and the regularly scheduled workweek shall be the calendar week beginning at midnight, Saturday. The term "Midnight" shall refer to midnight, or the regular turn changing hour nearest midnight in a particular unit or department.
6. In computing the number of days worked by an employee for the purpose of determining overtime, as provided in Subsection 1c. and d. of this Section, the following conditions shall apply:
 - a. Except as provided in paragraph c. of this Subsection a day shall be counted as a day worked if any period of actual work has been performed during such day (except when an employee is absent for a part of a scheduled workday without justifiable cause).
 - b. A Holiday paid for but not worked shall be counted as a day worked as provided in Article____, Subsection C-3.
 - c. If a work period of 8 hours or less falls into two days, as defined in Subsection 5 of this Section, such work period shall be counted only as one day worked, on the day in which the greater portion of hours occur, or in the event the hours are evenly divided, on the day on which the turn started.
 - d. If a work period of more than 8 hours falls in two days, both days shall be counted as days worked, provided 4 hours or more are worked in each day.
7. The premium for overtime hours, as provided in this Article, shall be computed at the rate of the average hourly straight time earnings for the payroll week in which it occurs, arrived at by dividing the total amount earned in such week exclusive of overtime and Sunday premiums and exclusive of pay for a Holiday not worked, allowed time and jury pay for hours not worked, but including premium pay for work performed on a Holiday by the total actual hours worked during such week.
8. An employee will only be charged once for an overtime turn worked or excused. If an overtime assignment is not filled subsequent to the charging of one or more employees for having declined that assignment, such charged overtime will be removed.
9. Where problems occur in the application of overtime tolerances, it is the intent of the parties that abuses will be promptly eliminated.
10. When crossing of overtime between seniority sections occurs, the appropriate representatives will promptly meet to discuss the reasons for the occurrence and develop alternatives for addressing the situation. Such

alternatives may include employee loan provisions, special assignments or other measures as the parties may develop.

Section C - Sunday Premium

1. For all hours worked on Sunday which are not paid for on an overtime basis as provided in Subsection B - 1 of this Article, a premium of 50% based on the average straight time hourly earnings as defined in Subsection B - 7 of this Article shall be paid for such hours worked on Sunday.
2. For the purpose of this provision, Sunday shall be deemed to be the 24 hours beginning at 12:01 a.m., Sunday, or the regular turn changing time nearest thereto.

Section D - Conditions Pertaining to Allowed Time

1. Reporting Pay Allowance
 - a. Any employee who has been scheduled or notified to report for work and who, upon reporting to his foreman or his authorized management representative is not put to work, shall be allowed a minimum of 4 hours of pay at the Standard Hourly Wage Scale rate (plus the applicable shift differential, and Sunday Premium, if any) of the occupation for which he was so scheduled or notified to report, except if he has been notified not to report. Reporting for the second turn of a scheduled double-over shall be considered as reporting for the purpose of this paragraph.
 - b. Every reasonable effort shall be made to notify employees of changes in schedules or notifications not to report as far in advance of the start of the scheduled turn as is possible. The Reporting Pay Allowance of 4 hours shall not apply in any case in which an employee has received notice not to report prior to leaving his place of residence for work.
 - c. It shall be the duty of each employee to advise his supervisor of a reasonable means of regular contact or communication for notification. Employees shall be deemed to have received notice not to report should the Company communicate or attempt to communicate said notice according to such means.
 - d. Reporting Pay Allowance when work is not available will not be allowed any employee of the Employment Reserve who has not been specifically requested to report or to any employee voluntarily coming to the Employment Reserve to secure extra work which may become available.
 - e. Reporting Pay Allowance shall not apply in the event that strikes, work stoppages in connection with labor disputes, or failure of utilities or

acts of God interfere with work being provided; or an employee is not put to work either at his own request or due to his own fault.

2. Minimum Pay Allowance

- a. Any employee who has been scheduled or notified to report for work and who, upon reporting to his foreman or his authorized management representative is put to work, shall be allowed a minimum of 8 hours of pay at the Standard Hourly Wage Scale rate (plus the applicable shift differential, and Sunday Premium, if any) of the occupation for which he was so scheduled or notified to report.
 - b. The employee affected may be placed on work which is reasonably suitable, other than that for which he was scheduled or notified to report. An employee refusing such assignment shall not be paid the minimum but shall be paid only for the actual hours and at the actual rate of pay of the occupation at which he worked.
 - c. In all cases where less than 8 hours work has been performed on a scheduled turn, the appropriate pay (including applicable incentive and/or overtime) for the hours of work actually performed shall be paid and the employee shall be additionally paid for the unworked portion of the 8-hour minimum at the rate provided in paragraph 2.a. above, of this Section.
 - d. Minimum Pay Allowance shall not apply in the event that strikes, work stoppages in connection with labor disputes, failure of utilities, acts of God, or breakdown of equipment interfere with the continuation of work being provided; or an employee is released from work either at his own request or due to his own fault. However, a Minimum Pay Allowance of 4 hours shall apply in the event a breakdown occurs.
3. Hours for which Reporting Pay Allowance or Minimum Pay Allowance is paid under Subsection 1 and 2 of this Section, but which are not worked, shall not be counted for the purpose of determining overtime.
 4. When a turn of work consists of only 7 hours due to Time Changes (Standard Time changed to Daylight Savings Time) the 8 hours minimum shall become 7 hours for any application of the Minimum Pay Allowance, and when a turn of work is 9 hours due to Time Changes (Daylight Savings Time changed to Standard Time) the minimum shall be 9 hours for the application of the Minimum Pay Allowance.

Section E - Emergency Call-Outs

1. Minimum pay of 4 hours as provided in Section D of this Article, shall also apply in cases of callouts for emergency work. Emergency work for the application of minimum pay shall be considered as any call-out which

necessitates an employee making an extra trip to the plant with less than 4 hours notice.

2. The regularly scheduled workweek of an employee called out for emergency work shall not be reduced to off set the hours of emergency duty.

Section F - Juror and Witness Allowance

1. An employee who is called for jury duty or is subpoenaed as a witness shall be excused from work on the days which he serves or reports as required.
2. For each such day on which he otherwise would have worked, he shall receive the difference between 8 hours times his average straight time hourly earnings (as defined and computed below) and the payment he receives as a juror or witness.
3. The allowance for jury and witness duty shall be calculated on the basis of the employee's average straight time hourly earnings for the hours worked during the week in which such duty occurs, or in the event he has not worked in such week, the calculation shall be based on the last preceding week in which he worked.
4. The employee will present to the Company proof of jury duty or attendance as a subpoenaed witness and the amount of any monies he received therefor.
5. Hours for which pay is received for the above shall not be counted for the purpose of determining overtime.

Section G - Allowance for Absence Due to Death in the Immediate Family

For each day that an employee is absent from work due solely to the death and funeral of his father, mother, father-in-law, mother-in-law, brother, sister, grandfather, grandmother, or grandchildren and also including stepfather, stepmother, stepbrother, stepsister, when they have lived with the employee in an immediate family relationship, he will be paid 8 times his average straight time hourly earnings for the days of work so lost by him from his regular schedule by reason of such absence, up to a maximum of 3 days. The three days referred to shall be the employee's selection of any 3 days of work lost during the 4-consecutive-day period of the 2 days immediately preceding the funeral, the day of the funeral, and the day immediately following the funeral. In the event of the death of a spouse, child or stepchild, he will be paid 8 times his average straight time hourly earnings for the days of work so lost by him from his regular schedule by reason of such absence up to a maximum of 5 consecutive days. The employee will be compensated for work lost during the five-day period of the 3 days immediately preceding and following the funeral, and the day of the funeral. The allowance shall be calculated on the basis of the employee's average straight time hourly earnings for hours worked during the week in which the absence occurs, or in the event he has not worked in such week, the calculation

shall be based on the last preceding week in which he worked. The hours for which this allowance is paid shall not be counted for the purpose of determining overtime.

The employee may request additional unpaid time-off due to death in the immediate family and said request will not be unreasonably denied.

Section H - Allowance for Absence Due to Reserve Military Duty

An employee who is required to be absent from work to attend an encampment of the Reserve of the Armed Forces or the National Guard shall receive, for a period not to exceed two weeks in any calendar year, the difference between the amount he received from the government and the amount he would have received for all scheduled work-time lost as the result of the required Reserve duty. Government allowance for travel, subsistence, and living quarters during this two-week period shall be excluded from the calculation in determining the amount of the allowance.

**ARTICLE XVI - HOLIDAY COMPENSATION
(Tentatively Agreed)**

Section A - Purpose and Scope

1. This Article provides the terms and conditions of compensation payment for holidays, and in no way shall affect the determination as to whether a particular holiday shall be worked or unworked, in part or in whole, in any unit or section of the plant. Such determination is reserved to the Company so that varying production and maintenance requirements may be fulfilled.
2. The existence of premium pay for working or pay for not working on a holiday shall not be the basis of a claim for assignment or non-assignment of any employee.

Section B - Definitions

1. The following days shall be considered holidays:

January 1
Martin Luther King, Jr. (Third Monday in January)
Good Friday
Memorial Day
July 4
Labor Day
Thanksgiving Day
Day After Thanksgiving
Day Before Christmas
(December 24)
Christmas Day
(December 25)

2. For the purposes of this Article, the holiday specified shall be the 24-hour calendar holiday beginning at midnight or the regular turn changing hour nearest midnight in a particular unit or department.

Section C - Pay for a Holiday Not Worked

1. Subject to the following conditions a regularly scheduled full time employee not working on a holiday shall be paid 8 hours pay, calculated on the basis of his average straight time hourly earnings, exclusive of Sunday Premium, for the hours worked during the week in which the holiday occurs, or, in the event he has not worked in the holiday week, the calculation shall be based on the last preceding week in which he worked:
 - a. He shall have been employed and shall have worked prior to the holiday.

- b. He shall not have been laid off for the holiday week and the 2 weeks immediately preceding the holiday week.
 - c. If he shall have been absent because of sickness or disability, he shall have worked within the 4-week period prior to the holiday week or within the 4-week period following the holiday week.
 - d. If he shall have been on leave of absence, he shall have reported and made himself available for scheduled work prior to the holiday.
 - e. He shall not, prior to the holiday, have quit or have been discharged, including suspension subject to discharge later sustained.
 - f. He shall not have been on disciplinary suspension on the holiday, unless such suspension is later revoked.
 - g. He shall not have failed to work as scheduled on the holiday except as permission may be granted for absence on such holiday.
 - h. He shall have worked his last scheduled turn preceding the holiday and his first scheduled turn following the holiday, except as permission may be granted for absence on such turns. An Employment Reserve employee who is not on a regular schedule shall fulfill this requirement by being available for qualifying turns preceding and following the holiday as indicated by his Assignor.
2. An employee not working during a holiday week because he is off for vacation shall receive pay for the holiday not worked in such week.
 3. A holiday paid for but not worked shall be counted for the purpose of determining overtime only for days of the holiday work week worked after the holiday as provided in Article ____, Section ____ of this Agreement.

Section D - Pay When Work Is Performed On a Holiday

1. The rate of pay for work performed on a holiday (Holiday Work Rate) shall be two and one-half times the applicable straight time rate of the job worked.
2. An employee who is scheduled or called out to work on a holiday and who works less than 8 hours (and who shall not be eligible for pay for the holiday not worked) shall be paid the specified Holiday Work Rate for all such hours and Allowed Time Hours as provided in Article ____ Overtime and Allowed Time.
3. An employee who is scheduled or called out to work on a holiday and who works less than 8 hours, and who otherwise would have been eligible for pay for the holiday not worked, shall be paid the Holiday Work Rate for the actual hours worked and additionally paid for the unworked portion of 8 hours at the

rate per hour provided in C-1 of this Article. Allowed Time, if applicable, shall be additionally applied as provided in Article ____.

4. Extra pay for work performed on a holiday shall not be off set or credited against Sunday Premium or overtime premium.

ARTICLE XVII - HOURLY VACATIONS

Section A - Scope

Subject to the conditions hereinafter provided, employees shall be entitled to vacations with pay in each calendar year (Vacation Year) during the term of this Agreement contingent upon their individual length of service as follows:

<u>Service</u>	<u>Length of Vacation</u>	<u>Weeks of Vacation Pay</u>
1 year but less than 3 years	1 week	1 week
3 years but less than 8 years	2 weeks	2 weeks
8 years but less than 15 years	3 weeks	3 weeks
15 years but less than 24 years	4 weeks	4 weeks
24 or more years	5 weeks	5 weeks

Section B - Length of Service

1. Length of service for vacations shall be Company Continuous Service.
2. For the purpose of determining the vacation allowance for which an employee having less than one year of continuous service as of December 31 of the year preceding the vacation year may be eligible hereunder, the service of those employees having continuous service dates falling within the first half of any calendar year shall be computed from January 1 of the year preceding the vacation year, and the service of those employees whose continuous service dates fall in the last half of any calendar year shall be computed from July 1 of such year.
 - a. An employee hired prior to July 1 will be paid one week of vacation for the year the employee was hired calculated as provided in Section F of this Article. Such payments will be made no later than January 31 of the following year to eligible employees who are active as of the date of payment.
 - b. In no cases will new hires be entitled to vacation time off from work in the year they are hired.
 - c. It is agreed to by both parties that an employee hired after June 30, will not be entitled to vacation pay or vacation time off until July 1 of the following year in accordance with this paragraph B(2).

Section C - Eligibility

1. The Vacation allowance shall be determined by the length of service of each eligible employee as of December 31 of the year preceding the vacation year and shall, except for employees having less than one year of service as of such December 31 when computed as provided in Section B be based on the number of years of service to be attained in the vacation year.
2. In addition to the accumulation of one or more years of service, as above provided, an employee to be eligible for a vacation allowance shall not have had 26 or more consecutive pay periods in which he had no earnings in the calendar year preceding the vacation year. An employee shall be considered to have had earnings in a pay period:
 - a. for which vacation payment was made for time off from work.
 - b. for which Worker's Compensation was paid for temporary disability, including the qualifying period therefor, during the year in which the disability began, and for the year in which the employee returned to work from such disability.
3. The vacation allowance as provided in Section A, paragraph 1 of this Article shall:
 - a. vest in each eligible employee as of December 31 of the year preceding the vacation year and shall be paid in the vacation year in accordance with the further scheduling and calculating provisions of this Article.
 - b. not apply for any employee who dies prior to January 1 of the vacation year.
4. An employee not qualified for vacation allowance as of December 31 of the year preceding the vacation year may qualify during the vacation year if he shall:
 - a. have acquired one or more years of service computed in accordance with Section B of this Article, and
 - b. have performed work during the vacation year, and
 - c. not have had 30 or more consecutive pay periods in which he had no earnings in the 12 completed calendar months preceding the employee's scheduled vacation period. A pay period for which vacation payment has been received, or for which Worker's Compensation has been paid for temporary disability, including the qualifying period for such Worker's Compensation shall be counted for this purpose as a pay period for which earnings were received.

5. The vacation allowance as provided in Subsection 4 shall be paid in the vacation year in accordance with the further scheduling and calculating provisions of this Article.

Section D - Length of Vacations

1. The length of vacations shall be seven consecutive calendar days for a vacation of one week, fourteen consecutive calendar days for a vacation of two weeks, twenty-one calendar days for a vacation of three weeks, twenty-eight calendar days for a vacation of four weeks, and thirty-five calendar days for a vacation of five weeks.
2. Vacations of two weeks may be taken in two periods of seven consecutive calendar days each, provided such arrangement is mutually satisfactory to the employee and his supervisor. Vacations of three weeks shall be composed of two periods, fourteen consecutive calendar days and seven consecutive calendar days respectively, or at the option of the Company the vacation may be taken in one period of twenty-one consecutive calendar days. Vacations of four weeks shall be composed of two periods of fourteen consecutive calendar days each, or at the option of the Company the vacation may be taken in two periods of twenty-one consecutive calendar days and seven consecutive calendar days respectively, or in one period of twenty-eight consecutive calendar days. Vacations of five weeks shall be composed of two periods, twenty-one consecutive calendar days and fourteen consecutive calendar days respectively, or at the option of the Company, the vacation may be taken in two periods of twenty-eight consecutive calendar days and seven consecutive calendar days respectively, or one period of thirty-five consecutive calendar days. If mutually satisfactory to the employee and the Company, vacations of three or more weeks may be taken in separate periods of seven consecutive calendar days.
3. Except in cases of emergency, vacation periods shall coincide with calendar weeks.

Section E - Scheduling of Vacations

1. Vacations may, following the establishment of eligibility, be taken at any time during the vacation year. Vacations will, so far as possible, be granted at times most desired by employees, but the final right to allot vacation periods and the right to change such allotments is exclusively reserved to the Company in order to assure the orderly and efficient operation of the plant. Subject to the provisions of this paragraph, all designated vacation weeks within the agreed to prime period shall be filled.
2. It is understood and agreed that a period of slack operations or a temporary shutdown in any department or section of a department, for any reason, and at any time during the year, may be designated as comprising the vacation

period, or appropriate portion thereof, for any employee of such department or section who is eligible to receive vacation privileges. If, however, in the case of any employee who has scheduled his vacation, should the Company give less than 60 days' notice of the designated, vacation period, such employee shall have the option of taking his vacation in the designated period, or taking his vacation at the time he had previously scheduled.

3. An employee may elect to take time off from work or to receive vacation allowance in lieu of time off for vacations for which he is eligible in any one calendar year as follows:
 - a. An employee who has been absent because of sickness, disability, leave of absence, or layoff, may with approval by the Company, be paid vacation allowance in lieu of actual vacation.
 - b. An employee may elect vacation allowance in lieu of time off for any weeks of vacation. The request for such pay in lieu of time off must be made by the employee at the time he designates his vacation period preference. It is further provided that an employee may, with the consent of the Company, change his election of vacation time off to allowance in lieu of time off with respect to any vacation weeks which have been scheduled outside the designated prime period, but in any case the Company shall not be required to reschedule the vacation of any other employee as the result of the changed election.
4. An eligible employee may, because of an emergency or other justifiable reason, be required by the Company to forego his vacation and receive vacation pay in lieu of time off.
5. The vacation quota for a vacation group will be calculated by dividing the total weeks of vacation entitlement of the group by 52 and rounding up to the next higher number, if there is a remainder in the quotient. All vacation weeks of entitlement will be included in determining vacation quotas for individual departments and/or groupings. Additionally, at the Union's request, the parties will meet to discuss the revision of any or all vacation groupings. Article _____, Section E, Paragraph 1 of the Agreement will be the determining factor in the scheduling of vacations.
6. A union/management committee will be established to review vacation scheduling prior to sending the scheduling information to the departments; review vacation groups; and explore improving vacation scheduling.
7. The parties will arbitrate (through receipt of the arbitration answer) any scheduling dispute(s) prior to commencement of the vacation year at issue.

Section F - Vacation Pay

1. An average hourly earnings rate will be established for each employee on the basis of his earnings during the previous year (including Shift Differential, premium for overtime, holidays and Sundays worked, pay for unworked holidays and vacations but excluding S.U.B.) divided by total hours paid for work (including hours for vacation, pay in lieu of vacation time off, and unworked holidays).
2. The Vacation Rate of Earnings shall be the greater of a) or b):
 - a. above average rate of earnings adjusted as appropriately required to reflect intervening general wage changes and such other changes as would need recognition in the Vacation Rate of Earnings. Hours of vacation pay for each week shall be the average hours (including hours worked and hours within the week paid for unworked holiday, vacation, bereavement, witness and jury service) paid for each employee in each week in the prior calendar year, excluding any weeks not having 32 hours of work. The minimum number of hours paid for each week of vacation shall be 40 and the maximum number shall be 48. Any employee who did not work in the prior year shall have his vacation pay computed on the basis of his last calculated vacation rate appropriately adjusted as above stated;
 - b. two percent (2%) of the employee's W-2 earnings (Box 5) (Medicare, Wages, and Tips) for the prior calendar year.

Section G – Vacation Bonus

A vacation bonus of \$250 per week will be paid to Employees for each week of vacation taken from work in the ten (10) consecutive calendar week period beginning with the first full week following the calendar week containing New Year's Day.

Section H - Employees Entering and Returning From Military Service

1. Any employee eligible for vacation benefits who has not received such benefits for the year in which he enters the Armed Forces of the United States under the conditions set forth in Article _____, Military Service, shall be privileged to exercise his vacation rights at the time of such entrance.
2. An employee reinstated after return from service in the Armed Forces under the conditions set forth in Article _____, Military Service, shall, if otherwise qualified, become eligible for vacation benefits in the year he is reinstated, regardless of the requirements of paragraph C-4(c) of this Article. In the event such an individual does not have hours or earnings in the applicable computation period, he shall receive vacation pay computed on the basis of the applicable hours and earnings of other employees during the computing

period on the same occupation as that to which he is assigned at the time he exercises his vacation privilege.

ARTICLE XVIII - PENSIONS
(New)

1. Noncontributory Pension Plan

- a. The Noncontributory Pension Plan (the NCPP) shall be modified as set forth in the following paragraphs of this section 1 of the Agreement's pension Article and, as so modified, will remain in effect thereafter; except that the Company shall have the right to terminate such plan effective as of any date that is on or after (150 days after termination date of this Agreement), provided that the Company gives the Union written notice of such termination at least 120 days' before the effective date of such plan termination.
- b. The Company shall amend the NCPP to lock and freeze the pay, benefit rates and service that are taken into account to determine benefits under the NCPP effective as of (60 days after effective date of this Agreement) (or, if it is not administratively possible for the Company to satisfy all legal notice and other requirements to lock and freeze such pay, benefit rates and service by such date, as of the earliest date thereafter by which the Company can satisfy such requirements). Under such lock and freeze, the amount of each employee's benefit under the NCPP, when payable in the form of benefit for which the NCPP's benefit formula calculates a monthly amount (the "normal form"), shall be determined based only on the employee's pay, benefit rates and service under the NCPP to the effective date of the lock and freeze and as if the employee permanently ceased to be an employee of the Company no later than such date (even if he or she remains employed by the Company after such date), and no employee shall earn any benefit under the NCPP for any period of service after such date.
- c. The benefit rates used under the NCPP to determine an employee's NCPP benefit (when payable in the normal form) shall remain unchanged.
- d. Despite the NCPP's lock and freeze described in paragraph b. of this section 1 of the Agreement's pension Article, the NCPP shall, until it is terminated by the Company in accordance with the rights granted the Company under paragraph a. of this section 1 of the Agreement's pension Article, continue to exist and generally to be operated in accordance with the administration guidelines set forth in the NCPP's Summary Plan Description as amended on September 1, 2000, in that, except to the extent required to be modified to meet applicable law, (1) any benefit accrued by any employee under the NCPP shall be paid only in accordance with the terms of such plan (e.g., after the employee's employment with the Company has ended) and (2) the

methods by which the benefit can be paid, the times when it can commence to be paid and the actuarial and other adjustments that are made in the monthly amount of the benefit when it is paid other than in the normal form shall not change at all.

- e. Any employee whose service is frozen under the NCPP in accordance with the lock and freeze described in paragraph b. of this section 1 of the Agreement's pension Article shall still have his or her years of service completed after the effective date of such lock and freeze counted for the purpose of determining his or her eligibility to receive a benefit under such plan, when his or her plan benefit is payable to him or her under such plan and the actuarial or other adjustments that apply to his or her benefit when the benefit is paid other than in the normal form.
- f. Any person who is not a participant in the NCPP immediately prior to the effective date of the lock and freeze described in paragraph b. of this section 1 of the Agreement's pension Article shall not thereafter be eligible to become a participant in the NCPP.

2. I.A.M. National Pension Fund, National Pension Plan

- a. The Company shall, for hours beginning on the day immediately following the effective date of the NCPP's lock and freeze described in paragraph b. of section 1 of the Agreement's pension Article, contribute to the I.A.M. National Pension Fund, National Pension Plan (the I.A.M. National Pension Fund/Plan) for each hour or portion thereof for which employees in all job classifications covered by this Agreement are entitled to receive pay under this Agreement, as follows: \$1.50 per hour, up to a maximum of forty (40) hours per week per employee (with such \$1.50 per hour contribution rate increased (1) to \$1.65 per hour for hours occurring after eighteen (18) months have expired after the Effective Date of the Agreement and (2) to \$1.80 per hour for hours occurring after thirty-six (36) months have expired after the Effective Date of the Agreement).
- b. The Company shall continue contributions to the I.A.M. National Pension Fund/Plan based on a forty (40) hour work week while an employee is off work due to vacations, paid holidays, jury duty, bereavement leave, Reserve Training Time (not to exceed 80 hours in total), sickness and injury time, or for serving as a full-time Union Representative pursuant to Section D(4) of Article VI of this Agreement, but not for lost time for processing grievances under this Agreement or for any other periods not listed above when the employee is not working for the Company (except to the extent applicable law requires contributions for such periods).

- c. Contributions to the I.A.M. National Pension Fund/Plan for a probationary employee, part-time or full-time, are payable after the completion of the probationary period (but no later than sixty (60) calendar days after the employee's date of hire). Contributions to the I.A.M. National Pension Fund/Plan for a temporary employee, part-time or full-time, are payable after the completion of ninety (90) calendar days after the employee's date of hire.
- d. The Union and the Company adopt and agree to be bound by, and hereby assent to, the Trust Agreement, dated May 1, 1960, as amended, creating the I.A.M. National Pension Fund and the plan rules adopted by the Trustees of the I.A.M. National Pension Fund/Plan in establishing and administering the I.A.M. National Pension Fund/Plan pursuant to the said Trust Agreement, as currently in effect and as it and the I.A.M. National Pension Fund/Plan may be amended from time to time.
- e. The parties acknowledge that the Trustees of the I.A.M. National Pension Fund/Plan may terminate the participation of the employees and the Company in the I.A.M. National Pension Fund/Plan if the successor collective bargaining agreement fails to renew the provisions of this section 2 of the Agreement's pension Article or reduces the applicable Contribution Rate. The parties may increase the Contribution Rate and/or add job classifications or categories of hours for which contributions are payable.
- f. This section 2 of the Agreement's pension Article contains the entire agreement between the parties regarding pensions and retirement under the I.A.M. National Pension Fund/Plan and any contrary provisions in this Agreement shall be void. No oral or written modification of this Agreement shall be binding upon the Trustees of the I.A.M. National Pension Fund/Plan. No grievance procedure, settlement or arbitration decision with respect to the obligation to contribute shall be binding upon the Trustees of the I.A.M. National Pension Fund/Plan.
- g. The foregoing provisions of this section 2 of the Agreement's pension Article, that provide for the Company's participation in the I.A.M. National Pension Fund/Plan, shall, notwithstanding any other provision hereof to the contrary, not become effective and shall instead be null and void unless: (1) as of the date on which the Company otherwise will first become obligated to make contributions under the I.A.M. National Pension Fund/Plan (for purposes of this paragraph g. and paragraphs h., i. and j. of this section 2 of the Agreement's pension Article, the "Company's Contribution Date"), the I.A.M. National Pension Fund/Plan (through the Trust Agreement used in conjunction with it or through another legal document) applies by its terms the

rules of Section 4210(a) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and thereby shall not impose any withdrawal liability (under Part 1 of Subtitle E of ERISA) on the Company should the Company withdraw from the I.A.M. National Pension Fund/Plan within five years of the Company's Contribution Date; and (2) the Trustees of the I.A.M. National Pension Fund/Plan do not impose any conditions on the Company's participation in the I.A.M. National Pension Fund/Plan that would directly or indirectly affect the Company's ability to withdraw from the I.A.M. National Pension Fund/Plan within five years of the Company's Contribution Date or to take advantage of such I.A.M. National Pension Fund/Plan terms that apply ERISA Section 4210(a). The Union or the Trustees of the I.A.M. National Pension Fund/Plan must notify the Company in writing if the Company's participation in the I.A.M. National Pension Fund/Plan does not become effective pursuant to the provisions of this paragraph g.

- h. Further, the Company shall have the right, without any requirement for further bargaining, to withdraw from the I.A.M. National Pension Fund/Plan at any time within five years of the Company's Contribution Date if the market value of the Fund/Plan assets falls below the actuarial present value of accumulated Fund/Plan benefits or if an actuary engaged by the Company reasonably concludes there is a substantial risk of withdrawal liability projected at any time within five years of the Company's Contribution Date. The I.A.M. National Pension Fund/Plan agrees to provide to the Company annual actuarial reports of the Fund/Plan and to promptly respond to other reasonable requests for information. Notification of withdrawal must be provided to the Union and the Trustees of the I.A.M. National Pension Fund/Plan in writing prior to the effective date of such withdrawal.
- i. The Company shall also be deemed to have automatically withdrawn from the I.A.M. National Pension Fund/Plan immediately prior to the later of the date of adoption or the effective date of any amendment of the Trust Agreement or any other documents that apply to the I.A.M. National Pension Fund/Plan, or of any conditions imposed by the Trustees of the I.A.M. National Pension Fund/Plan on the Company's continuing participation in the I.A.M. National Pension Fund/Plan, that would in any manner affect the ability of the Company to avoid withdrawal liability pursuant to the I.A.M. National Pension Fund/Plan terms that apply ERISA Section 4210(a) should the Company withdraw from such plan within five years of the Company's Contribution Date.
- j. In the event that, in accordance with paragraph g., h. or i. of this section 2 of the Agreement's pension Article, either the Company never becomes a participating employer in the I.A.M. National Pension

Fund/Plan or the Company's participation in the I.A.M. National Pension Fund/Plan is withdrawn within five years of the Company's Contribution Date, then, and only then, the Company shall amend the 401(k) savings plan in which employees can participate to provide as follows:

- (1) For each employee covered by this Agreement and beginning after the date on which the Company receives notice that the Company's participation in the I.A.M. National Pension Fund will not become effective or the date of the Company's withdrawal from such plan (as the case may be), the Company will contribute for the employee the same amounts to such 401(k) plan as it would have contributed to the I.A.M. National Pension Fund/Plan after such date with respect to the employee. Such contributions will be referred to in the immediately following clauses (2) and (3) as "nonelective contributions" and will be made on approximately the same schedule as they would have been made to the I.A.M. National Pension Fund/Plan.
- (2) An employee will be fully vested in the portion of his or her account under such 401(k) plan that is attributable to the nonelective contributions made for him or her if and only if he or she is credited with at least five years of vesting service under such 401(k) plan or if he or she dies while still employed by the Company, and he or she will not be vested at all in such account portion unless he or she meets either such criteria.
- (3) All other rules that are needed by such 401(k) plan to administer the portion of an employee's account under such 401(k) plan that is attributable to the nonelective contributions made for him or her, including rules for the investment, withdrawal and distribution of such account portion, shall be determined by the Company in its discretion, provided that such rules shall be in accord with ERISA and any other applicable law that applies to such 401(k) plan.

**ARTICLE XIX - 401(K) AND THRIFT PLAN
(Tentatively Agreed)**

Section A - Plans

1. It is agreed that the AK Steel Corporation – Armco Employees Independent Federation Retirement Savings Plan (401(k) Plan) for the benefit of hourly bargaining unit employees of the Middletown Works shall remain in effect as provided in Section C of this Article.
2. It is agreed that the AK Steel Corporation Thrift Plan – Plan Document B for the benefit of eligible hourly bargaining unit employees of the Middletown Works shall remain in effect as provided in Section C of this Article.
3. Both the 401(k) Retirement Savings Plan and the Thrift Plan B will permit the maximum contributions by eligible participants as permitted by law.

Section B – Administration

1. Fidelity Investments will be retained to administer the 401(k) Retirement Plan.
2. The Company will assume all administrative costs of the 401(k) Retirement Savings Plan and Thrift Plan – Plan Document B.

Section C - Termination

Notwithstanding the provisions of Article XXIX of this Agreement, the 401(k) Retirement Savings Plan and Thrift Plan B shall remain in effect until (150 days after termination date of this Agreement), and thereafter subject to the right of either party to terminate on 120 days' written notice served on or after (30 days after termination date of this Agreement).

ARTICLE XX - INSURANCE (New)

It is agreed that a new plan of insurance and benefits known as IBP II shall be established and effective on the date of this Agreement. The IBP II shall contain the insurance and benefits set forth in the Insurance Benefit Plan, except as expressly modified below, and so modified shall remain in effect until (150 days after termination date of this Agreement) and thereafter subject to the right of either party to terminate on 120 days' written notice served on or after (30 days after termination date of this Agreement). The IBP II shall only cover active employees and future retirees (meaning those employees who retire on or after the effective date of this Agreement.)

Section A - Life Insurance – Active Employees

Life insurance classes for active employees will be eliminated and the life insurance benefit amount for active employees will be increased to \$62,500.

Section B - Health Benefits – Active Employees

1. Effective the 1st day of the month following the effective date of the Agreement, or as soon thereafter as administratively feasible, all active hourly employees and eligible dependents shall be covered under an amended Managed Care Plan (PPO Plan).
2. For the PPO Plan:
 - a. In-network office visit co-pay \$15.00. Applies to all office visits.
 - b. Coinsurance for in-network provided services shall be 10%. For in-network provided services there shall be an annual stop-loss rate of \$1,000 single / \$2,000 family, whereupon the Plan will pay 100% of reasonable and customary services.
 - c. Coinsurance for out-of-network provided services shall be 30% after the annual deductible of \$500 single / \$1,000 family is met. For out-of-network provided services there shall be an annual stop-loss rate of \$3,000 single / \$6,000 family whereupon the Plan will pay 100% of reasonable and customary services.
 - d. A monthly premium shall apply to the PPO Plan at the rate of 15% of the cost of the plan for either Single or Family coverage. The Company will establish a Section 125 plan for the benefit of employees to pay the 15% premium on a pre-tax basis. **The 15% monthly premium will be adjusted to the following percentages in accordance with the following schedule:**

April 1, 2008	14.5%
April 1, 2009	14%
April 1, 2010	13.5%
April 1, 2011	12.5%

3. Effective the 1st day of the month following the effective date of the agreement, or as soon thereafter as administratively feasible, dental insurance shall be the following:
 - a. Annual deductible shall be \$50.00 single / \$100 for family. After the deductible is met, 80% of reasonable and customary charges will be covered by insurance to a maximum of \$1,000 per person, per calendar year.
 - b. There shall be no deductible for preventive dental care with insurance paying 100% of reasonable and customary charges for oral exams and prophylaxis twice in a calendar year.
 - c. Orthodontic benefit shall be a lifetime maximum of \$1,500 per eligible dependent under age nineteen years of age.
4. Effective the 1st day of the month following the effective date of the Agreement, or as soon thereafter as administratively feasible, Vision Benefits will be provided in accordance with the following schedule:
 - a. \$35 per vision examination annually
 - b. \$55 for frames once every two years
 - c. \$25 for single vision lens
 - d. \$30 for bifocal lens
 - e. \$35 for trifocal lens
 - f. \$40 for lenticular lens
 - g. \$40 for contact lens

Section C - Prescription Drug Coverage – Active Employees

1. Effective the 1st day of the month following the effective date of the Agreement, or as soon thereafter as administratively feasible, all active hourly employees and eligible dependents shall be covered for prescription drugs as follows:

- a. Adopt a formulary
- b. Co-pays for retail drug prescriptions are:
 - (1) \$10.00 – generic drugs
 - (2) \$20.00 – formulary (preferred) brand
 - (3) \$30.00 – non-formulary (non-preferred) brand
- c. Co-pays for mail order drug prescriptions are:
 - (1) \$20.00 – generic drugs
 - (2) \$40.00 – formulary (preferred) brand
 - (3) \$60.00 – non-formulary (non-preferred) brand
- d. Adopt a network of pharmacies

Section D – Schedule of Sickness and Accident Benefits

The schedule of Sickness and Accident benefits of the IBP II shall be modified to include the weekly benefits as set forth below:

Labor Grade	Effective Date of Agreement	18 months after Effective Date of Agreement	36 months after Effective Date of Agreement
1	\$414	\$426	\$439
2	\$445	\$459	\$473
3	\$496	\$510	\$525
4	\$516	\$531	\$547
5	\$543	\$558	\$575

Section E - Health Benefits – Future Retirees (Those who retire on or after June 1, 2007)

- 1. **Effective June 1, 2007**, or as soon thereafter as administratively feasible, any retired employee who is not covered by Medicare and their eligible dependents, shall be covered under an amended Managed Care Plan (PPO Plan):
- 2. For the PPO Plan:

- a. In-network office visit co-pay \$15.00.
 - b. Coinsurance for in-network provided services shall be 10% after the annual deductible of \$250 single / \$500 family is met. For in-network provided services there shall be an annual stop-loss rate of \$1,000 single / \$2,000 family, whereupon the Plan will pay 100% of reasonable and customary services.
 - c. Coinsurance for out-of-network provided services shall be 50% after the annual deductible of \$500 single / \$1,000 for family is met. For out-of-network provided services there shall be an annual stop-loss rate of \$3,000 single / \$6,000 family whereupon the Plan will pay 100% of reasonable and customary services.
 - d. The PPO Plan retiree premium share shall be the difference between the monthly cost and a company paid contribution of **\$200** per month for single coverage and **\$400** per month for family coverage. There will be no monthly payments made by the retiree should the monthly premiums fall below the above listed amounts. There will be no monthly payments made by the company should the retiree or eligible dependent(s) waive this healthcare coverage.
3. **Effective June 1, 2007**, or as soon thereafter as administratively feasible, eligible retirees and dependents shall be covered for prescription drugs as follows:
- a. Adopt a formulary
 - b. Co-pays for retail drug prescriptions are:
 - (1) \$10.00 – generic drugs
 - (2) \$20.00 – formulary (preferred) brand
 - (3) \$30.00 – non-formulary (non-preferred) brand
 - c. Co-pays for mail order drug prescriptions are:
 - (1) \$20.00 – generic drugs
 - (2) \$40.00 – formulary (preferred) brand
 - (3) \$60.00 – non-formulary (non-preferred) brand
 - d. Adopt a network of pharmacies
4. **Effective June 1, 2007**, or as soon thereafter as administratively feasible, Hearing Services Maximum will be reduced to \$1,000.

5. **Effective June 1, 2007**, or as soon thereafter as administratively feasible, retirees and their eligible dependents shall not be covered by group dental or vision benefits.
6. **Effective June 1, 2007**, or as soon thereafter as administratively feasible, Medicare-eligible retirees and pre-Medicare eligible retirees upon attaining the age of Medicare eligibility, shall have the option of enrolling in any available Medicare HMO, Medicare PPO, or a Company sponsored Medicare supplemental program. The retiree premium share for any available plan shall be the difference between the monthly cost and a company paid contribution of **\$200** per month for single coverage and **\$400** per month for family coverage. There will be no monthly payments made by the retiree should the monthly premiums fall below the above listed amounts. There will be no monthly payments made by the company should the retiree or eligible dependent(s) waive this healthcare coverage.
7. Medicare Part B reimbursement: removed on **June 1, 2007**.
8. Employees hired after the effective date of this Agreement, will not be eligible for retiree health benefits.

The Company retains the right to amend, modify or otherwise terminate any of the benefits provided for in this agreement in order to comply or coordinate with any future changes, additions or modifications to Medicare or any of its components.

**ARTICLE XXI - SUPPLEMENTAL UNEMPLOYMENT BENEFITS
(Tentatively Agreed)**

Section A - Plan

It is agreed that the Supplemental Unemployment Benefit Plan shall remain in effect as provided in Section C of this Article.

Section B - Benefits

1. The Supplemental Unemployment Benefit Plan is designed to provide a covered qualified employee with benefits as follows:
 - a. Weekly Benefits to provide income while he is on layoff.
 - b. Short Week Benefits for any week in which he is partially unemployed, that is, he works some, but less than 40 hours for the Company, and
 - c. Relocation Allowances for certain changes of residence required to enable laid-off employees to accept new employment with the Company.
 - d. An allowance to compensate under a formula basis for reduced average standard hourly wage rates resulting from reduced operations.
2. The Company will not be required to make any accruals to the SUB Plan so long as the financial position of the SUB Plan is at 100% or greater. If the financial position of the SUB Plan drops below 100%, the Company will promptly and no later than within 30 days make accruals required to return the financial position of the SUB Plan to 100% or greater.
3. Regardless of the SUB Plan financial position, the Company guarantees that all employees' weekly SUB Benefits shall be the same as if the funding level was at 100% funding.

Section C – Termination

Notwithstanding the provisions of Article XXIX of this Agreement, the Supplemental Unemployment Benefit Plan shall remain in effect until (150 days after termination date of this Agreement), and thereafter subject to the right of either party to terminate on 120 days' written notice served on or after (30 days after termination date of this Agreement).

ARTICLE XXII - SEVERANCE ALLOWANCES (Tentatively Agreed)

Section A – Conditions of Allowances

When, in the sole judgment of the Company, it decides to close permanently a plant or discontinue permanently a department of a plant or substantial portion thereof and terminate the employment of individuals, an employee whose employment is terminated directly as a result thereof because he was not entitled to any other employment with the Company under the provisions of Article _____, Seniority, of this Agreement, shall be entitled to a severance allowance in accordance with and subject to the following provisions.

Section B – Eligibility

1. Such an employee to be eligible for a severance allowance shall have accumulated 5 or more years of Continuous Service with the Company as computed in accordance with the Company's standard practice.
2. In lieu of severance allowance the Company may offer an eligible employee a job for which he is qualified elsewhere in the plant.
 - a. If the job offered carries a pay grade equal to or higher than that of the job to which the employee was last permanently assigned, he shall not be entitled to severance pay whether he accepts or rejects the proffered job.
 - b. If the job carries a pay grade less than that of the job to which the employee was last permanently assigned, he shall have the option of either accepting such new employment or requesting his severance allowance within 30 calendar days of the date on which the new job is offered, otherwise the severance payment shall be made and seniority service broken.

Section C – Calculation of Severance Allowance

An eligible employee will be paid for each year of Continuous Service with the Company an amount equal to one week's base pay rate for 40 hours at the rate of his last permanently assigned job.

Section D – Payment of Severance Allowance

The amount of such allowance will be payable in cash at the time of separation or over a period not to exceed 60 months, beginning within 30 days of the date of separation. The Company shall have the right to determine the method of payment and in making such determination will take into consideration the circumstances of each case. If installment payments are decided upon, the

Company reserves the right to cause all or any installments to be prepaid to any individual at any time it deems such action advisable.

Section E – Non-Duplication of Severance Allowance

1. Any employee who has heretofore received a severance allowance shall not be eligible to receive severance pay under provisions of this Article.
2. Severance allowance shall not be duplicated for the same severance, whether the other obligation arises by reason of contract, law or otherwise. If an individual is or shall become entitled to any discharge, liquidation, severance or dismissal allowance or payment of similar kind by reason of federal or state law, the total amount of such payments shall be deducted from the severance allowance to which the individual may be entitled under this Article, or any payment made by the Company under this Article may be offset against such payments. Statutory unemployment compensation payments shall be excluded from the non-duplication provisions of this Subsection.

Section F – Election Concerning Layoff Status

An employee whose employment would have been terminated under the circumstances specified in this Article, may at such time elect to be placed upon layoff status for 30 days or to continue on layoff status for an additional 30 days if he had already been on layoff status. At the end of such 30-day period he may elect to continue on layoff status or be terminated and receive severance allowance if he is eligible to any such allowance under the provisions of this Article; provided, however, that any Supplemental Unemployment Benefits payment received by him with respect to such 30-day period shall be deducted from any such severance allowance to which he would have been otherwise eligible at the commencement of such 30-day period. An employee electing to receive severance allowance shall be ineligible to receive Supplemental Unemployment Benefits for any period subsequent to such election.

Section G – Plant Closing

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

working force in accordance with its presently existing rights as set forth in Article _____ of this Agreement.

**ARTICLE XXIII - MILITARY SERVICE
(Tentatively Agreed)**

Section A

Any employee presently in the Armed Forces of the United States or any employee hereafter entering such forces who by virtue of such service is, or becomes, entitled to re-employment rights under any applicable laws or executive or administrative orders, shall be granted a leave of absence without pay during such service in the Armed Forces and will be carried in the continuous service of the Company during such absence. Upon the termination of such military service and provided he has an honorable discharge and reports for work within ninety (90) calendar days or within the period provided by law, whichever is the longer, will be reinstated in accordance with the requirements of applicable laws or executive or administrative orders as may be in effect at that time.

Section B

Any employee entitled to reinstatement under this Article, who applies for re-employment and who desires to pursue a course of study in accordance with the federal law granting him such opportunity shall be granted a leave of absence without pay for such purpose, and shall be carried in the continuous service of the Company and maintain accredited seniority status during such absence, provided that such employee must notify the Company in writing at least once each year of his continued interest in and intention of resuming active employment with the Company upon completing or terminating such course of study. Failure to report promptly for re-employment with the Company after the completion or termination of such course of study shall terminate such leave of absence and the continuous service and seniority status of such employee will be broken. The Company shall notify the Union in writing of any leaves of absence granted under this Section.

**ARTICLE XXIV - SAFETY AND HEALTH
(Tentatively Agreed)**

Section A

1. The Company shall make reasonable provisions for the safety and health of its employees at the plants during the hours of their employment. In this connection, the Company, the Union, and the employees acknowledge their responsibilities under applicable federal and state safety and health legislation. The Company has the exclusive legal responsibility for safety and health conditions in the plant and for environmental matters. Neither the Union nor its representatives, officers, employees, or agents will in any way be liable for any work-related injuries or illnesses or for any environmental pollution that may occur.
2. In accordance with practices now prevailing at the plant, and insofar as it is able to do so, the Company will provide protective devices, wearing apparel, and personal protective equipment necessary to protect the employees from injury and disease.
3. The Company shall continue to provide adequate heat and ventilation in the plants. The Company will maintain and repair all such heating and ventilation equipment in an expedient manner.
4. The Company shall continue its industrial hygiene program, including periodic sampling of air and testing of noise levels in the plant, and these test results will be provided to the Union Safety Chairman. The Company will also make available for inspection and copying the results of all environmental testing to the Union Safety Chairman, with the exception of privileged testing or test results. The Union agrees to sign all confidentiality agreements required by the Company prior to disclosure.
5. When materials which are recognized as those presenting a toxic exposure hazard to employees are used, the Company shall annually make the employees who may be affected aware of the potential hazard and of action being taken to protect them from that hazard.
6. The Company shall continue to maintain appropriate safety and health standards with respect to equipment which emits ionizing radiation. The Company shall continue to maintain procedures to protect employees in case of an accident involving such equipment and will instruct employees who may be exposed by accident in these safety and health procedures.
7. In an effort to further enhance the Safety and Health Program, the Company Safety Chairman shall review and discuss on a monthly basis, recommendations by the Union Safety Chairman with respect to employee training, retraining, certification, requirements, and safety orientation along with agenda items for the monthly safety meetings. In an effort to further

enhance the Safety and Health Program, the Company Safety Chairman / Manager will review and discuss with the Union Safety Chairman recommendations with respect to the Company's annual Safety and Health Plan. Such review will include re-evaluation of personal protective equipment for the eyes. The Company will conduct and provide an annual update of AK Steel Safety and Health Rules and Instructions.

8. In an effort to improve the overall effectiveness of the Union Safety Committee and Union Safety Coordinators, the Company shall provide at Company expense Safety and Health training, retraining, and certification on an annual basis for the members of the Safety Committee, including the Safety Chairman, and Union Safety Coordinators, in the areas of OSHA General Industry Standards 1910, OSHA Construction Standards 1926, Confined Space Training, Scaffold Training, and Basic Electrical OSHA / NEC 7970. The Company and the Union shall explore available training programs related to the work environment and agree upon the training to be provided.
9. The Company and the Union shall jointly develop Safety and Health inspection procedures and techniques to be utilized by Union Delegates while performing routine safety inspections. Annually, the company and the Union shall provide the Union Delegates the appropriate training in these inspection procedures and techniques.
10. The Company shall promptly notify the Union Safety Chairman (or the highest ranking Union official available) of any accidents involving serious injury or fatality.
11. The Company shall provide a copy of the "OSHA 300 A Form" to the Union Safety Chairman on a weekly basis.
12. The Company and the Union shall make a good faith effort to maintain Material Safety Data Sheets (MSDS), as outlined in the General Industry Standards 1910.
13. The Company shall provide the Union Safety Chairman a copy of the daily injury and incident reports, including corrective actions outlined.
14. Company Safety Personnel and the Union Safety Committee, including the Union Safety Chairman, and the Union Safety Coordinators, will meet on a weekly basis.
15. Bargaining Unit employees will be utilized, whenever feasible, as a safety lookout, crane lookout, or fire watch for any job on which bargaining unit employees are working.
16. The existing Safety Coordinator program will remain in effect for the term of this Agreement. The number of Union Safety Coordinators may be increased

or decreased, upon mutual agreement of the parties, to reflect an increase or decrease in operations.

Section B

1. Any employee failing or refusing to use safety or health equipment or apparel furnished to him, or comply with any safety rule of the Company, or with any program required by applicable federal or state safety and health legislation, shall be subject to disciplinary action, including suspension or discharge. The parties agree that corrective actions involving an employee must be reasonable under the circumstances and that disciplinary penalties must be proportionate to the infraction involved.
2. An employee or group of employees who believe that they are being required to work under conditions which are unsafe or unhealthy beyond the normal hazard inherent in the operation in question shall discuss the matter with his or her immediate supervisor. The supervisor, employee(s) and a Union Representative will jointly visit the work site to resolve the matter. If the matter cannot be resolved through this discussion, an attempt will be made to call a representative of the Company Safety Department to the work site. The Union Representative may also contact the Union Safety Chairman or Union Safety Coordinator for the same purpose of visiting the work site.

If the matter is not resolved immediately following the above review, a grievance form will be jointly prepared by the employee's supervisor and the Union Representative, and signed by the employee. The grievance will be scheduled, heard, and answered at the Step Two within ten (10) calendar days of its filing.

The employee or group of employees shall have the right to:

- a. file a grievance in Step Two of the grievance procedure for preferred handling in such procedure and arbitration; and/or
- b. relief from the job or jobs, without loss of their right to return to such job or jobs; and, at Management's discretion, assignment to such other employment as may be available in the plant; provided, however, that no employee, other than communicating the facts relating to the safety of the job, shall take any steps to prevent another employee from working on the job. Should either the Management or the Arbitrator conclude that an unsafe condition within the meaning of this Section existed and should the employee not have been assigned to other equal or higher-rated work, he shall be paid for the earnings he otherwise would have received.

Section C

It is agreed that personnel records of disciplinary action not involving time off against an employee for safety rule violations shall not be used in arbitration proceedings if the recorded disciplinary action occurred one or more years prior to the date of the event which is the subject of such arbitration. It is also agreed that records of such actions involving time off for safety rule violations, other than those violations which resulted in the employee's suspension subject to discharge, shall not be used in arbitration proceedings if the disciplinary action was completed three or more years prior to the date of the event which is the subject of arbitration.

Section D – Safety Shoe Allowance

On the effective date of this Agreement, and on the anniversary of the effective date in each year thereafter during the term of this Agreement, each active employee, other than a probationary employee, will be provided by the Company, a voucher for one (1) pair of Company authorized safety shoes to be redeemed from a Company designated vendor for the Employee's use at work.

Any employee who on any of the above designated dates was eligible to receive a safety shoe voucher but not provided such voucher because he was then in inactive status, will receive the voucher when he returns to active employment. However, an employee shall in no event be entitled to more than one such voucher in any calendar year during the term of this Agreement.

ARTICLE XXV - CONTRACTING OUT

A Joint Committee on Contracting-Out, consisting of two (2) members designated by each party, shall be established. The Committee will hold meetings as mutually agreed, but in no event will the Committee meet less than on a monthly basis. The Committee will review the Company's sub-contracting activity. These meetings will provide an opportunity for members of the Committee to make suggestions concerning sub-contracting or out-sourcing activity. The purpose of this Committee is to discover ways to improve the effectiveness of Plant operations so that the Company can make the best decisions in implementing sub-contracting activity. Nothing in this Agreement limits the Company's right to contract-out, except that it must comply with the Memorandum on Employment Security.

The Committee is also charged with the responsibility to investigate and make recommendations regarding the potential in-sourcing of work. In this regard, the Committee may develop detailed plans for bargaining unit employees to perform work that is performed by contractor(s) on an economically equivalent or cost-saving basis, without adversely impacting safety, quality, and productivity. The Committee will have access to relevant information for the purpose of investigating potential areas of in-sourcing. Upon receipt of a recommended plan, the Company will conduct a good faith review and provide a decision within thirty (30) days as to whether or not the Company will in its sole discretion accept the Committee's recommendation. If the recommendation is rejected by the Company, the Company will provide a detailed explanation for its decision.

ARTICLE XXVI - WORKFORCE REVITALIZATION

The Company may hire a maximum of 100 hourly employees to perform bargaining unit work with the understanding that:

1. These employees will be classified as "Special Utility" but will be assigned to the Utility Person or Utility Technician job classification, for pay and work assignment purposes. These employees will be bargaining unit members;
2. Special Utility employees will receive 70% of the straight time hourly rate for the position worked, i.e., Utility Person or Utility Technician;
3. Special Utility employees will not have any seniority rights over other bargaining unit employees, however, bargaining unit employees can not displace Special Utility employees for purposes of creating overtime or premium time;
4. Special Utility employees will not be eligible for shift differential, holiday pay, or incentive pay, or any other fringe benefit offered to bargaining unit employees;
5. Special Utility employees will be displaced before regular bargaining unit members are laid-off from the plant;
6. Special Utility employees may be laid-off or terminated from employment as exclusively determined by the Company, except that disciplinary suspensions and disciplinary discharges may be grieved in accordance with the grievance and arbitration procedure.

ARTICLE XXVII - ALCOHOL AND SUBSTANCE ABUSE POLICY (Tentatively Agreed)

Policy Statement: AK Steel Corporation - Middletown Works does not condone alcohol or substance abuse and does not tolerate the use, possession, transportation or distribution/sale of illicit or controlled substances on Company premises; nor does the Company tolerate employees entering the plant under the influence of alcohol, illicit or controlled substances. Such actions are considered as Unsafe and Improper Behavior and are specifically addressed as part of the Company's General Safety Instructions within the AK Steel Safety Book which is provided to all employees. The Company's objective is to provide for a safe work environment for all employees and to promote the general health of our employees.

Failure to comply with the policy on alcohol and substance abuse will result in automatic disciplinary suspension subject to discharge. Refusal to submit to testing at the Company's request will be treated for disciplinary purposes in the same manner as a positive test result. Distribution and or sale of illicit drugs on Company premises will result in immediate discharge.

Conditions for Testing

The following instances will result in testing for presence of alcohol, illicit or abused substances:

1. All New Hires as part of the pre-employment physical and as a condition of employment will be tested.
2. All returns from Sick Leave involving drug or alcohol treatment.
3. All on-the-job injuries or accidents where there is reasonable suspicion to believe drug or alcohol use may be involved.
4. Suspected instances of employees being under-the-influence of drugs or alcohol as reasonably suspected by members of Supervision, Management or Security personnel.
5. In accordance with counseling or disciplinary requirements.

Testing Procedures

1. Documentation: For instances where an employee is directed to test for reasonable suspicion, the basis for testing will be documented and provided to AK Health Services. The documentation will also be provided to the employee upon request.
2. Sobriety Tests: Sobriety tests only will be conducted for reasonable suspicion tests. The Company will allow a Union representative on turn and a Union

officer, if available, to observe sobriety tests. The Company will video tape all sobriety tests and provide a copy of the videotape to the employee and Union upon request.

3. Urinalysis Drug Testing: Urinalysis drug testing will be performed by a NIDA certified testing facility. Drug testing levels will be consistent with the Department of Transportation for the following drugs: Amphetamines, Cocaine, Opiates, Phencyclidine, and Cannabinoids.

Employees may select to have their urinalysis specimen collected either by: (1) the observed collection of the urinalysis specimen; or (2) the unobserved collection of the urinalysis specimen with safeguards to ensure the integrity of the specimen.

Split specimen collection will be utilized with the following general procedures:

- a. At the collection site, the original specimen will be split into two separately sealed sample bottles, "A" and "B" samples.
 - b. The "A" sample will be utilized by the Company's NIDA certified testing facility.
 - c. The "B" sample will be stored at the Company's NIDA certified testing facility.
 - d. In the event an employee should request that the "B" sample be tested, a NIDA certified testing facility must be used.
 - e. The employee is responsible for all costs associated with the testing of the "B" sample.
4. Breath Alcohol Testing: Breath alcohol testing will be performed by trained and certified AK Health Services personnel. The testing level for a positive test will be .04 Breath Alcohol Content (BAC) and above. The breath alcohol testing equipment will be regularly calibrated and tested.
 5. Confidentiality of Results: Results of screens will be treated as confidential to be utilized by appropriate members of Management, Medical Department personnel, the E.A.P. Coordinator where appropriate, and an independent third party that may be involved in a dispute resolution procedure. Such results will not be provided to any other party without the employee's written consent.
 6. Make Whole: In the event that an employee passes testing (urinalysis and breathalyzer), then the Company will make the employee whole for all lost time, including all periods of time the employee may be removed from the clock or schedule, including lost overtime opportunities.

Employee Assistance Program and Alternative Treatment Program

The Company recognizes that alcohol and substance abuse can be treated in some circumstances. The Company will make a reasonable attempt to assist employees in obtaining treatment. One avenue for an employee to obtain assistance is the Employee Assistance Program (EAP). The EAP is designed to provide assistance to employees and their families for a variety of personal or family problems that may adversely affect an employee's job performance.

In addition to the EAP, the Company and the Union have established the Alternative Treatment Program (ATP). The ATP is a confidential program designed to aid employees who voluntarily seek treatment for substance abuse. An employee who enters this program will be under the direction of the AK Health Services (AKHS) Physician. The ATP does not preclude employees from utilizing other options available for the treatment of substance abuse. The framework of this program is as follows:

1. The employee seeking assistance must personally contact and notify the AKHS Physician of his/her request for substance abuse treatment. If an employee desires his/her personal physician to be involved with the ATP, the employee will sign the necessary release(s) authorizing the AKHS Physician to contact and discuss his/her condition with the personal physician. If any other physician, treatment facility or agency is involved with the ATP, the employee will also sign the necessary release(s) authorizing the AKHS Physician to contact and discuss his/her condition with the treating physician, facility or agency.
2. Acceptance into the ATP is determined by the AKHS Physician. An employee may only be accepted into the AKHS once during the term of the Collective Bargaining Agreement. At the sole discretion of the AKHS Physician, an employee may re-enter the ATP.
3. The AKHS Physician will maintain confidentiality of all information discussed between the employee, his/her physician or any other physician, treatment facility or agency involved. The AKHS Physician will maintain a separate confidential medical file for employees treated under the ATP.
4. The AKHS Physician will be responsible for notifying the employee's department that the employee will be absent from work until further notice for medical reasons.
5. The AKHS Physician is solely responsible for the determination of the employee's ability to work and the employee is not eligible to utilize the provisions of Article ____ regarding the use of a "third physician."
6. On a quarterly basis, the Union President may review with the AKHS Physician the statistical use of the Alternative Treatment Program.

7. An employee who enters the ATP will be eligible for the following:
 - a. The AKHS Physician will be authorized to remove the employee from work. If the employee is removed, the AKHS Physician will initiate immediate compensation of the employee equivalent to weekly Sickness and Accident Benefits. The duration of compensation will be determined by the AKHS Physician but will not exceed the duration provided for under the Sickness and Accident Benefits provisions. An employee who receives ATP compensation will be considered to have received Sickness and Accident Benefits.
 - b. Any absence from work while entered in the ATP will not be used for disciplinary action and will not be considered as part of the employee's record.
 - c. Any results of testing directed by the AKHS Physician, while treating the employee under the ATP, will remain confidential and will not be used for disciplinary purposes.
8. A positive urinalysis or breath alcohol test received as a result of drug or alcohol testing that is not related to the ATP will be considered as a violation of the AK Steel Middletown Works Alcohol and Substance Abuse Program.
9. The AKHS Physician is solely responsible for determining when an employee has completed the ATP. The AKHS Physician will notify the employees department of his/her return to work.
10. Medical costs for treatment incurred under the ATP not covered by insurance benefits will be borne by the Company.
11. The AKHS Physician shall make a reasonable effort to meet with the employee when the Physician determines the employee is not in compliance with his/her treatment or responsibilities under the ATP. If the employee does not comply, the Physician shall inform the Manager-Industrial Relations and the Union President.
12. Should the AKHS Physician leave the position, he/she shall notify the participants of the ATP who may obtain their ATP file from the Physician.

ARTICLE XXVIII - PRIOR AGREEMENTS

Section A - Replacement of Prior Agreements

This Agreement, for the production and maintenance employees covered hereby, terminates and replaces the prior Agreement applicable to such employees.

Such termination and replacement includes all supplemental agreements, memorandums of agreement, progression charts, published and unpublished side letters and all local practices, but excludes last chance agreements, incentive plans, or as otherwise expressly incorporated in the written terms of this Agreement.

Section B - Processing of Grievances

Any grievance filed on or after the date of this Agreement which is based on the occurrence or non-occurrence of an event which arose prior to the date of this Agreement must be a proper subject for a grievance under this Agreement and processed in accordance with the grievance and arbitration procedures of this Agreement. Such grievance shall be settled in accordance with the applicable provisions of such prior Agreement for the period prior to the date of this Agreement and for the applicable period thereafter in accordance with the applicable provisions of the Agreement.

ARTICLE XXIX - TERMS OF AGREEMENT (New)

Section A - Effective Date and Termination

1. This Agreement was executed on **February 28, 2007**. This Agreement is effective on **March 15, 2007** ("Effective Date") This Agreement replaces the November 1, 1999 Agreement between the parties.
2. This Agreement shall remain in effect to and including midnight of **September 15, 2011** ("Termination Date"), and thereafter, subject to termination on 60 days' prior written notice by either party served on or after **July 15, 2011**.
3. If either party gives notice as provided for in Subsection A-2 of this Section, notwithstanding any other termination provisions of this Agreement, it may include therein notice of its desire to negotiate with respect to insurance, pension, and supplemental unemployment benefits.
4. If the parties shall not reach agreement with respect to the matters of negotiation by the 60th day following the date of the notice given as provided in this Section, they shall be free to take any action necessary in support of their position, notwithstanding any other provisions of this Agreement.

Section B - Meeting

Promptly after the date of the notice given as provided in Subsection A-2 of this Article, the parties shall meet at mutually agreed dates, times, and location(s) for the purpose of negotiating a new agreement.

Section C - Notice

Any notice to be given under this Agreement shall be given by registered mail and be complete at the time of mailing. If by the Company, it shall be addressed to the President, IAM Local Lodge 1943, 1100 Crawford Street, Middletown, Ohio, and if given by the Union, such notice shall be addressed to the Manager, Middletown Works, AK Steel Corporation, Middletown, Ohio. Either party by similar notice may change the address to which such registered mail notice may be sent.

Section D – Bargaining

For the duration of this Agreement neither party shall be obligated to bargain collectively, except as specifically provided by the Agreement, with respect to any subject or matter either covered or not covered by this Agreement.

