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MASTER AGREEMENT

Between

**LORILLARD TOBACCO COMPANY
GREENSBORO, NORTH CAROLINA**

and

**LOCAL UNION NO. 317T
BAKERY, CONFECTIONERY,
TOBACCO WORKERS, AND
GRAIN MILLERS
INTERNATIONAL UNION
(AFL-CIO-CLC)**

MARCH 1, 2003 - MARCH 1, 2006



121 pages

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AGREEMENT

This agreement, dated March 1, 2003, between Lorillard Tobacco Company (*hereinafter referred to as "the Company,"* party of the first part) and the Bakery, Confectionery, Tobacco Workers, and Grain Millers International Union (AFL-CIO-CLC), and its local 317T (both *hereinafter referred to as "the Union,"* party of the second part) representing such employees of the Greensboro, North Carolina Branch of the Company, located at 2525 East Market Street, Greensboro, North Carolina, as it has heretofore been designated to represent by the National Labor Relations Board.

ARTICLE 1 RECOGNITION

The Company recognizes the Union as the sole and exclusive Collective Bargaining Agent and is authorized to negotiate for such employees of the Greensboro Branch as certified by the National Labor Relations Board, reference to the Certification being hereby made for a more particular description of the employees represented by the Union.

The term "employee" or "employees" as used in this Agreement shall include all employees; namely, production employees, power plant and air conditioning employees, maintenance employees, and laboratory technicians, but shall not include any salaried employees, watchmen, and/or guards. The Company

will not create salaried jobs within aforementioned hourly classifications.

The use of the masculine gender in this Agreement shall be deemed to refer to persons of both sexes.

ARTICLE 2 UNION SECURITY

In order to recognize adequately the services of the Union as the exclusive Collective Bargaining Agent for the employees in the unit, it is agreed that the Company will withhold from the wages of each employee who has been continuously employed for ninety (90) calendar days and will pay to the Union the monthly dues, initiation, and reinstatement fees set by the Union, provided that membership in the Union is available to all eligible employees on the same terms and conditions; that membership is not denied or terminated for reasons other than the failure of the employee to tender such periodic dues, initiation fee, and/or reinstatement fee; and that such employee has executed and he or the Union has delivered to the Company the Form of Written Assignment, as shown in Article 3. The Union and/or the employee will indemnify and save harmless the Company from any and all disputes and claims for money, or otherwise, by reason of the Company acting hereunder.

This agreement is made in the full belief by the Company, the Union, and by the employees that it is in every respect legal; but if the Agreement contained herein shall be held invalid or illegal by the National

Labor Relations Board, any court having jurisdiction, or other competent authority, then and in that event the Agreement set forth in this Article shall thereafter be null and void.

ARTICLE 3 CHECKOFF

Section 1 - Dues Deduction Authorization

Subject to the provisions of the National Labor Relations Act and regulations issued thereunder and in particular the Labor Laws of the State of North Carolina and of any other applicable law, the Company agrees to deduct each month from the wages of each employee the sum of money specified by the Union representing such employee in payment of monthly membership dues, initiation fees, reinstatement fees, and all accrued arrears in such dues of such employee, provided the Company has received a written assignment in the form set forth below, executed by the employee without restraint or coercion, authorizing the Company to make such deductions, which assignment shall be irrevocable for a period of not more than one (1) year or until the termination date of this Agreement, whichever occurs sooner, and said assignment shall be automatically renewed and shall be irrevocable for successive periods of one (1) year each, or for the period of each successive applicable Collective Agreement between the Company and the said Union, whichever shall be shorter, unless written notice is given by the employee to the Company and the said Union, not more than twenty (20)

days and not less than ten (10) days prior to the expiration of each period of one (1) year or of each applicable *Collective Agreement* between the Company and the said Union, whichever occurs sooner. The President of the Union will notify the Employee Relations Manager upon receipt of a withdrawal notice from an employee.

The Employee Relations Manager will notify the appropriate department head to begin the necessary administrative procedure to stop the payment of union dues by the employee. All moneys deducted shall be immediately turned over to the designated officer of said Union or to such other representative of said Union as shall be regularly designated in writing from time to time. If the signed assignments are filed with the Company on or before the 15th day of the calendar month, the deduction shall begin during that month. If the signed assignments are filed with the Company after the 15th day of the month, the deduction shall begin in the following calendar month.

These assignments shall in no way be considered or interpreted by the Union and/or the employee as a condition of employment or continuation of employment with the Company.

AUTHORIZATION FORM FOR DEDUCTION OF UNION INITIATION, REINSTATEMENT, AND MEMBERSHIP DUES, LORILLARD TOBACCO COMPANY:

You are hereby authorized to deduct from my wages each month an amount specified by the Union, monthly membership dues, my initiation fee, and any reinstatement fee applied for, and all accrued arrears of such dues. I direct that you pay these sums to the Union. The payments for accrued arrears will be deducted in a lump sum immediately following reinstatement of the employee.

This assignment is executed by me without restraint or coercion and shall be irrevocable for not more than one (1) year, or until the termination date of the applicable Agreement between the Union and the Company, whichever occurs sooner.

I agree and direct that this assignment, authorization, and direction shall be automatically renewed and shall be irrevocable for successive periods of one (1) year, or for the period of each succeeding applicable Collective Agreement between the Company and the Union, whichever shall be shorter, unless written notice is given by me to the Company and the Union not more than twenty (20) days and not less than ten (10) days prior to the expiration of each period of one (1) year, or of each applicable Collective Agreement between the Company and the Union, for whichever occurs sooner.

This assignment and authorization supersedes all previous assignments and authorizations heretofore given to you by me in relation to my membership dues or initiation fees. Dues, fees or contributions to Bakery, Confectionery, Tobacco Workers, and Grain Millers International Union or Local Union are not deductible

as charitable contributions for U.S. federal income tax purposes. Dues and fees paid to Bakery, Confectionery, Tobacco Workers, and Grain Millers International Union or Local Union, however, may qualify as business expenses, and may be deductible in limited circumstances subject to various restrictions imposed by the Internal Revenue Code.

You shall be under no liability for deductions made in good faith hereunder.

Initiation Fee _____

Reinstatement Fee _____

Monthly Membership Fee _____

Witness for the Union:

(Title)

Signature of Employee

Social Security Number

Verified by Lorillard Tobacco Company

(Title)

Section 2 - BCTGM-PAC Authorization

Upon receipt of an authorization form, signed by the employee and witnessed, the Company shall deduct each month from the wage of the said employee, the sum in multiples of 25¢, so fixed and designated by the employee which the Company shall remit to the Political Action Committee of the Bakery, Confectionery, Tobacco Workers, and Grain Millers International Union, AFL-CIO-CLC (hereinafter referred to as the BCTGM-PAC), at its headquarters.

The Company shall continue such deduction during the term of this Agreement and will renew for successive Agreements unless the employee withdraws the authorization in writing, by registered mail, to the Company.

Such authorization shall be in the following form, subject to such modifications, if any, as may be required by applicable provisions of law:

AUTHORIZATION FOR CHECKOFF FOR BCTGM-PAC

I, hereby, authorize the Company to deduct from my pay the sum of _____ per month and to forward that amount to the BCTGM-PAC. This authorization is voluntarily made on the specific understanding that the signing of this authorization and the making of payments to the BCTGM-PAC are not conditions of membership in the Union or of employment

with the Company, and that the BCTGM-PAC will use the money it receives to make political contributions and expenditures in connection with Federal, State and local elections.

Contributions of gifts to Bakery, Confectionery, Tobacco Workers, and Grain Millers International Union and Local Unions are not deductible as charitable contributions for federal income purposes. However, dues and fees may qualify as business expenses, and may be deductible in limited circumstances subject to various restrictions imposed by the Internal Revenue Code.

I agree that the Company shall be without liability of any nature for or on account of any deduction made in good faith on the strength of this authorization.

Wherefore, I have hereunto affixed my signature this day of _____ 20____.

Employee

Witness

Employee's Social
Security Number

ARTICLE 4
AFFIRMATIVE ACTION AND
NON-DISCRIMINATION

The parties agree to a policy of non-discrimination on the basis of race, sex, religion, age, color, national origin, handicapped or Viet Nam era veteran status, and to a policy of Affirmative Action to ensure equal employment opportunity for all employees within the provisions of the established seniority system as defined in this Agreement.

The Company agrees not to discriminate against any employee covered by this Agreement for presenting a grievance, or against any Union official who may represent other employees in the discharge of his duties.

ARTICLE 5
WORKWEEK AND WORKDAY

Section 1 - Workweek

The recognized "workweek" shall be five (5) days from Monday through Friday, inclusive. This does not apply to employees in the Power Plant and air conditioning sections of the Company; their normal workweek shall be five (5) consecutive workdays.

Section 2 - Workday

The recognized "workday" shall be seven and one-half (7-1/2) consecutive hours of work broken by an established lunch period of thirty (30) minutes.

The above sections one (1) and two (2) of Article 5 shall not be construed as a guarantee of a permanent workweek or limitations of hours worked per day per week, as Plant operations are determined by its manufacturing requirements.

Section 3 - Third (3rd) Shift Operations

When third (3rd) shift production occurs, the Company and Union will discuss alternate work schedules for Maintenance and Service employees when work schedule changes are necessary.

ARTICLE 6 HOLIDAYS

Section 1 - Pay

The following calendar days will be recognized as holidays, with holiday pay for seven and one-half (7-1/2) hours at the employees' regular straight time hourly rate:

News Year's Day	Friday before Labor Day
Washington's Birthday	Labor Day
Good Friday	Thanksgiving Day
Easter Monday *	Thanksgiving Friday
Friday before Memorial Day	Christmas Eve
Memorial Day	Christmas Day
Fourth of July	

** In the event the Company elects to take the optional third week shutdown, Easter Monday will be observed on the Thursday prior to Good Friday.*

The above holidays shall be compulsory; except that should it be necessary to work employees in any classification on a holiday, the Company will request the employee whose assigned job will operate to work on the holiday. Should such employee not wish to work on the holiday, the Company will solicit the other employees in the classification in order of seniority until the necessary number of employees is obtained. Should such procedure fail to provide the necessary number of employees in the classification, those employees whose assigned jobs will operate shall be required to work.

All work performed by employees on any of the thirteen (13) holidays, as observed above, shall be paid for at the premium rate of double the employee's regular straight time hourly rate.

Employees who work on a holiday must take a subsequent day off with pay during the next six (6) months. Such day off will be scheduled at a time desired by the employee, subject to a seven (7) day notice and the operating requirements of the plant. When the employees take a subsequent day off to observe the holiday, they will be paid seven and one-half (7-1/2) hours at their regular straight time rate.

Any employee who agrees to work or is required to work on any of the specified holidays and fails to work will receive no pay for the holiday. Justifiable reasons for being absent will be given consideration - with general illness being excluded.

Holidays which fall on Sunday shall be observed on the following Monday; except, if Christmas Eve falls on Sunday, it shall be observed on the following Tuesday. All other holidays shall be observed on the days specified by North Carolina State Law. If any of the specified holidays shall fall on a Saturday, the holidays shall be observed on the preceding Friday.

If a specified holiday falls in a vacation period, such a holiday will be observed either the workday before or after the vacation period.

A holiday that falls during an extended vacation week will be scheduled at the time of the vacation solicitation. Such holiday will be scheduled subject to the operating requirements of the plant.

Section 2 - Attendance Requirements for Holiday Pay

In order to be eligible for holiday pay under the preceding section, an employee must have worked anytime during the payroll week before, or anytime in the payroll week after, or anytime in the payroll week in which the holiday occurs, and must have completed his probationary period prior to the holiday.

Employees on Accident & Health will receive the difference in that amount and the holiday pay for which they are eligible. Employees on Workman's Compensation will receive the difference in that amount and the holiday pay.

ARTICLE 7 REPORTING ALLOWANCE PAY

Section 1

When no work is available, the Company will make every effort to notify employees in advance not to report to work by posting notices to such effect forty-eight (48) hours prior thereto. Employees who are scheduled to work and do report for work at their scheduled starting time, for whom work is not available, and who have not been notified not to report to work, shall receive four (4) hours pay at their regular hourly rate of pay. Such employees may be assigned any work that is available for such four (4) hours, and employees shall perform such assigned work at their regular hourly rate of pay.

Section 2

The provisions of this Article shall not apply in the case of:

- A. An employee refuses to accept other assigned work during the four (4) hour period;
- B. The Company notified an employee not to report for scheduled work when no work is available;
- C. An employee, who because of absence, fails to receive notice not to report to work;

- D. An emergency or condition which is beyond the control of the Company.

Section 3

- A. Should civil authorities order a curfew which will interfere with normal work schedules, Management will make every effort to develop alternate schedules which will as nearly as practical duplicate those shift schedules interfered with.
- B. This may mean a longer or shorter shift and a different starting or stopping time. If changes in schedules, starting or stopping times, are made because of a curfew, Article 9, Section 1 (A-3); and Article 10, paragraphs 2 and 3, of the Labor Agreement shall not apply.

ARTICLE 8 RECALL PAY

If an employee, after completing his regular work shift, leaves the company premises and is recalled to work or is scheduled to work hours which do not run into his regular shift, he shall be paid for each hour worked at the rate of two (2) times his regular straight time rate of pay, or an amount equal to four (4) hours pay at his regular straight time rate of pay, whichever is greater.

If an employee is requested to report prior to the beginning of his normal shift, and continues to work into his normal shift, then this does not constitute recall pay; except that employees called at home to work unscheduled hours which immediately precede their next scheduled hours, shall be paid at double their regular hourly rate for such unscheduled hours worked.

ARTICLE 9 OVERTIME AND PREMIUM PAY AND ASSIGNMENT

Section 1 - Payment of Overtime and Premium Pay

- A. Overtime will be paid at the rate of one and one-half (1-1/2) times the employee's regular straight time hourly rate for:
1. All hours worked in excess of seven and one-half (7-1/2) in a workday;
 2. All hours worked in excess of thirty-seven and one-half (37-1/2) in a workweek;
 3. All hours worked in addition to an employee's scheduled straight time hours in any workday in which the employee is scheduled to work;
 4. The first three and three-quarters (3-3/4) hours worked on any shift starting on Saturday (for employees regularly scheduled round-the-clock the first three and three-quarters (3-3/4) hours

worked during the sixth (6th) workday of a six (6) consecutive workday period, beginning with the employee's first scheduled workday in a workweek, even though such sixth (6th) workday may be in the subsequent workweek).

B. Overtime will be paid at a rate of two (2) times the employee's regular hourly rate for:

1. All hours worked in excess of eleven and one-half (11 1/2) hours in a workday;
2. All hours worked on shifts which begin on a holiday as designated and defined in Article 6. Exception to the above: Employees who are required to report to work on a holiday between 11 p.m. and 12 midnight to prepare the plant for 12 midnight operations. Work performed before 12 midnight would be paid at a rate of two (2) times the employees regular hourly rate;
3. All hours worked in excess of three and three-quarters (3-3/4) hours on a shift which begins on Saturday (for employees regularly scheduled round-the-clock, all hours worked in excess of three and three-quarters (3-3/4) hours during the sixth (6th) workday in a six (6) consecutive workday period, beginning with the employee's first scheduled workday in a workweek, even though such sixth (6th) workday may be in the subsequent workweek);

4. All hours worked on a shift which begins on Sunday (for employees regularly scheduled round-the-clock, all hours worked on a seventh (7th) workday in a seven (7) consecutive workday period, starting with the employee's first scheduled workday in a workweek, even though such seventh (7th) workday may be in the subsequent workweek). Exception to the above: Employees who are required to work between 11 p.m. and 12 midnight to prepare the plant for 12 midnight operations. Maintenance will report at 11 p.m. Other employees involved in preparation of production will report at 11:30 p.m. Production employees will report at 12 midnight.

C. No Pyramiding or Duplication. There shall be no pyramiding of overtime. Employees shall not be paid more than once, or for more than one reason, or under more than one provision of this Article, for the same hours worked.

D. Employees will be notified on Thursday of Saturday work. In case of a short workweek, those who will be scheduled to work on Friday will be notified on Wednesday.

Section 2 - Overtime and Short Workweek Assignments

A. Overtime Assignments - Maintenance

In the Maintenance Department, the total over-

time assigned to each employee in a contract year will be in reasonable relationship to the amount assigned to all other employees in their particular craft; this applies, as well, to Head Adjusters in the Cigarette Making Department and the Cigarette Packing Department. For the purpose of equalizing overtime, the Dispatchers are to be considered one group. Stock Attendants are to be considered another group. At no specific time must the overtime be equal as between employees, but a reasonable relationship once during the last two (2) months of the contract year would be not more than a twenty (20) hour differential. Employees in each low overtime group and the shop steward(s) will be notified when the group is brought within the twenty (20) hour differential. The amount of hours differential, twenty (20) hours or less, will be carried over into the next contract year.

An employee covered under equalization of overtime who has a differential greater than twenty (20) hours shall be compensated for the number of hours in excess of twenty (20) hours. In case of equalization of overtime, the ten (10) day grievance limitation will not apply until the end of the contract year.

For purposes of equalization in the Maintenance Department, the low man will be scheduled; except on jobs or projects where special skills are needed or required. Weekly overtime lists will be posted and used for the allotment of overtime. In the event of the miscalculation of overtime on the overtime lists, the Company will make the necessary adjustments

on the lists the following week. Where there is an oversight in soliciting the low man, the Company will work the low man on the next available overtime if notified.

Maintenance employees who are absent must call in prior to 10:00 a.m. on Thursday in order to work weekend overtime. Maintenance employees who are on vacation must call in prior to 10:00 a.m. on Thursday in order to be eligible for known overtime. Maintenance employees who have notified management prior to going on vacation of their availability to work known overtime but do not call in prior to 10:00 a.m. on Thursday will not be eligible for known overtime on the day they are scheduled to return to work. Those employees previously scheduled to work overtime who may be displaced by someone calling in will be notified prior to leaving the plant. If known overtime occurs during the week, the next low man will be solicited to work the additional time. If the low man on overtime is absent on a weekday when known overtime is scheduled, he will be solicited the day he returns for the remaining known overtime beginning the day following his return to work. Where practical the scheduling of split shifts will normally be practiced for the Maintenance Department, rather than an employee working on a double shift.

For purposes of equalization, Maintenance and Head Adjusters will be scheduled for daily overtime on a shift basis. Weekend overtime and holidays will be scheduled according to the low man concept.

The work schedule, including known overtime, will be posted on Wednesday for Boiler and Air Conditioning Attendants. Employees who can not work the schedule as posted will be given consideration for valid reasons.

Where the low man concept is used, the payment of a grievance settlement will be made to the low man at the time of settlement, if it is equivalent to twenty (20) hours of regular pay or less. If the settlement is for pay equivalent to more than twenty (20) hours regular pay, it will be divided equally among the group involved. In a grievance involving disciplinary action, the aggrieved employee who lost the time will receive the settlement.

B. Red Time

1. Red time will be assigned to each employee who is low man on overtime provided he:
 - a. Refuses overtime;
 - b. Fails to work overtime when scheduled to work;
 - c. Creates overtime by his unpaid absences, leave of absence, or company injury;
 - d. Is unavailable due to leave of absence, vacation, or other absences when overtime occurs.

2. Employees transferring, or being promoted into any craft or classification covered by equalization will be assigned overtime equal to the highest number of overtime hours worked by any employee in the particular craft or classification thirty (30) days after they have entered such craft or classification. New employees will be assigned overtime equal to the highest number of overtime hours worked by any employee in the particular craft or classification sixty (60) days after they have entered such craft or classification.
3. When make-up overtime is offered to any employee, the shop steward and the employee involved will be told that it is make-up overtime. If an employee refuses the make-up overtime, he will be charged with "red time." The make-up overtime will not be offered to any other employee in the classification. Make-up overtime will be offered during the months of January and February, unless unusual circumstances occur.
4. The Union recognizes the Company's need for Research and Development project continuity. With the abandonment of the complete Agreement of February 1961 concerning Research and Development craft overtime separation and assignment, the parties agree that the provisions of Article 9, concerning the twenty (20) hour overtime balance at the end of each contract year, will not apply to those participating on such projects. Those craftsmen with excess overtime due to Research Projects will

carry such excess into the next contract year, and the Company will have an additional two (2) months (from March 1) to bring this overtime back into balance. Other employees in the craft(s) involved may not claim pay for any imbalance during the periods outlined above.

C. Overtime Assignment - General

1. In partial overtime situations where prior notification is given, assigned employees, who do not wish to work the overtime, must notify their supervisor of this fact before the overtime begins. In turning down the overtime opportunity on his assigned job, an employee gives up all rights to the overtime for its duration.
2. In partial overtime situations where prior notification is not given and an assigned employee is unable to work, another employee will be solicited to take his place. Once the assigned employee has made arrangements to work the overtime, he must notify his supervisor of his availability. The assigned employee will then be scheduled for the overtime on the following workday. In accepting the overtime, the assigned employee will be expected to work for the duration of the overtime.
3. In partial overtime situations, employees who have not been solicited due to their known or unknown absences from work must make their request for overtime known to their supervisor the day they return to work.

4. In partial overtime situations on unassigned jobs, or where replacements are needed for regular assigned employees, the senior qualified employee within the classification who is not scheduled for the overtime will be given the opportunity to work. If there are no available employees within the classification, the senior qualified employees in the same pay grade will be given the opportunity to work. If there are no available employees within the pay grade, the senior qualified alternate to the classification will receive the overtime. When all qualified alternates to the classification and all qualified employees from the lower classifications have been utilized, then the senior qualified employee in the next higher classification will be given the opportunity to work. This procedure will be followed until the number of jobs are satisfied. Should such procedure fail to provide the necessary number of employees in the classification, those employees whose assigned jobs will operate will be required to work. Solicited employees who accept the overtime opportunity will be expected to work the overtime for as long as they are needed. If additional employees are required under the same schedule, the solicitation will continue from the last employee solicited. Where multiple jobs exist in a classification, the refusal of one job will not constitute refusal of all the jobs.
5. If the regular assigned employee is absent on Friday and the entire department is not working, he must notify his supervisor prior to 12 p.m. on

first shift, or 8 p.m. for second shift, and 4 a.m. for third shift that he is available for Saturday work. If the regular assigned employee reports to work on Friday, but is used as an alternate, he will be entitled to work his assigned job in case of overtime.

6. Employees in a classification who fill in for known absences within their respective classification that will extend five (5) days or more will be considered assigned to that job for overtime purposes until the regularly assigned employee returns to work.

7. When overtime occurs on a new job, those employees assigned will be entitled to the overtime. If additional employees are needed, only those who are previously qualified by training for the new job will be solicited.

D. Employees who are on vacation will not be considered for weekend overtime. Employees will be eligible for overtime immediately preceding their shift on the day they are scheduled to return to work. Exception to the above: Employees may be called in to work where special skills are required. In this event, additional time off will be granted at the employee's option.

E. In short workweek situations the provisions of Section 2 of this Article will be applicable in scheduling employees to work additional time. Maintenance employees and Head Adjusters will be scheduled for

additional time using the low man concept regardless of shift.

- F. In partial overtime situations of nine (9) machines or less, the assigned employees with fifty (50) percent or more of an assignment will be solicited to accomplish the work. If additional employees are needed, the senior of the assigned employees on the machines involved will be solicited to work the overtime.

ARTICLE 10 SHIFT PREMIUM DIFFERENTIAL

Employees who work on the second (2nd) shift or third (3rd) shift will receive, as indicated below, a differential per hour in addition to their regular hourly rate:

Second Shift	\$.35 per hour
Third Shift	\$.45 per hour

For purposes of calculating overtime in Article 9, and where the term "regular hourly rate" is used, the applicable shift differential shall be considered part of the employee's regular hourly rate. First (1st) shift employees working overtime will not receive shift premium differential in addition to their overtime rate for such overtime work. Second (2nd) shift employees working overtime will not receive the third (3rd) shift premium differential in addition to their overtime rate for such overtime worked.

Anyone required to report to work four (4) hours or more after the scheduled starting time of his shift will

be paid the second (2nd) or third (3rd) shift premium differential, as the case may be.

If an employee normally scheduled to work the second (2nd) or third (3rd) shift is temporarily assigned to work a shift other than his scheduled shift, he shall continue to be paid the shift differential applicable to his scheduled shift.

ARTICLE 11 JURY DUTY, BEREAVEMENT AND MILITARY PAY

Section 1 - Jury Duty Pay

The Company agrees to pay employees a maximum of seven and one-half (7-1/2) hours per day at their regular hourly rate of pay, when such employees are required to lose time from work when called to serve on a jury panel, either State or Federal. This also includes appearances as the result of being subpoenaed in behalf of any Municipal, State, or Federal Court, except in the case where the employee is either the defendant or plaintiff in an action or the employee's minor child is either a witness, plaintiff, or defendant in an action.

Employees who are called for jury duty during a working day will not be expected to report to work that day. Third (3rd) shift employees are not required to report for work on any night prior to jury service on the following day. However, an employee may be permitted to work overtime if his department is scheduled to do so.

Employees who are subject to any of the above requirements during a summer or winter vacation shut-down will be granted the number of days served at the beginning of the week immediately following the vacation period. If jury duty is scheduled during an extended vacation week, the vacation will be rescheduled provided the Company is notified in advance. If jury duty is scheduled during an extended vacation week and the employee elects to take the week as vacation, he will be granted the number of days served at the beginning of the week immediately following the vacation period.

Section 2 - Bereavement Pay

Employees who have a death in their immediate family will be granted three (3) days off with pay, provided the employee attends the funeral of the deceased and the three (3) days that are taken encompass the day of the funeral. In case of a death of an immediate family member where the funeral takes place while the employee is on vacation, the employee will be granted the first three (3) days off with pay of the week he is to return to work, provided he attends the funeral of the deceased and notifies the Company in advance that he will be out the additional days. An employee with such a death may receive up to two (2) additional workdays off if requested without pay and with no occurrences provided the additional time immediately follows the normal three (3) day period of bereavement. An employee who is on a personal leave of absence to take care of a terminally ill parent, spouse, or child will receive three (3) days bereavement pay when death occurs to this particular relative.

Employees who have a death in their immediate family will be compensated by multiplying their regular straight time hourly rate by the number of scheduled hours lost. Such days off will not be considered time worked for the purposes of computing overtime. Members of the immediate family shall be husband, wife, son, stepson, daughter, stepdaughter, father, stepfather, mother, stepmother, legal guardian, father-in-law, mother-in-law, sister, stepsister, sister-in-law, brother, stepbrother, brother-in-law, son-in-law, daughter-in-law, grandparents, and grandchildren of the employee. An employee who has a death of a step-grandparent, step-grandchild, stepmother-in-law, stepfather-in-law or grandparent in-law will be granted the day of the funeral off with pay provided he attends the funeral.

Section 3 - Military Pay

The Company agrees to reimburse an employee for time lost while attending camp with either the National Guard or Military Reserves. Such payment will not exceed two (2) weeks and will be based on the normal regular straight time earnings of the employee. Employees must notify their supervisors on Tuesday prior to leaving for known weekend or weekly military duty.

Section 4 - Probationary Employees

The provisions of this Article will not apply to probationary employees.

ARTICLE 12 VACATIONS

Section 1 - Benefits

The Company will grant the following:

- A. A summer vacation of one (1) week for thirty-seven and one-half (37-1/2) hours base pay to those employees who have been employed six (6) months on June 1.
- B. A winter vacation of one (1) week for thirty-seven and one-half (37-1/2) hours base pay to those employees who have been employed six (6) months on December 1.
- C. A third (3rd) week vacation with thirty-seven and one-half (37-1/2) hours base pay to those employees who have attained five (5) years of continuous service as of their anniversary date. This week will be the optional third shutdown vacation week. If the option is exercised, the shutdown week will be the week following Easter Sunday.
- D. A fourth (4th) week vacation with thirty-seven and one-half (37-1/2) hours base pay to those employees who have attained ten (10) years of continuous service as of their anniversary date.
- E. A fifth (5th) week vacation with thirty-seven and one-half (37-1/2) hours base pay to those employees who have attained sixteen (16) years of continuous

service as of their anniversary date.

F. A sixth (6th) week vacation with thirty-seven and one-half (37-1/2) hours base pay to those employees who have attained twenty-four (24) years of continuous service as of their anniversary date.

G. A seventh (7th) week vacation with thirty-seven and one-half (37-1/2) hours base pay to those employees who have attained thirty (30) years of continuous service as of their anniversary date.

Vacation pay for their first (1st) and second (2nd) week will be computed on the highest job rate (excluding shift premium) earned over the six (6) month period prior to June 1 or December 1, as the case may be. Vacation time will be considered time worked. Any vacation which is taken during a period in which a Cost-of-Living Allowance occurs, the employee will receive the Cost-of-Living Allowance in his vacation pay.

Vacation pay for the third (3rd), fourth (4th), fifth (5th), sixth (6th), and seventh (7th) week will be computed on the highest job rate (excluding shift premium) earned for ten (10) consecutive days in a six (6) months period prior to taking such vacation. Vacations, holidays, jury duty, bereavement, and the first two (2) weeks of military leave will not break the consecutive days count.

Shift premiums for the first (1st) and second (2nd) week will be included for those employees working second (2nd) or third (3rd) shifts as of June 1 or

December 1, as the case may be.

Shift premiums for the third (3rd), fourth (4th), fifth (5th), sixth (6th), and seventh (7th) week will be included for those employees working second (2nd) or third (3rd) shifts at the time of taking such a vacation.

Section 2 - Attendance Requirements for Vacation Pay

To be eligible for full vacation pay under this Article, an employee must not have been absent from work in excess of fifteen percent (15%) of the days his department operates in the six (6) month period.

EXAMPLE: The department in which the employee works operates 120 days during the six (6) month period, and an eligible employee works 60 days, vacation pay would be 60/120th (or 1/2 of 37-1/2 hours pay as specified above).

In determining days lost: (a) absences covered by Worker's Compensation shall be counted as days worked; (b) absences due to sickness or maternity not to exceed three (3) months shall not be counted as days not worked, provided that the sickness or maternity exceeds seven (7) consecutive working days and is proved by a proper certificate in the form prescribed by the Company, signed by a doctor, and filed with the Company promptly.

The above shall not apply to any employee who does not work in the six (6) months prior to June 1 or

December 1, as the case may be. An employee who has not worked during the six (6) month period prior to June 1 or December 1 due to a Workers' Compensation injury will, however, receive the difference between such payment and the amount of shutdown vacation pay to which he would have been entitled.

Section 3 - Proportionate Vacation Pay

Proportionate vacation pay, based on the relation of the days actually worked by an employee to the total days worked by the department in which the employee works, shall be paid. This does not apply to the third (3rd), fourth (4th), fifth (5th), sixth (6th), and seventh (7th) week.

Section 4 - Date of Vacation Payment

Vacation pay will be computed only at the regular vacation period. Vacation pay amounts due, if any, will be mailed at these periods to employees in a laid-off status. In the case of the death of an active employee, any unused vacation pay for which the employee was eligible at the time will be paid to the spouse or estate.

Section 5 - Notice of Vacation Period

The Company will give sixty (60) days notice of the exact dates of the winter and the summer vacation periods and will designate who will be on vacation during such shut-down periods; except that after such sixty (60) days notice is given the Company finds it necessary to work employees who were already scheduled for

vacation, the Company will request the employees whose assigned job will operate to work during the vacation. Should such employee not wish to work during the vacation period, the Company will solicit the other employees in the classification to be worked in order of seniority until the necessary number of employees is obtained. Should such procedure fail to provide the necessary number of employees in the classification, the employee whose assigned job will operate will be required to work.

Employees who work during a vacation period shall have such vacation rescheduled within the next six (6) months, subject to the operating requirements of the plant.

Section 6 - Extended Vacations

Employees eligible for a third (3rd), fourth (4th), fifth (5th), sixth (6th), and seventh (7th) week compulsory vacation will be solicited sometime prior to January 1st of the year taking such vacation. Insofar as possible, vacation will be granted at times desired by the employee entitled thereto; but the Company reserves the right to allot vacations, at its discretion, in order to assure the orderly operation of the plant. Seniority in the employee's department and job classification shall prevail in the choice and allotment of the desired time for vacation. Once the vacation time has been established, no schedule changes will be permitted; however, the Company will give consideration to a minimum number of appeals, which may be based upon unusual circumstances.

At the employee's option when on medical leave of twenty-one (21) days or more, he may use an extended vacation to satisfy the first five (5) days of the seven (7) day waiting period.

When the Company decides to exercise the option for a third (3rd) week vacation shutdown to adjust inventories, the Union will be notified prior to January 15 of such intentions. Eligible employees will then be asked what extended vacation week they choose to give up. Employees who have attained five (5) years but less than ten (10) years of continuous service at the time of a third (3rd) week Easter vacation shutdown will be given the option of taking the shutdown week without pay and taking their third week of vacation as previously scheduled.

ARTICLE 13 PROBATIONARY EMPLOYEES

New employees shall be considered probationary employees until they have been in the continuous employment of the Company for ninety (90) calendar days. Upon completion of this ninety (90) day probationary period, such employees shall be placed on the seniority lists and shall rank for seniority according to the seniority provision of this Agreement. There shall be no seniority among probationary employees. It is agreed that during the probationary period, the Company shall have the right to discharge such employees, and such discharge shall not constitute a grievance under any provision of this Agreement.

ARTICLE 14 SENIORITY

Section 1 - Departmental

A. Seniority under this agreement shall be applied on a departmental basis for job allocation, cutback or layoff, and recall purposes, as specifically provided herein, the departments are as follows:

- Cigarette and Plug Making
- Cigarette Packing
- Shipping & Receiving
- Maintenance
- Service
- Blending
- Cutting
- Tobacco Processing
- Research

B. Departmental seniority is official after ninety (90) calendar days in that department when it constitutes the completion of a new employee's probationary period. Departmental seniority is official for an incoming transferred employee immediately upon entry into the department for all purposes, except completion of the thirty (30) day trial period.

In both cases, the employee's official seniority will date from the first day of his employment with the Company.

Section 2 - Employee's Request for Transfer

- A. Employees who request consideration for transfer to another department, and who are subsequently transferred to that department, shall immediately be considered a permanent member of the new department for all purposes, except completion of the trial period evaluation on job performance. Employees who prove their competency to do the work assigned in the new department will remain in the department. If a transferred employee fails to prove his competency in the new department within thirty (30) days, the employee will be moved back to his former job classification in his previous department if seniority permits.

Transfer requests from Adjusters, Head Adjusters, and TEP Operators will not be honored except to Maintenance Department openings or for medical reasons as certified by a competent medical authority. Transfer requests from Laboratory Technicians will not be honored except to Maintenance Department and Production Maintenance adjuster openings or for medical reasons as certified by a competent medical authority. Transfer requests from Craftsmen will not be honored except for medical reasons as certified by a competent medical authority.

Newly hired employees will not be eligible to transfer to another department for one (1) year. Other employees will be limited to one (1) transfer per six (6) month period. These limitations will not apply

for transfers to Production Maintenance Adjuster or Maintenance craft openings.

B. The procedure for rules governing transfers and transfer requests are as follows:

1. All requests for transfers must be initiated in writing by the employee.
2. Request for transfer forms will be obtained from and filed with the Human Resources - Operations Department.
3. Requests for transfer will be kept in order of seniority of the department into which the transfer is requested.
4. The senior employee who has filed a request for a transfer to a specified department will be transferred to such department at the time an opening occurs in that department.
5. All requests for transfer must be on file no later than the end of the last shift prior to the opening.
6. No request for transfers will be considered or processed when a layoff or cutback is occurring.
7. When the opening occurs and the employee has been contacted concerning his request for transfer, no changes of mind will be permitted if he then accepts the transfer.

8. An employee may cancel his request for transfer at any time by notifying the Human Resources - Operations Department in writing.
9. Refusal of transfer in accordance with the request will result in cancellation of the request for transfer.
10. If an employee is on leave of absence or vacation that is dated to extend three (3) weeks beyond the time the vacancy occurs, the employee will not be considered for this particular vacancy.
11. Upon being laid off, the request for transfer will be canceled. Upon recall, if a transfer is desired, a new request may be submitted.
12. Request for transfer will be canceled twelve (12) months after the date of request.
13. Employees whose requests for transfer have been canceled by reason of expiration of twelve (12) months or upon being laid off shall be notified prior to the cancellation in writing by the Company.

Section 3 - Job Allocation

- A. Whenever a permanent job vacancy, or temporary job vacancy resulting from an employee on leave of absence of sixty (60) days or more, or an alternate job vacancy arises in a given department, notice thereof shall be posted and maintained on that department's bulletin board for a period of

three (3) days. During this period, the Company may fill the vacancy with any available employee; except that as to alternate job vacancies, a senior employee so desiring that job will be assigned. In classifications where unassigned employees are available, they will be assigned to fill temporary job vacancies of five (5) days or more instead of posting a temporary job bid.

- B. Any employee within that department who does not work in the posted permanent, temporary, or alternate job classification, and who desires the job may bid on it by listing his name on the notice of vacancy. The employee so bidding who has the greatest seniority within the department, and provided the employee has the ability to perform the job, shall be given the permanent, temporary, or alternate job opportunity. Once an employee accepts a permanent, temporary, or alternate job opportunity, no changes of mind will be permitted. When a job vacancy is filled through the bidding procedure and the employee who accepts the job fails to qualify, the next senior employee on the job bid will be given the permanent, temporary or alternate job opportunity provided it has not exceeded two (2) months since the posting of the bid.

Where there are multiple permanent assignments in a job classification to be assigned, the senior unassigned employee in the classification will be given a choice of the open assignments.

Employees trained for new machines or third (3rd) shift operations will revert back to their former classifications. If a permanent vacancy occurs in the interim, the senior employee previously trained will be restored to the classification. If an employee who was trained in advance for new machines is not activated within one (1) year of qualifying, he will be allowed to give up the job.

- C. Permanent job vacancies will not be posted in accordance with the above procedure when there are employees who have been cut back from the classification involuntarily for not more than sixty (60) days.
- D. Any employee who is working on a temporary job will not relinquish his right to bid for a permanent job. Temporary bids will not carry restoration rights.
- E. Employees awarded an alternate job bid will receive a rate midway between the rate of their regular job and the rate of the alternate job while being trained. When they have the responsibility for doing the job alone, they will receive the full rate of the job. Employees involuntarily demoted from a job classification will be offered an alternate rate to the job from which they were demoted, provided they have seniority over the junior alternate to the classification.

- F. There will be no bidding down or laterally on temporary or alternate vacancies.
- G. When a job bid is returned from the Human Resources - Operations Department indicating who will get the job, it should be filled within the balance of that week, plus one additional week.
- H. If an employee has been disqualified from a job, he may bid for such job one (1) year after disqualification, provided he demonstrates initiative and capability during that period of time. Once an employee has been disqualified from a job, he will move to the next lower job where previously qualified and seniority permits. If this classification has been eliminated, the employee will move, seniority permitting, laterally in the pay grade. If unable to move laterally, the employee will move to the next lower classification where previously qualified and seniority permits.
- I. Because of the nature of the work performed, the above bidding procedures are not applicable in the Maintenance Department. An employee who accepts the solicitation for or transfers into a Maintenance classification must pass the job sample for the classification before being awarded the job. This also applies to new hires. Transfers and/or new hire journeymen craftsmen entering a craft will be assigned on a shift for periods of no more than two (2) months at a time during their six (6) month orientation. This rotation will not apply to crafts that are staffed on only one shift. No other

person in that craft may exercise shift preference, nor will shift switching with the individual be permitted during the individual's orientation period.

- J. Once an employee has indicated through the above bidding procedure that he desires an alternate job, he will be allowed to surrender the alternate job no earlier than one (1) year from the date he was awarded the alternate job. Employees will be allowed to carry alternates from one shift to another. Employees who are forced on alternate job bids will be used in inverse order of their seniority. Employees who are forced on an alternate job bid may change their status to volunteer.
- K. If a permanent job vacancy is filled by a bid from another job group (within the department) in the same pay classification by virtue of seniority, the vacancy thus created by such bid must be filled by the senior employee who bids on such job from a different classification level.
- L. In classifications where lateral moves are allowed, the senior person who has a request in for a lateral move prior to the permanent vacancy shall be awarded the job. The vacancy thus created must be filled by the senior employee who bids from a different classification level. An employee will be limited to one (1) lateral move by request or bid per year.
- M. Any employee who bids for and is awarded a lower-rated job will not be permitted to bid for a

period of one (1) year.

- N. Bids from Adjusters, Head Adjusters, Maintenance Craftsmen, and TEP Operators for lower-rated jobs will not be accepted, except for medical reasons as certified by a competent medical authority. The only lower-rated jobs for which Adjusters may bid are Adjuster classifications.

A fully qualified Adjuster who bids into a Head Adjuster classification after March 1, 2000 and later fails to qualify or attempts to bid down because of medical reasons will have to bid below Adjuster classifications.

- O. Bids for lower-rated jobs will not be accepted when a layoff or cutback is occurring.
- P. Where a permanent job vacancy is not filled through the bidding procedure as provided in B of this section, and the number of employees in the department does not need to be increased, the senior probationary employee in the department will be forced to fill the vacancy. In the absence of probationary employees, the junior alternate to that classification, regardless of shift, will be forced to fill the vacancy.
- Q. Employees absent or on an approved leave of absence of one (1) month or less shall be entitled to bid on job vacancies that occur while they are absent. Such bids must be made known to the employees by the Company within three (3) work-

ing days following their return to work. (When an employee accepts a job in accordance with the above, the employee or junior employee who was awarded a job in the particular classification involved will be displaced and returned to his former classification if seniority permits.)

R. Adjusters

1. Entry

To take the test to enter an adjuster classification, the employee must have sufficient education to read and/or understand the written or oral instructions required to perform Adjuster duties. In addition to education, the employee must have a good record of performance on jobs formerly held with the Company, such as demonstrated capability, attendance, attitude toward work and fellow employees and be able to identify and demonstrate the use of tools required by an Adjuster.

An employee who takes the test to enter an Adjuster classification and fails will not be eligible to take the test again for a period of one (1) year. An employee may take the entry test again after six (6) months provided he takes an approved math course at a community college. If the employee fails the entry test a second time, he will not be eligible to take the test again for a period of one (1) year.

An employee who passes the entry test and is later removed from the adjuster program through no fault of his own, will not be required to retake the test if he successfully bids back into the adjuster group within one (1) year from being removed.

The senior employee below the classification of Adjuster who has the qualifications outlined above will be given a chance for the job.

2. Committee

A committee will be established to oversee the administration of the Adjuster Training Program in the Cigarette and Plug Making, and Cigarette Packing Departments. This committee will be composed of four (4) members from the Company and four (4) members from the Union. At least fifty percent (50%) of the Union representatives on the Committee will be classified as Adjusters or Head Adjusters.

When it becomes necessary to make changes in the training program, the committee will be authorized to do so. Where conflicts exist between the Adjuster Training Program and the Master Agreement, the Adjuster Training Program will prevail.

3. Adjuster Training Program

The Adjuster Training Program will be broken down into three (3) periods of sixty (60) work-

days excluding operator training. If an adjuster trainee fails to pass all of his training objectives during a sixty (60) workday period, he will be placed on probation. An adjuster trainee on probation will not be allowed to bid to another adjuster job. If the trainee does not pass the objectives he has failed and complete the normal required objectives during his next period of sixty (60) workdays, he will fail to qualify.

An Adjuster who fails to qualify may bid for another adjuster job opening after a period of one (1) year, provided he demonstrates initiative and capability, and has successfully completed a semester or quarter in a mechanical course from a technical school. An adjuster who bids laterally and fails to qualify, however, will not be required to complete a semester or quarter in a mechanical course before being able to bid back into his previous adjuster classification. An adjuster who fails to qualify for a second time must successfully take a two (2) year course in a related field of study at a community college.

Adjuster trainees will not be affected by seniority provisions during the one hundred and eighty (180) day training period. An adjuster trainee who completes all of his objectives in less than the one hundred and eighty (180) workdays will be promoted after completing his final objective to Step 2 of the adjuster progression and will be eligible for a regular assignment if seniority permits. Unless all Adjusters in their classification

are scheduled for overtime, Adjuster trainees will only be eligible for their standard one-half (1/2) hour overtime per day.

Adjuster trainees in the progressive steps will not be able to bid laterally except for a new adjuster job on equipment of the same type. An Adjuster trainee who bids laterally on a new adjuster job will enter the progressive rate schedule one step lower than his previous classification.

A fully qualified Adjuster who bids laterally will enter the new classification at Step No. 6 of the Adjuster progressive rate schedule except for a new adjuster job on equipment of the same type. A fully qualified Adjuster who bids laterally for a new adjuster job on equipment of the same type will remain at Step No. 7 of the rate schedule. A fully qualified Adjuster who bids laterally and enters his new classification at Step No. 6 will be eligible to bid on higher or lower rated adjuster jobs.

An Adjuster trainee who bids to a higher Adjuster classification after completing Step 1 of the Adjuster Training Program or a fully qualified Adjuster who bids laterally will receive one hundred and twenty (120) workdays of training in his new classification. An Adjuster who completes all of his objectives in less than the one hundred and twenty (120) workdays will be promoted to the next step of the adjuster progression and will be eligible for a regular assignment

if seniority permits.

Within the Tobacco Processing Plant and Cutting Departments where there is only one Adjuster on each shift, there will be a need for alternate Adjusters. If an employee accepts an alternate job opportunity and satisfactorily completes twelve (12) weeks of training, he will be returned to the job he held prior to the training. When they are used as an alternate to cover for day-to-day absenteeism, vacations, and leaves of absence, they will receive credit for each day worked toward their progression steps. The rate of pay for an alternate Adjuster will be based on the progressive steps of the cutter Adjuster.

Once an alternate has completed twelve (12) weeks of training as a cutter Adjuster, he will be assigned to the next Adjuster vacancy. Alternate Adjusters will be required to work on either shift when the need arises. If an employee accepts the opportunity of alternate Adjuster, he must take the job when it becomes open regardless of shift. If there is more than one Adjuster alternate, in the same step, the junior alternate would be the one forced to fill the job.

- S. To bid for and enter the Head Adjuster Progression group, the Adjuster so bidding must have completed the adjuster progression steps and be considered a fully qualified Adjuster. A fully qualified Adjuster who has bid laterally and is presently in Step No. 6 of his new classification will still be eli-

gible to bid for and enter the Head Adjuster progression. If a fully qualified Adjuster is forced into a Head Adjuster classification and fails to qualify he will move to the next lower classification below Adjuster where previously qualified if seniority permits.

Section 4 - Additions to Departmental Staffing

When additional staffing is required in a department, the senior employees who have transfer requests on file at the time to that department will be solicited for the transfer opportunities. Once the departments of employees accepting the transfer opportunities have been determined, the transferring employees will be replaced; if needed, by cutback from another department, by recall of employees on layoff, and then by hiring new employees. After job bids have been posted and replacements for the transferring employees have been trained, the transfers will be moved to their new department.

If a transferring employee is detained to train another employee and the rest of the transferring employees in his group are moved to their new departments, the detained employee will be eligible for any job bids that are posted in his new department from the date the transfers in his group are moved.

Section 5 - Apprenticeship Program

A. The Company will provide adequate training in the various crafts to help employees improve their own

stature and education, and to provide the Company with adequately trained personnel, to properly maintain Company equipment and facilities.

B. Scope:

This program encompasses the procedures, rules, and regulations concerning the total training of all apprentices in the Maintenance Department, including, but not limited to the formal classroom training, related to craft whenever possible, on-the-job training, and the measurement of attributes required for each apprentice to become a journeyman craftsman in a particular field.

- C. 1. The Company will post a notice prior to starting an Apprenticeship Program. Apprentices will be selected from among those employees in the department or from those who have a valid request for transfer to the Maintenance Department. Aptitude for craft training will be determined by aptitude testing administered by the Company. Those who pass will be solicited by seniority for each craft until the required number is satisfied. An employee who passes the apprenticeship test will be eligible for apprentice openings for a period of two (2) years without having to retest.

Should the proper number of apprentices not be available, new employees may be considered on the basis of the same testing procedure.

2. When apprentices are required by the Company, they shall be selected and trained as needed; and those selected shall be designated at any one time as the "Class of _____."
3. If the total number of apprentices is reduced through dismissal from the program or for any other cause, these apprentices may be replaced based on the Company requirement. The Company may add apprentices to the program at any time. Voluntary changing of apprentice crafts will not be permitted during the four (4) year training program. After completing the Apprenticeship Program, a person will not be permitted to change crafts for a period of two (2) years.
4. The Apprenticeship Program will run four (4) years and will be composed of both classroom and on-the-job training for the complete four (4) years.
5. On-the-Job-Training:
 - a. The apprentice will be assigned to work with one or more craftsmen on the shift he is assigned; and when a craftsman is not available for training an apprentice on a job, a supervisor will instruct the apprentice.
 - b. As an apprentice obtains experience and knowledge of jobs, the apprentice can and

will be put on these jobs by himself. This will occur more and more as the program progresses and the apprentice approaches craft status.

- c. Apprentices will be required to furnish all of their own hand tools the same as craftsmen.
- d. The apprentice will not be assigned a permanent shift during his four (4) years of training. The apprentice will rotate between first (1st), second (2nd), and third (3rd) shifts every twelve (12) weeks during each year while he is attending classes. This rotation of shifts is to become familiar with the different types of work on all shifts.

6. Classroom Training:

- a. All apprentice formal training classes will be given during first or second shift hours on a straight time basis, unless production, construction, and/or maintenance schedules require the Company to schedule formal training otherwise.
- b. During a concentrated school period, the apprentice will be assigned and rotated every twelve (12) weeks to first (1st) or second (2nd) shift in numbers designated by the Company. Split shifts between on-the-job training and formal training may be required

to dovetail plant work requirements and training school schedules. After the completion of formal training sessions, the starting time for each apprentice will revert back to normal departmental shift hours.

7. Pay for Apprentice:

- a. The apprentice will be paid for both "on-the-job" training and classroom training with all over seven and one-half (7-1/2) hours pay per day to be at overtime pay, including travel time (no personal car allowance) to or from the training school to the Lorillard Plant (one way only per day) on days when formal training and other job training are scheduled the same day.
- b. The apprentices will receive the shift premium differential for the shift they are assigned.
- c. For pay purposes in attending classes, the apprentice will be assumed to have attended class unless the apprentice notifies his supervisor otherwise. A monthly attendance report will be received from the training school, and any pay difference based on class attendance will be adjusted at this time.
- d. The apprentice will be in a progressive step rate for each six (6) months of the program until he reaches top apprentice rate. To receive the progressive step increase, on-the-

job objectives and classroom courses must be passed.

8. Vacations

- a. All apprentices are eligible for vacations per the Master Agreement.
- b. Vacations will be allowed during plant shut-downs, if the work schedule will permit.
- c. If the apprentices take vacation during a period while attending classes, they will be *responsible for all class work missed.*
- d. The apprentice can take his vacation but still attend classes during his vacation period. The apprentice will be paid for this school attendance at his regular rate of pay during vacation period.

9. Overtime

- a. *The apprentice is a separate classification from the craftsman.*
- b. At the beginning of the second (2nd) year of apprentice training forward, the apprentice overtime record posted weekly, will be kept separate by apprentice crafts. Once all craftsmen in a craft have been asked to work, the apprentice, if needed, will be eligible to work

overtime. The apprentice will work overtime on a rotating basis using "red time" for equalization of overtime within the apprentice craft, the same method of overtime equalization as used by the craftsmen.

10. Review of Apprentices:

- a. Each apprentice must complete the required number of objectives and courses for each six (6) month period as required in his craft.
- b. A Review Committee made up of both Management and Union personnel will be set up to review each apprentice every six (6) months. If an apprentice has failed his on-the-job training objectives or classroom courses, the apprentice will be placed on probation for six (6) months. The Review Committee can review an apprentice at any time during the six (6) month probationary period. The Company-Union Committee will be composed of three (3), and not more than four (4) members of each, from the Company and the Union. The personnel for this committee will be annually appointed by the respective organizations. At least 50% of the Union members should be classified as craftsmen in the Maintenance Department.
- c. The apprentice who has failed his on-the-job training objectives or formal classroom courses will be placed on probation for six

(6) months. If the apprentice does not pass the objectives he has failed or pass the failed classroom courses and complete his normal required six (6) months of objectives during the probationary six (6) month period, he will be disqualified from the Apprentice Program. The apprentice may be considered for a jump in pay step increase for a sixth (6th) month grading period in accordance with the grading policy set forth by the Apprenticeship Committee. All apprentices who are not on probation will receive the next step raise on a semiannual basis after passing on-the-job objectives and classroom courses subject to review by the Committee.

d. All apprentice semiannual reviews and resulting step increases are final at the point of review. No retroactive pay will be considered for those on probation. The Review Committee, after reviewing each apprentice's record for the past six (6) month period, will talk to each apprentice individually to inform him of his progress and status.

11. Administration of this program is the responsibility of the Company. If it becomes necessary to make changes in the Apprenticeship Program, these changes will be discussed by the Review Committee before the decision on the change is made. Any changes in procedure, operation and rating of the apprentices the Review Committee thinks is necessary and in the best interest of

apprentices, employees, and Company, the Review Committee will have the authority to make these changes.

12. *Where conflicts exist between the Apprenticeship Program and the Master Agreement, the Apprenticeship Program will prevail.*

Section 6 - Cutback and Layoff Procedure

- A. *The Company will give three (3) calendar weeks notice to the Union in the event of a layoff.*
- B. *When there is a reduction in the number of employees in a job classification, the junior employees will move laterally in the pay grade and then down in the pay structure to a job classification where their seniority will allow them to either fill existing vacancies or displace junior employees.*

When there is a reduction in the number of employees in a craft, the junior employees will move laterally in the pay grade, if qualified, and then down in the pay structure to a job classification where their seniority will allow them to either fill existing vacancies or displace junior employees.

- C. *Employees in a progression program will be cut back in the inverse order of the steps in the progression program, and all such employees will be cut back before those who have completed the program, regardless of seniority.*

- D. In the event that the staffing of a department must be reduced, probationary employees will be laid off first. (Such employees shall receive accumulated credit for prior service in the event of a subsequent rehire within a six (6) month period.) Next, the employees within the department will be cut back from the department in the inverse order of their seniority, provided the senior employees retained have the necessary qualifications to satisfactorily perform the jobs in question. A training period will be provided to qualify the senior employees retained.
- E. Employees cut back from their department will then either move into existing vacancies or displace the least senior employees in the job categories listed in Appendix A, attached hereto, and made a part of this Agreement.

Section 7 - Recall

- A. Recall of laid-off employees shall be on the basis of plant seniority, with the employee having the greatest plant seniority to be given the first opportunity to be recalled to whatever department where an opening exists. Employees who refuse recall to a department, other than the one from which they were laid off, will not lose their seniority thereby.
- B. Employees recalled to work shall return to work at the time specified by the Company or notify the Company within twenty-four (24) hours of the time directed to report, of inability to do so. Employees

who fail to report as directed, or who fail to notify the Company, shall be considered as having resigned. Recall notification will be made to the last given address of the employee as appears on the Personnel Records. If the employee does not respond in seven (7) days, he will be dropped from the recall list. It shall be the responsibility of the employee to keep the Human Resources - Operations Department informed of address changes.

Employees recalled after being on layoff for over six (6) months must be able to pass a physical examination performed by the Company doctor before being eligible for recall. Employees who do not pass the physical examination will be placed on leave of absence without compensation until able to return to work or for up to two (2) years.

Section 8 - Shift Preference

- A. A senior employee may exercise his seniority for the purpose of shift preference over the junior employee or a volunteer in the same job classification on a different shift provided such right is not exercised more than one (1) time within a six (6) month period.

Once the employees involved in a shift preference have moved to their new shift, they will be assigned according to seniority.

- B. The President, Vice President, and Recording Secretary of Local 317-T will be on first shift during their elected terms of office. No other employee will be allowed to exercise shift preference over these officers during their elected term.

Section 9 - Relief Jobs

- A. Relief jobs will be made available to the employees in each job classification according to their seniority. Employees relieving in more than one job classification will be paid the rate of pay for the highest classification being relieved. Relief jobs will be established when there are half or more to be relieved within a classification.

If an employee declines a relief job or a substitute relief position, he will not be eligible to relieve until another relief job or substitute relief position becomes available.

- B. Employees who are absent, on leave, or involved in shift changes will be given the opportunity for relief jobs according to their seniority, provided such desire is made known within a three (3) day period.

Section 10 - Seniority List

The Company will maintain a current seniority list for each department.

Section 11 - Loss of Seniority

An employee shall lose seniority if he:

- A. Quits;
- B. Is discharged;
- C. Is absent for five (5) consecutive working days without notifying the Company; justifiable cases will be given special consideration;
- D. Does not return to work when recalled as provided in Section 7;
- E. Is laid off for thirty-six (36) consecutive months;
- F. Is retired. With the exception of those employees who retire on disability and subsequently return to work will be entitled to their former seniority, plus the first two (2) years of absence. Such employees will be returned to their former classification if seniority permits.
- G. Is absent on company injury in excess of five (5) years. Those employees who eventually recover and return to work will be entitled to their former seniority, plus the first five (5) years of absence due to company injury.

Section 12 - Limitations

Promotions or demotions of employees will be

restricted to the departments in which the employees work. This shall not conflict with the Company's prerogative to loan employees to other departments.

Section 13 - Promotions to Salaried Positions

Any employee who is covered by this Agreement who becomes a salaried employee shall be released by the Union. If the employee or employees fail to qualify during a one (1) year training period, they will revert back to their previous classification if seniority permits. If their job is later discontinued for any reason, the employee or employees may return to an entry level job provided there are no employees on layoff. If for any reason the employee or employees are terminated, they will not be allowed to return to the Bargaining Unit.

Section 14 - Union Positions

Employees accepting positions with the Union will not lose their seniority, but shall continue to accumulate it during their absence from the Bargaining Unit.

Section 15 - Exception

Should the Company or the Union wish special consideration given to an employee, which would be an exception to any section of this Article, it shall be resolved through a conference between the Company and the Union.

Section 16 - Seniority Determination - Social Security Numbers

When two or more employees are hired on the same day, the last two digits of their social security number will determine their seniority. The lower number resulting from the last two digits will be senior. Example: 86 will be senior to 90. In case of duplicates, the third digit will be used in the same manner.

ARTICLE 15 ABSENTEEISM

Section 1 - Full Day Absences

Because the very essence of an efficient operation is dependent upon a fully manned work force, absenteeism must be rigidly controlled. The parties hereto are in complete accord in this respect, and further agree that the following provisions will apply to employee absences.

A. An Employee who has:

Step 1 - Ten (10) occurrences within a six (6) month period shall be given a verbal warning in the presence of his shop steward.

Step 2 - Four (4) occurrences within a six (6) month period of a verbal warning shall be given a written warning signed by his supervisor, the employee, and his shop steward.

Step 3 - Four (4) occurrences within a six (6) month period of a written warning shall be given a second written warning and a disciplinary suspension of two (2) working days.

Step 4 - Four (4) occurrences within a six (6) month period after Step 3 will result in discharge.

- B. An occurrence is defined as any full day of absence. Exceptions: Those absences for which an employee is paid by the Company, such as jury duty, death in the family, absence due to military obligation, and also union business, work connected injuries, absences to attend meetings required of those employees who are appointed or elected to a political office or when twenty-five percent (25%) of an employee's shift is absent due to snow, ice, a hurricane or tornado. An employee will not receive an occurrence the weekend before a vacation week if he has previously elected not to work the weekend during vacation solicitations. Days absent due to a medical or personal leave of absence will not count for or against an employee's attendance record.
- C. An employee with more than one (1) warning must work six (6) months from the date of the last warning received before all of the warnings are removed.
- D. The provisions of this Article in no way affect the

existing disciplinary policy as regards to failure to call in when absent, absence for five (5) days without reporting, necessity for physician's statement after five (5) days of absence, and the leave of absence provisions.

- E. An employee who is terminated in accordance with the absentee procedure will not be allowed to later apply for a medical leave of absence to avoid that termination.

Section 2 - Partial Days - Late for Work

In order to begin a shift in an orderly manner, it is essential that all employees be on their jobs at the starting of their shift. The parties hereto are in complete accord in this respect and further agree that the following provisions will apply to employees who are late for work.

- A. An employee who has:

- Step 1 - Ten (10) occurrences within a six (6) month period shall be given a verbal warning in the presence of his shop steward.

- Step 2 - Four (4) occurrences within a six (6) month period of a verbal warning shall be given a written warning signed by his supervisor, the employee and his shop steward.

Step 3 - Four (4) occurrences within a six (6) month period of a written warning shall be given a second written warning and a disciplinary suspension of two (2) working days.

Step 4 - Four (4) occurrences within a six (6) month period of Step 3 will result in discharge.

B. An occurrence is defined as any partial day of absence due to reporting late for work. Reporting late for work due to a doctor's appointment will not be counted as an occurrence. Reporting late for work when twenty-five percent (25%) of an employee's shift is absent due to snow, ice, a hurricane or tornado will also not be counted as an occurrence.

Days absent due to a medical or personal leave of absence will not count for or against an employee's attendance record. An employee who has a scheduled doctor's appointment requiring him to leave early or report to work late will give one (1) days advance notice to his supervisor.

C. An employee with more than one (1) warning must work six (6) months from the date of the last warning received before all of the warnings are removed.

D. The provisions of this Article in no way affect the

existing disciplinary policy as regards to failure to call in when absent, absence for five (5) days without reporting, necessity for physician's statement after five (5) days of absence, or the leave of absence provisions.

- E. Employees reporting to work over one (1) hour after the normal starting time of the shift will have to have a justifiable reason for being late or they will be sent home. An employee with a justifiable reason who is going to be over four (4) hours late must notify his department in advance or he will not be allowed to go to work.

Section 3 - Absence Call-In

Employees who have to be absent are required to "call in" prior to such absence, or in the event they cannot do so, by the end of their shift, and give the reasons for this absence.

ARTICLE 16 LEAVE OF ABSENCE

It is the intention of the Company and Union to comply with laws applicable to leaves of absence.

A leave of absence from work due to personal illness may be granted to an employee for as long as the illness continues up to a period of two (2) years. The employee (or a representative) must request the leave by contacting the Medical Department on or before the seventh (7th) consecutive workday of absence. Failure to

do so may result in termination. The employee must return to work on or before the expiration date indicated on the leave papers. If unable to return, the employee must apply for an extension by contacting the Medical Department. Failure to do so may result in termination. Extension of leaves may be granted, where unusual conditions warrant, and the employee's seniority will continue to increase up to a maximum of two (2) years.

Should such an employee on leave of absence in excess of two (2) years eventually recover and wish to be re-employed, and is re-employed, he shall be entitled to his former seniority, plus the first two (2) years of Sick Leave of Absence. After two (2) or more years of Sick Leave of Absence, the Company will be unable to consider such time as accumulating toward his retirement, nor will the Company be able to grant vacation pay or holiday pay that the employee might otherwise be entitled to. The Company guarantees that the employees will be returned to the same or comparable job he left at the rate of pay of the job, or comparable job, which was in existence at the time of the start of his leave of the two (2) year period immediately following.

Application for this type of leave must be properly substantiated by a statement from the employee's physician of seven (7) days or more.

Leave of absence for personal reasons of seven (7) days or more may be granted when such leave is deemed to be justified.

Leave of absence will be granted for time spent campaigning for a subsequent service in public office up to a maximum of two (2) years. Upon returning to work, he will be credited with up to two (2) years seniority.

Maternity leaves shall be granted in accordance with the recommendations of the employee's physician.

Should an employee accept other employment while on leave of absence or fail to return on the expiration date of the leave, he shall be termed as voluntarily quit and forfeit all seniority rights.

Employees returning from leaves of absence for reasons other than personal must comply with the established Company policy of securing a medical release from their private physician and/or the Company physician.

Employees returning from five (5) days of absence due to illness will be required to submit to the nurse a statement from their personal physician.

Employees returning from leave of absence shall be entitled to the job they had when such leave was taken. Such employees shall be retained on said job in the event the job has undergone an operational change during their absence. Such employees shall be eligible for any promotions under the job allocation section, or demotions, that occurred while absent on such leaves.

ARTICLE 17 SHIFT SWITCHING

Section 1

The Company will allow the switching of shifts between employees in the same job classification on a voluntary basis, provided:

- A. The minimum duration of such switch shall be thirty (30) calendar days;
- B. Employees will be allowed only one (1) switch per calendar year;
- C. The classification of employees involved in the switch does not change for the duration of such switch;
- D. Employees on shift switch are not entitled to relief jobs.

NOTE: Where a production change requires employees to be moved to other shifts, employees involved in switching will be subject to be moved in accordance with their seniority.

Section 2

Whenever a request for a shift switch is submitted, notice thereof shall be posted and maintained on the

department bulletin board for a period of three (3) workdays.

Any employee within that department who works in the posted job classification and who desires to switch may bid on it by listing his name on the notice of shift switch.

The employee so bidding who has the greatest seniority within the classification will be given the opportunity to participate in the shift switch.

Should no bids for shift switch be received, the request for switch will be void.

Should request for switching become too frequent and burdensome, the Company reserves the right to discontinue the practice of switching.

All such switching will be on a strictly voluntary basis and is not subject to the grievance procedure.

ARTICLE 18 PAYMENT OF RATES

Section 1

- A. Probationary employees will be paid \$16.32 per hour as of March 1, 2003, and this rate will be adjusted March 1, 2004, and March 1, 2005, to reflect the general wage increases.

- B. Employees hired on or after March 1, 2003 will be paid in accordance with the following schedule:

<u>Length of Service</u>	<u>Rate</u>
After ninety (90) calendar days, but less than eight (8) months	70% of current rate
At least eight (8) months, but less than sixteen (16) months	80% of current rate
At least sixteen (16) months, but less than twenty-four (24) months	90% of current rate
After twenty-four (24) months	100% of current rate

- Employees will receive the probationary rate during the probationary period. Upon completion of the probationary period, employees will be paid a percentage of the current rate (base rate plus COLA) of the job.

If an employee bids to another job while in the progression schedule, the rate paid will be the applicable percentage of the new job rate.

- C. Employees who have completed the new hire wage progression will be paid a classified hourly rate applicable to the particular job being performed, except that the employees promoted to higher rated jobs (other than jobs having progression rates) will be paid a rate half way between the higher rate and the rate of the job held immediately prior to the promotion while

the employee is being trained by the other employees.

- D. When an employee is demoted or transferred to a lower rated job, the employee will be paid the lower rate immediately upon demotion.

Section 2 - Classified Rates

- A. Effective March 1, 2003, a lump sum payment of three thousand dollars (\$3,000).
- B. Effective March 1, 2004, a general increase equal to two percent (2%) of the straight time hourly rate plus C.O.L.A.
- C. Effective March 1, 2005, a general increase equal to two percent (2%) of the straight time hourly rate plus C.O.L.A.

The three thousand dollar (\$3,000) bonus shall be given to each active permanent employee on the payroll covered by this agreement, including employees absent due to occupational injury or illness, medical leave of absence, personal leave of absence, or maternity leave of absence.

Employees whose retirement date is March 1, 2003, will also receive the three thousand dollar (\$3,000) bonus paid on March 7, 2003. The bonus will be considered as pay solely for the purpose of the Profit Sharing Plan and will not be included in the base rate for subsequent years.

Probationary employees who are employees on the date the lump sum payment is made will have their three thousand dollar (\$3,000) bonus deferred until they have completed their probationary period.

CIGARETTE AND PLUG MAKING DEPARTMENT

<u>Classification</u>	<u>3/1/2003</u>
1 General Floor Help.....	22.12
Tray Trucker	
Box Handler - 4000 Plugs	
2 Tray Handler/Box Handler.....	22.25
6000 Plug Supply	
3 Pastemaker.....	22.51
4 Stock Control.....	22.65
7 5000 Tray Handler.....	22.70
5000 Tray Handler (Plug Shooter)	
4000 Tray Handler (Plug Machine)	
8 Cigarette Inspector.....	22.96
Inspector (Plugs)	
Weigh Monitor	
Inspector (Combiners)	
9 Plug Shooter Operator	
(Mass Flow Conveyor).....	23.02
Plug Shooter Operator	
Plug Shooter Operator (Tray Unloader)	
10 Forklift Operator (Filter Rod Storage Area).	23.14
11 Oiler.....	23.48
12 4000 Plug Operator.....	23.70
13 Combiner Operator	
(Two 1260 Combiners)	24.56
5000 Cigarette Operator	

5000 Cigarette Operator with Plug Shooter/
Tray Filler

- 14 Plug Operator (Two 4000 Plug Makers)..... 25.12
8000 Maker Operator
- 16 Plug Maker Adjuster..... 27.95
8000 Adjuster
Adjuster
- 17 Head Adjuster..... 28.12*

* Head adjusters will receive an adjustment of \$.15 per hour effective 03/01/04 and an additional \$.10 per hour effective 03/01/05.

CIGARETTE PACKING DEPARTMENT

<u>Classification</u>	<u>3/1/2003</u>
1 Carton Closer Operator.....	22.12
General Floor Help	
General Utility	
2 Packer Tray Handler.....	22.25
3 Inspector.....	22.70
4 Forklift Operator (Carton Supply).....	22.80
5 Case Packer Operator.....	22.97
6 150 Packaging Operator w/boxer.....	23.31
180 Packaging Operator w/boxer	
7 Oiler.....	23.48
8 250 Packaging Operator (soft pack).....	24.56
250 Packaging Operator (hard box)	
250 Packaging Operator (soft pack with carton elevator)	
250 Packaging Operator (hard box with carton elevator)	

	250 Packaging Operator (hard box with overwrap)	
9	400 Packaging Operator.....	25.12
10	Soft Pack Adjuster.....	27.14
11	400 Packer Adjuster.....	27.95
12	400 Wrapper Adjuster.....	27.95
13	Head Adjuster.....	28.12*

* Head adjusters will receive an adjustment of \$.15 per hour effective 03/01/04 and an additional \$.10 per hour effective 03/01/05.

SHIPPING AND RECEIVING DEPARTMENT

<u>Classification</u>	<u>3/1/2003</u>
1 General Helper.....	22.12
3 Forklift Operator.....	22.80
4 Forklift Operator Set-Up Area.....	23.14
5 Order Assembler Checker.....	23.14
6 Hi-Lift Operator.....	23.18
7 Palletizer Attendant.....	23.52
Dock Checker	
Order Pick Checker	
Return Goods Checker	

MAINTENANCE DEPARTMENT

<u>Classification</u>	<u>3/1/2003</u>
1 Groundskeeper Helper.....	22.12
2 Air Conditioning Helper.....	22.51
3 Groundskeeper.....	22.80
4 Dispatcher.....	23.15

5	Stock Attendant.....	23.42
6	Oiler.....	23.63
7	Painter.....	28.18*
8	Tinsmith.....	28.18*
9	Pipe Fitter.....	28.18*
10	Carpenter.....	28.18*
11	Welder.....	28.18*
12	Air Conditioning Attendant.....	28.18*
13	Boiler Attendant.....	28.18*
14	Mechanic.....	28.18*
15	Machinist.....	28.18*
16	Electronic Technician.....	28.18*

*Craftsmen will receive an adjustment of \$.15 per hour effective 03/01/04 and an additional \$.10 per hour effective 03/01/05.

SERVICE DEPARTMENT

<u>Classification</u>	<u>3/1/2003</u>
2 Machine Cleaner/Janitor/Laborer.....	22.20
Riding Sweeper	
4 Maintenance Laborer.....	22.51
5 Equipment Operator.....	22.80
6 Truck Driver.....	22.80

BLENDING DEPARTMENT

<u>Classification</u>	<u>3/1/2003</u>
1 General Floor Help.....	22.12
2 Warehouse Helper.....	22.51
Hogshead Opener	
Turkish Blender	

	Hogshead Opener - Turnover Device	
	Salvage By-Products	
	Tobacco Handler (Feeder)	
	Tobacco Handler Newpnt & Spring	
	Dumper Attendant - Menthol	
3	Dumper Attendant - VA & Burley.....	22.65
	Virginia Line Attendant	
	Turkish Line Attendant	
4	Forklift Operator.....	22.80
5	Assistant Casing Cook.....	22.86
	Casing Cook	
	Turkish Separator	
6	Checker (Warehouse).....	23.14
7	Final Casing Attendant.....	23.19
	Burley Casing Operator	
	P & S Dryer Operator	
8	Menthol Flavor Attendant.....	23.70
	Pre-Menthol Silo Attendant	
9	Conditioner Operator.....	24.56

CUTTING DEPARTMENT

<u>Classification</u>	<u>3/1/2003</u>	
1	General Floor Help.....	22.12
	General Floor Help (Reclamation)	
2	General Floor Help (Line-up Attend.).....	22.51
	Reclamation Attendant	
	Empty Saratoga Transport	
3	Rework Tobacco Feeder Attendant.....	22.56
	Mezzanine Attendant	
	Fill Station Attendant	
	Shorts Feeder	
4	Forklift Operator.....	22.80

5	Reclamation Operator.....	22.87
	Fill Station Operator	
	By-Products Operator	
6	Additive Operator.....	23.70
	Dryer Operator	
	Cutter Operator	
	Bulker Operator	
7	Top Flavor Attendant.....	23.76
8	Adjuster.....	27.14

TOBACCO PROCESSING PLANT

<u>Classification</u>	<u>3/1/2003</u>	
1	General Floor Help.....	22.12
2	Packer.....	22.51
	Scales Operator	
3	Dumper Attendant (Process).....	22.70
4	Casing Attendant.....	22.80
5	Forklift Operator.....	22.80
5A	Dumper Attendant (Pre-Processing).....	23.03
6	Forklift Operator (Hogshead Conveyor).....	23.14
7	Conditioner Operator.....	23.14
9	Cutter Operator.....	23.70
	PREP Operator	
10	TEP Operator.....	25.12
11	Cutter Adjuster.....	27.14

RESEARCH DEPARTMENT

<u>Classification</u>	<u>3/1/2003</u>	
Laboratory Technician Trainees*		
	Starting Rate.....	23.22
	After 6 months.....	23.46

After 1 year.....	23.69
After 1-1/2 years.....	23.93
After 2 years.....	24.16
After 2-1/2 years.....	24.40
After 3 years.....	24.64

*Laboratory Technicians and Trainees will receive an adjustment of \$.05 per hour effective 03/01/04 and an additional \$.05 per hour effective 03/01/05.

Employees who enter the Laboratory Technician Training Program will be required to pass a Laboratory Technician entry test. Employees who enter the Laboratory Technician Training Program will receive both formal classroom and on-the-job training necessary for the employees to become a Laboratory Technician. The trainees will be paid for both on-the-job and classroom training with all over seven and one-half (7-1/2) hours per day to be at overtime pay, including travel time to or from the training school and the Lorillard plant on days when formal training and other job training are scheduled on the same day.

A committee will be established to oversee the administration of the Laboratory Technician Training Program in the Research Department. The committee will be composed of four (4) members from the Company and four (4) members from the Union. At least fifty percent (50%) of the Union representatives on the committee will be classified as Laboratory Technicians.

When it becomes necessary to make changes in the

training program, the committee will be authorized to do so. Where conflicts exist between the Laboratory Technician Training Program and the Master Agreement, the Laboratory Technician Training Program will prevail.

During the progression program, the employees will be required to maintain a satisfactory level of performance in both formal classroom training and on-the-job training. However, after a trainee has successfully passed Math 111, Chemistry 106 and Chemistry 107, he will be permitted to retake one of the remaining chemistry courses if he fails, with the understanding he will not be considered a qualified Laboratory Technician and reach the appropriate pay level(s) until he successfully completes the required courses. The trainee must retake the course on his own time, at his own expense, and within six (6) months of failure. Upon completion of the three (3) year training program, these employees will be allowed to bid on any available job within the Research Department if seniority permits.

Time out because of leaves of absence or company injury will not be counted toward the completion of a step.

Those technicians, who are already in the Research Department before March 1, 1983, and who have not completed the requirements for a two (2) year Laboratory Technician Certificate, will also be given an opportunity to participate in the formal classroom training. Such technicians will also be paid for the time spent in classroom training like employees entering the

progression. Upon completion of the formal classroom training, these employees will receive the established rate of the job.

Laboratory Technician jobs will not be subject to the classification procedure.

The Company will make every effort to staff its future personnel needs in the Research Department from among qualified employees in the plant and by the use of the Laboratory Technician Training Program. The Company will only hire from the outside when there is an unanticipated circumstance.

PROGRESSIVE RATE SCHEDULE

The following progressive rates will apply to transfer and new hire Laboratory Technicians:

<u>Step</u>	<u>Time Within Steps</u>	<u>3/1/2003</u>
1	1st 3 months.....	24.40
2	2nd 3 months.....	24.52
3	Full rate after end of 6 months.....	24.64

The following progressive rates will apply to Cutter Adjusters:

<u>Step</u>	<u>Time Within Steps</u>	<u>3/1/2003</u>
	12 weeks Step 1.....	26.66
	120 days Step 2.....	26.74
	120 days Step 3.....	26.83
	120 days Step 4.....	26.90
	120 days Step 5.....	26.97

120 days Step 6.....	27.08
120 days Step 7.....	27.14

The following progressive rates will apply to Adjusters:

<u>Step Time Within Steps</u>	<u>3/1/2003</u>
180 days Step 1.....	26.66
120 days Step 2.....	26.74
120 days Step 3.....	26.83
120 days Step 4.....	26.90
120 days Step 5.....	26.97
120 days Step 6.....	27.08
120 days Step 7.....	27.14

The following progressive rates will apply to Classification No. 16 in the Cigarette and Plug Making Department and Classification Nos. 11 and 12 in the Cigarette Packing Department:

<u>Step Time Within Steps</u>	<u>3/1/2003</u>
180 days Step 1.....	27.47
120 days Step 2.....	27.55
120 days Step 3.....	27.62
120 days Step 4.....	27.69
120 days Step 5.....	27.77
120 days Step 6.....	27.85
120 days Step 7.....	27.95

The following progressive rates will apply to Head Adjusters:

<u>Step</u>	<u>Time Within Steps</u>	<u>3/1/2003</u>
1	180 days.....	28.00
2	180 days later.....	28.02
3	180 days later.....	28.04
4	180 days later.....	28.07

Then, after three (3) years, the Head Adjusters in the progressive steps will receive the full rate in the classification.

Days on leave of absence or Company injury will not count toward the completion of a progression step for Adjusters or Head Adjusters.

Craft and Head Adjuster jobs will not be subject to the classification procedure during the term of this agreement.

In the event a line Adjuster job has been changed due to the number of machines or an increase in speed, the Company and the Negotiating Committee will meet to establish the number of machines the Adjusters will be assigned.

The following progressive rates will apply to the Apprenticeship Program:

<u>Step</u>	<u>Time Within Steps</u>	<u>3/1/2003</u>
1	1st 6 months.....	26.99
2	2nd 6 months.....	27.11
3	3rd 6 months.....	27.22
4	4th 6 months.....	27.33
5	5th 6 months.....	27.48

6	6th 6 months.....	27.58
7	7th 6 months.....	27.69
8	8th 6 months.....	27.81

Apprentices will be paid the full craft rate upon graduation from the program.

The following progressive rates will apply to transfer and new hire craftsmen:

<u>Step</u>	<u>Time Within Steps</u>	<u>3/1/2003</u>
1	1st 3 months.....	27.81
2	2nd 3 months.....	28.01
3	Full rate after end of 6 months.....	28.18

Section 3 - Waiting Time

When employees are required to wait for work through no fault of their own, no wage reductions will be made for such idleness.

Section 4 - Alternate Job Rates

Employees awarded an alternate job bid will receive a rate midway between the rate of the alternate job while being trained. When they have the responsibility for doing the job alone, they will receive the full rate of the job.

ARTICLE 19 JOB CLASSIFICATION

It is recognized that from time to time it may be nec-

essary to establish new jobs or to change existing jobs. In order to fairly establish job rates and working conditions for such new or changed jobs, the Union will meet with the Company to negotiate rates and working conditions for such jobs.

1. New Jobs

The Company will post bids for a new job in accordance with the job allocation procedure found in Article 14, Section 3. Once the actual work on the job becomes standardized, the rate, working conditions, and the effective date of such rate will be set by agreement between the Union Negotiating Committee and the Company.

2. Changed Jobs

The Company may change or reclassify jobs because of changes in workload, machine speed, or to improve efficiency. When either of the conditions above occurs, the Company will notify the Union. When such jobs are changed or reclassified by the Company, the basic wage thereof shall be set by agreement between the Local Union Negotiating Committee and the Company.

Employees who are solicited to fill in for absences on changed jobs will be allowed to surrender the jobs after one (1) year.

3. Procedures

The rates and working conditions of new or changed jobs shall be established by the Company and the Negotiating Committee of the Local Union, which shall meet as needed. The President, Vice-President, Recording Secretary and the department representative will meet with the Company for initial discussions of a job. The entire Negotiating Committee will then meet with the Company for final agreement and the signing of the Memo of Understanding. This joint committee is hereby vested with authority to reach a decision that shall be final and binding.

In the event the Company and Union Negotiating Committee cannot reach agreement, the matter may be appealed to the Federal Mediation and Conciliation Service, and the parties will meet with a Federal Mediator in an attempt to resolve the matter. If the matter cannot be resolved in the above manner, the Union may authorize a strike. However, the Union will honor the request of a Mediator for a cooling-off period, which will not be less than, nor exceed sixty (60) days. During the cooling-off period, the Union may give its sixty (60) day notice of its intent to strike. If no strike occurs at the end of the sixty (60) day period, the matter shall be considered resolved. It is understood during all periods of time, Management and Union will strive to resolve their differences.

ARTICLE 20 GRIEVANCE PROCEDURE

Section 1 - Steps in Handling

Should any employee covered by this Agreement believe he has been unjustly dealt with, or that the provisions of this Agreement have been violated, the employee shall within ten (10) working days of the incident take the following steps, with no loss of pay, in resolving the problem. Time limits, specified herein, shall be exclusive of Saturdays, Sundays, and Holidays.

Step 1

The employee with or (at the employee's option) without his Shop Steward shall discuss his grievance with his Supervisor and/or Department Superintendent, and they shall make every effort to settle it at once or at least within one (1) working day. The Shop Steward shall be notified as soon as possible of any settlement at this step. In all subsequent steps, the Supervisor and/or Department Superintendent, employee, and Shop Steward may be present.

Step 2

If the grievance is not satisfactorily resolved in Step 1 of the Grievance Procedure, it may be appealed by the President of the Union, or his designee, within three (3) working days of the Supervisor's answer in Step 1 to the Department Head. Within two (2) working days of

presentation of the grievance to the Department Head, a meeting will be held between the President of the Union and the Department Head, or his designee, in an effort to resolve the grievance.

The Department Head, or his designee, shall give his answer within two (2) working days of the aforementioned meeting. In all subsequent steps, the President and Vice-President of the Union may be present.

Step 3

If the grievance is not satisfactorily resolved in Step 2, it may be referred by the President and Vice-President of the Union, or his designee, to the Manager of Employee Relations or his designee within three (3) working days of the Department Head's answer to Step 2. Any grievance appealed to the Manager of Employee Relations must be reduced to writing on a form provided by the Company, dated, and signed by the grieving employee, his Shop Steward, and his Supervisor. The written grievance must indicate the specific relief desired. The President and Vice-President of the Union, or his designee, shall meet with the Manager of Employee Relations within three (3) working days of the receipt of the appeal to Step 3. The Manager of Employee Relations, or his designee, will indicate his decision, in writing, within two (2) working days of the aforementioned meeting. The Manager of Employee Relations, or his designee, may be present at all subsequent steps.

Step 4

If the grievance is not satisfactorily adjusted in Step 3, it may be referred by the President of the Union to the Vice President, Manufacturing within three (3) working days of the Manager of Employee Relations' answer in Step 3. A meeting will be held between the President of the Union and the Vice President, Manufacturing, or his designee, within two (2) working days of receipt of appeal to the Vice President, Manufacturing. All those present in the preceding steps, as well as the Recording Secretary of the Union, may be present at this meeting; an International Representative may also be present at the option of the Local Union. The Vice President, Manufacturing, or his designee, will indicate his decision, in writing, within two (2) working days of the Step 4 meeting.

Step 5

If the grievance is not satisfactorily adjusted in Step 4, it may be referred by the Local Union to the Director of Employee Relations within twenty (20) days of the Vice President, Manufacturing's answer in Step 4. A meeting will be held between an International Representative at the option of the Local Union, and the Director of Employee Relations, or his designee, within twenty (20) days of receipt of appeal to the Director of Employee Relations. All those present in Step 4 may be present at the Step 5 meeting. The Director of Employee Relations, or his designee, shall answer the

grievance within fifteen (15) days of the aforementioned meeting. Grievances not satisfactorily adjusted in Step 5 may be appealed to arbitration by the Union within thirty (30) days of the Director of Employee Relations' answer in accordance with Article 21 - Arbitration, provided that such action is recommended by the Negotiating Committee.

Section 2 - Grievance Involving Disciplinary Action

A. Suspension or Discharge

The right of the Company to discharge employees is recognized; however, if there is a grievance on the part of the Union that any employee has been discharged without just cause, it must be filed within ten (10) days. After presentation of such grievance at Step 3 of the Grievance Procedure, the Company will state its reasons for the discharge. If, after further investigation of the matter, it is determined that the employee has been discharged without just cause, the employee will then be reinstated to service with seniority unimpaired and paid for all lost time. If the investigation reveals that the discharge is too severe, a lesser degree of disciplinary penalty may be imposed. In the event the parties are unable to agree on the disposition of such cases, the matter may then be referred to arbitration in accordance with Article 21.

B. General

1. All discussions with an employee concerning warn-

ings and reprimands shall take place in private with only his immediate Supervisor or Department Superintendent present, provided that an employee's Shop Steward may be present upon request of the employee. An employee who feels he has been unjustly treated, shall, upon request, be given permission as soon as it is practical to consult his Shop Steward; both the employee and the Shop Steward will be released from duty to discuss the problem.

2. All written warnings will become void one (1) year after given.
3. The Union may file grievances for groups of employees.

Section 3 - Pay for Handling Grievances

The Company agrees to give the Union President, or his designated representative and Union officer and department Shop Steward, such time off as may be necessary for the handling of grievances and the transaction of Union business with the Company, provided this privilege is used with discretion and is not abused. The Company will pay these employees for such time at their regular rate of pay. This provision for pay shall apply for time spent by employees in attendance at arbitration hearings under Article 21 of this Agreement.

Section 4 - Investigation of Grievances

A department Shop Steward or any Union official shall not absent himself from his work place to visit

other parts of the plant, or departments, without permission of his Supervisor, Superintendent, or General Supervisor. Any reasonable request shall be granted by Supervisors, Superintendents, or General Supervisor. The Union President or any Union official, shall upon entering a department, report to the Supervisor of the department or his representative and advise him of his business.

ARTICLE 21 ARBITRATION

Any grievance, which has been processed through all Steps of the Grievance Procedure set forth in Article 20, Section 1, may be appealed to Arbitration.

The parties will meet immediately following the effective date of this Agreement and attempt to agree upon a permanent arbitrator who will act in that capacity during the term of this Agreement. If the parties are unable to agree upon a permanent arbitration or cannot agree on a successor in the event that a permanent arbitrator ceases for any reason to act in that capacity, they shall request the American Arbitration Association to appoint a permanent arbitrator.

The power and authority of the permanent arbitrator shall be strictly limited to determining the specific terms of the Agreement. The arbitrator shall have no authority to add or to subtract from, or in any way alter or modify any of the terms of this Agreement, or to impose on any party hereto a limitation or obligation not explicitly provided for this Agreement. An award of

the permanent arbitrator shall be made within sixty (60) days and shall be final and binding on all parties of the Agreement, and upon the aggrieved employee or employees. The expense of any arbitration proceedings, under this section, will be borne equally by the parties hereto.

ARTICLE 22 STRIKES

The Union agrees not to call or ratify any unauthorized strike. It further agrees that if any unauthorized strike occurs, the Local and the International Union officials will immediately meet with the Company for the purpose of settling such strike by the use of the regular grievance procedure, and the Union will instruct and use its influence to cause employees in such a strike to return to work.

A violation on the part of any employee of this Article shall be cause for whatever disciplinary action is deemed appropriate by the Company.

The Union agrees that it will not authorize any strike on issues that have been defined as arbitrable under Article 21. However, this Article in no way prohibits the Union from calling an authorized strike only in accordance with the terms and conditions set forth in Article 19.

The Company agrees not to lock out employees for the duration of this Agreement.

ARTICLE 23

MANAGEMENT PREROGATIVES

Management of the Greensboro Plant is the full responsibility of the Company and shall include the sole right to plan, direct, and control operations; to establish daily and/or weekly hours of work by groups of employees and/or individual employees; to hire, discipline, suspend, or discharge employees for proper cause; the right to select materials used in manufacturing, to introduce new or improved production methods and/or facilities, provided that such authority shall not be exercised so as to conflict with any of the other provisions of this Agreement.

It shall be the sole right of the Company to diminish operations in whole or part, or to remove the plant for operation or business of same or any part thereof, to any other location as circumstances may require.

ARTICLE 24

LEGALITY OF AGREEMENT

This Agreement is made in full belief by the Company and the Union that it is in every respect legal. If any section, clause, sentence, or part of this Agreement is for any reason held to be invalid or unenforceable in any respect, such decision shall not affect the remaining portion of this Agreement.

ARTICLE 25
TERM OF AGREEMENT

This Agreement will become effective as of March 1, 2003, and will remain in full force and effect until March 1, 2006, and will be automatically renewed thereafter unless either party requests a change in the Agreement or the negotiation of a new Agreement by giving written notice to the other party not less than sixty (60) days before March 1, 2006.

Any negotiations and collective bargaining, with respect to any Agreement, shall be subject to the condition that the unit is at that time a duly constituted Bargaining Agent for the employees they purport to represent.

ARTICLE 26
MAINTENANCE AND
SUB-CONTRACTING

Section 1

Work which can be performed by Bargaining Unit employees will not be given or sub-contracted to people or contracting firms outside of the Bargaining Unit, except under the following conditions:

- A. The Company shall meet with the appropriate Union representatives to discuss the ability or

inability to perform such work within the Bargaining Unit. This shall be done sufficiently in advance of any time limitations on the work in question.

- B. With respect to major and/or capital projects, work assignments will be determined after consultations with the Union.
- C. Limitations of tools, equipment, technology, and available personnel will guide decisions concerning employment of outside personnel or contracting firms; and all of these factors shall be discussed with the appropriate Union Representatives.
- D. In making a determination of work to be performed, the Company agrees that no outside personnel will work more total hours during any workday, including Saturday and Sunday, than those worked, or available to be worked, by the comparable craft(s) in the bargaining unit to accomplish the work in question.
- E. It is agreed that the Company has the right to purchase parts and equipment that are shelf or catalogue items as well as complete systems from vendors or suppliers without being subject to the limitations of this article.

Section 2

The Company and Union will periodically discuss

future needs for Bargaining Unit personnel and the Company will, to the best of its ability, adequately staff its training programs so that future cases of assignment of Bargaining Unit work to non-Bargaining Unit personnel will be minimized. The Company will make every effort to staff its future craft personnel needs from among qualified employees in the plant and by the use of the Apprenticeship Program. Should any employee's qualifications be challenged, the Company shall meet with the Union in the employee's presence prior to the denial of the person for the job to discuss these qualifications. If the parties are unable to resolve the matter, then it shall be referred to the Grievance Procedure.

ARTICLE 27
COST-OF-LIVING
ALLOWANCE PROGRAM

1. Independently of the lump sum payment granted March 1, 2003, and general wage increase(s) granted for 2004, and 2005, the Company agrees that effective with the first payroll period commencing on or after April 1, 2003, and at quarterly intervals thereafter during the term of this agreement, each employee covered by this agreement shall receive a cost-of-living allowance (hereinafter referred to as "COLA") as set forth below.
2. Effective February 1, 2003, for each .3 rise in the index points in the Consumer Price Index for Urban Wage Earners and Clerical Workers (1982-1984=100) utilizing the November 2002 Index as the base, a temporary "COLA" of one cent (.01) per

hour shall be paid. These payments, if any, will be paid on a quarterly basis beginning the first full week in April 2003, and will be based upon the November 2002 index compared with February 2003 index.

3. Effective on February 1, 2003, the current temporary "COLA" shall be folded into the base wage rates.
4. Effective on February 1, 2004, the temporary "COLA" paid for the preceding year shall be folded into base wage rates. During 2004, any COLA will be calculated as specified in Paragraph Two (2) above.
5. Effective on February 1, 2005, the temporary "COLA" paid for the preceding year shall be folded into base wage rates. During 2005, any "COLA" paid will be calculated as specified in Paragraph Two (2) above.
6. Any sum in temporary "COLA" amounting to less than one cent (.01) less than .3 rise in the index points, shall not be paid. However, such amount shall be carried forward and added to the Index in the succeeding quarter during the term of this agreement.
7. The continuance of the "COLA" program is contingent upon the availability of the specified index in its present form. If the specified index is not available, the Company and the Union will meet to discuss the adoption of a different or revised index.

ARTICLE 28 SUPPLEMENTAL INCOME

An employee who is laid off as a result of a reduction in the work force for any reason shall be paid thirty-seven and one-half (37-1/2) times the straight time hourly rate he received immediately prior to such lay-off, provided that the maximum number of weekly payments which any employee may receive for all such lay-offs during his employment with the Company may not exceed the number of full years of continuous service credited to such employee.

In the event of a layoff, laid off employees with thirty (30) or more years of company service at the time of such layoff may retire with no actuarial reduction in their pension benefit or pension related benefits.

ARTICLE 29 PLANT CLOSING

Section 1

- A. The Company will give the Union three (3) months advance notice in the event of plans to cut off a shift.

- B. The Company will give the Union a one (1) year advance notice in the event of plans to close a plant.

- C. In the event a notice of a Plant Closing is given to the Union:

1. The Company will develop a relocation plan with relocation moving allowances if there are vacancies in another location.
 2. Any employee transferred under 1 above will carry Company service for all benefit plans. Service date relating to promotions, transfers, and layoffs will date from the time of start in the new location.
 3. In the event notice is given of a plant closing, opportunities to transfer under the relocation plan will be made on a seniority basis.
- D. In the event notice is given of a plant closing under the provisions of this article, the Company will, within a reasonable amount of time after serving such notice, meet with the Union to negotiate the applicable terms and conditions of such closing.

Section 2 - Supplemental Income Protection Program

A. Purpose

The Supplemental Income Protection Program is intended to provide active full-time employees with income security for a specific period of time in the event such employees are laid off following notifications of a plant closing.

B. Provisions

This Supplemental Income Protection Plan shall include two components:

1. Supplemental Income as provided in Article 28.
2. Income Protection Supplement - which shall commence when the supplemental income referred to in 1 above is exhausted.

C. Income Protection Supplement

Payments under this component shall:

1. Amount to 100% of an eligible employee's base pay, including "COLA", at the time of his layoff.
2. Continue for a period of time dependent upon the employee's length of company service at the time of layoff, as per the following schedule:

Length of Service	Length of Benefit Payment
1 year, but less than 2.....	13 weeks
2 years, but less than 5.....	26 weeks
5 years, but less than 10.....	33 weeks
10 years, but less than 20.....	39 weeks
20 years or more.....	52 weeks

D. Lump Sum Option

A laid off employee eligible to receive or receiving income protection under the provisions B and C above may, at any time, after receiving a notice of layoff and prior to the Company's giving notice of recall, elect to receive in lieu of any further payments under this program, a lump sum payment equal to seventy-five percent (75%) of the remaining amount such employee would have been entitled to receive on the date he so elects. In such an event, the employee will forfeit any recall or transfer rights to which he is otherwise entitled. Payment shall be made within thirty (30) days following receipt of a written notice by the employee to elect this option.

E. Recall From Layoff

If a laid-off employee is recalled from layoff before he exhausts the maximum benefits available to him under this program, and such employee is subsequently laid off, the employee shall be entitled to benefits then available to him less any weekly benefits previously received under this program.

F. Refusal of Recall

If an employee is recalled to work and does not return within the period contained in the current recall provision of the Agreement, such employee shall be deemed to have resigned his

position and shall be ineligible for any payments and continued inclusion under this Supplemental Income Protection Program.

G. Acceptance of Transfer

Employees accepting transfer, pursuant to the provisions established, will become ineligible for any further payments and continued inclusion in the Supplemental Income Protection Program effective on the date such person is scheduled to report for work in the new location.

H. Retirement

In the event of a plant closing, active employees with *thirty (30) or more years of Company service* at the time of such closing may retire with no actuarial reduction in their pension benefit or pension related benefits.

GENERAL PROVISIONS

1. The Company will assign machines or jobs to senior employees. When employees are moved from their assigned jobs to train other employees, they will not be required to give up their assignments for a period of four (4) months.
2. *Employee's time card will be left in the racks until after the start of the shift. This is for the employee's convenience only. An employee is late if he*

has not punched his card on or before his starting time.

3. Salaried employees are not to perform production or maintenance work, except in cases of instruction or justifiable emergency. Justifiable emergency is defined as; conditions adversely affecting the Company's products, property, or safety of others.
4. If an employee's job is down for any reason the supervisor may assign other duties which the employee is physically qualified to perform until such job is again put into operation. In the event that the employee cannot perform any of the available jobs, as assigned, then the employee will be sent home.
5. Employees injured on the job and who have returned to work will not lose pay for any time lost during their scheduled working hours for visits to the doctor regarding their injury.
6. When a maintenance job is determined to be hazardous in nature, two (2) maintenance employees will be assigned thereto.
7. Employees will receive instructions from the supervisor to whom the employee is assigned. This does not preclude any supervisor's right to correct or reprimand an employee for misconduct or the violation of a Company rule on Company premises.

8. An employee's work schedule will not be altered to avoid payment of overtime.
9. The Company will grant to all employees two (2) ten (10) minute breaks before lunch and two (2) ten (10) minute breaks after lunch. Should an employee work as much as one (1) hour overtime, he will be granted an additional five (5) minute break for each hour worked.
10. Tray Handlers will be assigned in the Cigarette Making Department when machine speeds exceed 1655 cpm.
11. Lunch runs, following approval by the Department Head, will be performed only in emergency situations. When they are necessary the Company will notify, in advance, the Union representative in the respective area.
12. Maintenance Craftsmen will work in their respective crafts as long as work is available in their respective craft. When no work is available in a particular craft, a craftsman may be used in other crafts on a straight-time basis. Craft lines may also be crossed in emergency situations.
13. When overhaul work is to be performed on a person's assigned line, such work will be performed by a Head Adjuster with the assistance of a Line Adjuster when time permits.

14. The insured benefits program is herein incorporated by reference as per letters of intent to sign.
15. Work, which has been performed previously by Head Adjuster groups or Maintenance Crafts, will remain within the respective groups or crafts, as the case may be. When new machines are installed, or modification is to be made to an existing machine, the Maintenance Department's Superintendent, the Operating Department Representative, the President and Vice-President of the Union, and the respective Shop Stewards will meet to determine who will perform the necessary work on the various parts of the equipment.
16. The Company will provide a parking area for the employees as long as the Company has available land for parking purposes.
17. Any job reclassified through the classification procedure during the life of the contract where a wage increase is granted, will go on the board for bid.

GENERAL PROVISIONS LABORATORY TECHNICIANS

1. The Laboratory Technicians within the Research Department have job assignments within the various laboratories. When the job is not in operation, the technician will be assigned other duties until such job is put back into operation.

2. Chemists will not perform Laboratory Technicians' work on an overtime basis, but will be allowed to continue the work they normally do on overtime.
3. Co-op students and summer trainees will not perform Laboratory Technicians' work.
4. Laboratory Technicians required to work during plant vacation periods will be allowed to reschedule their vacation at a different date subject to the approval of Management.
5. Requests for transfers to another section or division will be granted on the basis of seniority and ability.
6. When overtime occurs, the employee on his assigned job will be entitled to such overtime. If additional help is needed, the senior employee with previous experience will be given the first opportunity. In the event there are no experienced employees, the senior employee will be given the overtime opportunity.
7. Each Laboratory Technician will be informed of his immediate Supervisor.
8. Salaried personnel will not replace Laboratory Technicians on their assigned jobs, except in case of instruction or justifiable emergency.
9. The work performed with the Research

Department in Research Development, Quality Assurance, and making of samples is not to be considered production or maintenance work.

10. New jobs in the Research Department will be posted for lateral bid.

**APPENDIX A
BASIC WAGE RATES
AS OF MARCH 2003**

**CIGARETTE AND PLUG MAKING
DEPARTMENT**

<u>Classification</u>	<u>3/1/2003</u>
1 General Floor Help.....	22.12
Tray Trucker	
Box Handler - 4000 Plugs	
2 Tray Handler/Box Handler.....	22.25
6000 Plug Supply	
3 Pastemaker.....	22.51
4 Stock Control.....	22.65
7 5000 Tray Handler.....	22.70
5000 Tray Handler (Plug Shooter)	
4000 Tray Handler (Plug Machine)	
8 Cigarette Inspector.....	22.96
Inspector (Plugs)	
Weigh Monitor	
Inspector (Combiners)	
9 Plug Shooter Operator	
(Mass Flow Conveyor).....	23.02
Plug Shooter Operator	
Plug Shooter Operator (Tray Unloader)	
10 Forklift Operator (Filter Rod Storage Area).	23.14

11	Oiler.....	23.48
12	4000 Plug Operator.....	23.70
13	Combiner Operator (Two 1260 Combiners).....	24.56
	5000 Cigarette Operator 5000 Cigarette Operator with Plug Shooter/ Tray Filler	
14	Plug Operator (Two 4000 Plug Makers).....	25.12
	8000 Maker Operator	

CIGARETTE PACKING DEPARTMENT

<u>Classification</u>	<u>3/1/2003</u>
1 Carton Closer Operator.....	22.12
General Floor Help General Utility	
2 Packer Tray Handler.....	22.25
3 Inspector.....	22.70
4 Forklift Operator (Carton Supply).....	22.80
5 Case Packer Operator.....	22.97
6 150 Packaging Operator w/boxer.....	23.31
180 Packaging Operator w/boxer	
7 Oiler.....	23.48
8 250 Packaging Operator (soft pack).....	24.56
250 Packaging Operator (hard box) 250 Packaging Operator (soft pack with carton elevator)	
250 Packaging Operator (hard box with carton elevator)	
250 Packaging Operator (hard box with overwrap)	
9 400 Packaging Operator.....	25.12

SHIPPING AND RECEIVING DEPARTMENT

<u>Classification</u>	<u>3/1/2003</u>
1 General Helper.....	22.12
3 Forklift Operator.....	22.80
4 Forklift Operator Set-Up Area.....	23.14
5 Order Assembler Checker.....	23.14
6 Hi-Lift Operator.....	23.18
7 Palletizer.....	23.52
Dock Checker	
Order Pick Checker	
Return Goods Checker	

MAINTENANCE DEPARTMENT

<u>Classification</u>	<u>3/1/2003</u>
1 Groundskeeper Helper.....	22.12
2 Air Conditioning Helper.....	22.51
3 Groundskeeper.....	22.80
4 Dispatcher.....	23.15
5 Stock Attendant.....	23.42
6 Oiler.....	23.63

SERVICE DEPARTMENT

<u>Classification</u>	<u>3/1/2003</u>
2 Machine Cleaner/Janitor/Laborer.....	22.20
Riding Sweeper	
4 Maintenance Laborer.....	22.51
5 Equipment Operator.....	22.80
6 Truck Driver.....	22.80

BLENDING DEPARTMENT

<u>Classification</u>	<u>3/1/2003</u>
1 General Floor Help.....	22.12
2 Warehouse Helper.....	22.51
Hogshead Operator	
Turkish Blender	
Hogshead Opener - Turnover Device	
Salvage By-Products	
Tobacco Handler (Feeder)	
Tobacco Handler Newpnt & Spring	
Dumper Attendant - Menthol	
3 Dumper Attendant - VA & Burley.....	22.65
Virginia Line Attendant	
Turkish Line Attendant	
4 Forklift Operator.....	22.80
5 Assistant Casing Cook.....	22.86
Casing Cook	
Turkish Separator	
6 Checker (Warehouse).....	23.14
7 Final Casing Attendant.....	23.19
Burley Casing Operator	
P&S Dryer Operator	
8 Menthol Flavor Attendant.....	23.70
Pre-Menthol Silo Attendant	
9 Conditioner Operator.....	24.56

CUTTING DEPARTMENT

<u>Classification</u>	<u>3/1/2003</u>
1 General Floor Help.....	22.12
General Floor Help (Reclamation)	

2	General Floor Help (Line-up Attend.).....	22.51
	Reclamation Attendant	
	Empty Saratoga Transport	
3	Rework Tobacco Feeder Attendant.....	25.56
	Mezzanine Attendant	
	Fill Station Attendant	
	Shorts Feeder	
4	Forklift Operator.....	22.80
5	Reclamation Operator.....	22.87
	Fill Station Operator	
	By-Products Operator	
6	Additive Operator.....	23.70
	Dryer Operator	
	Cutter Operator	
	Bulker Operator	
7	Top Flavor Attendant.....	23.76

TOBACCO PROCESSING PLANT

<u>Classification</u>	<u>3/1/2003</u>	
1	General Floor Help.....	22.12
2	Packer.....	22.51
	Scales Operator	
3	Dumper Attendant (Process).....	22.70
4	Casing Attendant.....	22.80
5	Forklift Operator.....	22.80
5A	Dumper Attendant (Pre-Processing).....	23.03
6	Forklift Operator (Hogshead Conveyor).....	23.14
7	Conditioner Operator.....	23.14
9	Cutter Operator.....	23.70
	PREP Operator	

APPENDIX B

It should be noted that in a layoff of significant magnitude to where skilled operators and other key jobs are involved and training cannot be accomplished in the three (3) weeks after notification, a senior employee, who does not have the training to perform the job of a junior employee he is to displace, may be temporarily laid off and the junior employee retained. Once there is an opportunity to train the senior employee, he will be recalled and trained. When the senior employee completes the training program, the junior employee will be laid off.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective officers hereunto duly authorized.

LORILLARD TOBACCO COMPANY

Phillip M. Joseph Jr.
Director, Employee Relations

John H. Richmond
Manager, Employee Relations

Allen Sallez
Manager, Manufacturing Operations

**BACKERY, CONFECTIONERY,
TOBACCO WORKERS, AND GRAIN MILLERS
INTERNATIONAL UNION
LOCAL 317T**

T. J. Warren
Industry Vice-President

Barry Baker
International Representative

Randy Fulk
President, Local 317T

Ralph Day
Vice-President, Local 317T

Gwen Baker
Recording Secretary, Local 317T

Earl Jagers, Local 317T
Making Department

Floyd Vines, Local 317T
Packing Department

James Brown, Local 317T
Shipping and Receiving Department

Keith Newman, Local 317T
Tobacco Processing Plant

Darsey Campbell, Local 317T
Service Department

Paul Dunn, Local 317T
Cutting Department

Bonnie Howard, Local 317T
Blending Department

Robert Pollard, Local 317T
Maintenance Department

Mike Byrn, Local 317T
Research Department