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Carrier

A United Technologies Company

AGREEMENT

between

Indianapolis Plant of
Carrier Corporation
Indianapolis, Indiana

103pp

and

United Steelworkers
Of America
Local Union No. 1999

9/16/03

April 29, 2002 - 5/1/05



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AGREEMENT

Agreement dated April 29, 2002 between the INDIANAPOLIS PLANT OF CARRIER CORPORATION, or Carrier Corporation's successor, (hereinafter called "The Company"), and the United Steelworkers of America on behalf of Local Union 1999 (hereinafter called "The Union").

Whereas, the National Labor Relations Board, by its Certification of Representatives, dated June 9, 1950, certified the Union as exclusive representative for collective bargaining purposes of the hereinafter defined employees of the Company, the Company and the Union hereby agree as follows:

PREAMBLE

The intent and purpose of the Agreement is to promote and improve the Industrial and Economic Relationship between employees of the Company and between the Company and its employees, to improve working conditions for the employees, to improve workmanship and quality of the product of the Company, and to further to the fullest extent the safety and welfare of the employees.

The present Agreement supersedes all prior Agreements between the Company and the Union including any letter of interpretation, verbal understanding and/or past practices which might be in conflict with the present Agreement.

ARTICLE 1

RECOGNITION OF THE UNION

- 1.1 The Company recognizes the Union as the sole and exclusive bargaining representative for all of the employees in the unit as defined herein.

- 1.2 The term bargaining unit shall mean and be construed to include all employees who are engaged in production and maintenance work at the Company's Indianapolis, Indiana plant and any plant in which products are manufactured, which the Company may build and operate within a twenty-five mile radius of Monument Circle in Indianapolis, Indiana, but excluding all clerical employees, all salaried employees, timekeepers, department heads, foremen, engineers, draftsmen, and plant protection employees.
- 1.3 The term "employees", as used in the Agreement, shall refer only to employees for whom the Company recognizes the Union as sole and exclusive bargaining representative.
- 1.4 The Company and the Union agree that the provisions of this Agreement shall be applied to all employees without regard to race, sex, color, religious creed, age, national origin, or physical handicap. All references in this Agreement to "he", "him", "his", and "men" shall be construed as meaning either/or both sexes.

ARTICLE 2 MANAGEMENT

- 2.1 The management of the plant and the direction of the working forces, the type of products to be manufactured, the location of the plants, the schedules of production, the subcontracting of products or parts, the methods, processes, and means of manufacturing, the establishment of work and production standards or the revision thereof, reasonable rules and regulations for the conduct of employees and the enforcement thereof, and the supervision of the work, together with the right to hire, discharge, promote, demote, transfer, layoff, or assign work, or in any manner effectuate a change in the status of an employee, is the exclusive function of the management, subject to the provisions of this Agreement.

- 2.2 The Company shall be entitled to a reasonable production performance on the part of each individual employee covered by the Agreement as established by the Job Evaluation Plan and accepted industrial engineering methods of establishing production standards. It is further recognized that deliberate failure or refusal of employees to meet such standards so established shall be just cause for discipline by the Company.
- 2.3 The Company, without diminishing its rights to outsource, shall give notice to a three member *Local Union Outsourcing Committee* in advance of any outsourcing decision except in cases of emergency. The Company will communicate the reason for outsourcing and will give consideration to alternative suggestions or ideas made by the Committee. In those emergency cases where outsourcing was done prior to communication with the Union Outsourcing Committee, the Company will advise the Union Outsourcing Committee, within twenty-four (24) hours, of the outsourcing decision and the reasons why it was done.

ARTICLE 3 UNION SECURITY

- 3.1 Each employee shall, as a condition of employment, beginning on the 31st day following the beginning of such employment, or the effective date of this Agreement, whichever is later, acquire and maintain membership in the Union.
- 3.2 The Union agrees to indemnify the Company and hold it harmless against any and all suits, claims, demands, costs, and liabilities for damages or penalties that may arise out of or by reason of any action that may be taken by the Company for purpose of complying with the foregoing provision of this article.

- 3.3 The term "Seasonal Employee" as used in this Agreement shall be deemed to mean employees hired between the dates of May 1 to October 1, for a period not to exceed one hundred twenty (120) consecutive days. Qualified relatives will be given consideration for these jobs. The Company agrees to a cap of ten percent (10%) on seasonal employees at any given time based upon the number of active permanent employees. If the Company exceeds the ten percent (10%) cap at any given time, the number in excess will become probationary employees. No seasonal employee will be hired when bargaining unit employees are on layoff.

ARTICLE 4 CHECK-OFF

- 4.1 The Company agrees to collect Union dues with a monthly payroll deduction and remit promptly to the International Secretary/Treasurer of the United Steelworkers of America, at a place designated by the International Treasurer, dues and initiation fees uniformly required of all Union members as designated by the International Treasurer of the Union, for all employees within the appropriate unit who voluntarily execute "an authorization for check-off dues" and cause it to be placed in the hands of the Company. The Company agrees to submit each month to the Union a Union Dues Deduction Listing showing name, clock number, and amount of monthly dues paid.
- 4.2 Union dues shall be deducted provided the employee has worked forty (40) hours or more during the previous calendar month.
- 4.3 The form of the "authorization for check-off dues" to be used shall be by agreement between the Company and the Union and shall be in compliance with the provisions of the Taft-Hartley Act.
- 4.4 The Union agrees to indemnify the Company and hold it harmless

against any and all suits, claims, demands, costs and liabilities for damages or penalties that may arise out of or by reason of any action that may be taken by the Company for purpose of complying with the foregoing provisions of this Article.

ARTICLE 5

UNION REPRESENTATION

- 5.1 **Committee.** The Union Grievance Committee shall consist of the Local Unit President and not more than seven (7) elected members, one of whom shall be designated by the Committee as the Chairman. If the size of the second or third shift warrant, additional members may be added to the Grievance Committee to represent the employees on these shifts.
- 5.2 In carrying out grievance investigation activities, members of the Union Grievance Committee shall service only the employees in their designated buildings. The buildings designated for service by members of the Union Grievance Committee are as follows:
Carrier 8..... West Morris Street Bldg.
- 5.3 The President of the Local Unit and the Chairman of the Grievance Committee shall be able to carry out grievance activities in all buildings by following the provisions of paragraphs 5.7 and 5.8 of this Article.
- 5.4 The designation of these buildings may be changed as required by the mutual agreement of the Company and the Union. If the size of the bargaining unit warrants, additional members may be added to the Grievance Committee by mutual agreement of the Company and the Union.
- 5.5 If as the result of a local Union election, the establishment of new buildings or any other action which changes any of the members

of the Grievance Committee, the Company and the Union will meet and arrange for the necessary transfers of classification and department changes of committeemen to insure that a grievance committeeman is assigned to each building as designated.

- 5.6 **Stewards.** The Company will recognize as Union Stewards and/or Chief Stewards representing the Union in their designated areas, only those employees who are certified as such by the Union in writing to the Company. Stewards shall be appointed on the basis of one steward for each department unless a different basis is mutually agreed upon by the Company and the Union. Stewards shall serve only in their designated areas.
- 5.7 **Grievance Investigation.** When it becomes necessary for a Union Officer, Steward, or Committeeman to be absent from their regular work assignment for activities related to grievance investigation, he or she shall report to his or her foreman who will make reasonable arrangements for them to be away from their regular work. The Union Officer, Steward or Committeeman shall report back to the foreman at the conclusion of the grievance activities.
- 5.8 In connection with grievance investigation, if a Union Officer, Steward, or Committeeman must enter a department other than his own, he shall secure permission from his foreman indicating the other department he will enter. Upon entering the other department, he must contact the foreman and state the reason he is in the department and the names of any employees he desires to contact. He shall also report back to the foreman of his own department at the conclusion of the grievance activities.
- 5.9 **Payment of Union Officers.** No employee shall be disciplined or discriminated against in any manner because of their membership in the Union or for grievance investigation activities provided that this shall not be interpreted as creating an immunity for a

employee from plant rules or from generally applicable standards of employee conduct. All Union Officers, Stewards, and Committeemen who shall be designated by the Union, for the purpose of carrying out grievance investigation activities, will be granted time off from their regular duties in accordance with the provisions of paragraphs 5.7 and 5.8 of this Article. While carrying out these activities, they will be paid their base hourly rate for a period not to exceed their regularly scheduled hours of work.

ARTICLE 6 STRIKES AND STOPPAGES

- 6.1 It is the intent of the parties of this Agreement that the procedure provided herein for the settlement of grievances shall serve as a means for peaceful settlement of all disputes that may arise between them.
- 6.2 The Company agrees that during the life of this Agreement it will not engage in any lockout of its employees.
- 6.3 The Union agrees that during the life of this Agreement it will not engage in or in any way encourage or sanction any strike, sympathy strike, sit-down, stay-in, slow-down, picketing or any other action which would interrupt or interfere with any of the operations of the Company.

ARTICLE 7 DISCHARGES

- 7.1 **Notification.** Whenever an employee is suspended or discharged, the employee will be notified, then the grievance committeeman at interest in the building or, if the committeeman is absent, the chief steward or the department steward prior to the employee

leaving the plant. If it is not possible to notify the committeeman or the chief steward or department steward prior to the employee leaving the plant, the grievance committeeman at interest in the building or the chairman of the grievance committee will be notified by the end of the next working day after the date of the Company's action.

- 7.2 **Review.** If the discharged employee believes that he or she was discharged improperly, he or she may request a review in accordance with the grievance procedure as established in Article 16 of this Agreement, except that in this case the review procedure shall begin with the second step of the grievance procedure.
- 7.3 However, it is agreed that the discharged employee's right to such a review of their discharge shall be deemed to be waived conclusively if the discharged employee's request for a review is not received by the Company within the three (3) working days following the date of the discharge, or within three (3) calendar days after the date on the returned receipt of the certified letter sent by the Company, in those cases in which the employee is not notified of the discharge personally. At any of the steps in the grievance procedure, the Union Grievance Committee may request that the discharged employee appear in person at the grievance meeting.
- 7.4 **Revoking Discipline.** If at any level of the investigation of the discharge, it is determined that the employee was discharged improperly, the discharge will be revoked and the employee may be made whole for all money and benefits lost as a result of the improper discharge or suspension during the investigation. All disciplinary action will be initiated within two (2) working days after all the facts are known on the alleged violation.

ARTICLE 8 SENIORITY

- 8.1 **Use of Seniority.** The parties recognize that promotional opportunity and job security in the event of promotion, decrease of forces and recall after layoff, shall increase in proportion to length of continuous service. However, for an employee to exercise their seniority as described in this Article, they must first show evidence of having the ability and qualifications to perform or ability to learn satisfactorily the job to which their seniority otherwise entitles.
- 8.2 **Seniority Defined.** Seniority is defined as the length of an employee's continuous service with the Company from their latest employment date and will apply in all cases of promotion, lay-off or recall to work.
- 8.3 Seniority shall be applied within the occupational groups set forth in Supplement "A" of this Article.
- 8.4 An occupational group will contain job classifications arranged by labor grade, that have normal promotional-demotional possibilities.
- 8.5 The occupational groups with explanations as prepared by representatives of the Company and the Union are included in Supplement "A".
- 8.6 Realizing that deviations of procedures set forth in paragraphs 8.14, 8.15 and 8.16 may be necessary to maintain efficient plant operations, it is further agreed that any deviations will be mutually agreed to by the Company and the Union.
- 8.7 **Temporary Dislocation.** Temporary Dislocation may not exceed sixteen (16) hours in any thirty (30) day period on the shift of the department so affected.

- 8.7A For those departments working the four day ten hour schedule temporary dislocation activity may not exceed twenty (20) hour in any thirty (30) day period.
- 8.7B The Company will invoke no more than twelve (12) temporary dislocation days during a rolling fifty-two week period.
- 8.8 Further, if an employee does not work under the provisions of Article 12, paragraph 12.2, sub-paragraph (A) and (B), such time not worked will not be counted as time lost under temporary dislocation.
- 8.9 It is not the intention of the Company to use the temporary dislocation provisions as a substitute for a planned reduction in the work force.
- 8.10 In the case of temporary dislocation, the seniority rules shall apply only within the job classification on the shift of the department so affected.
- 8.11 In the event that the limitation on the number or duration of the temporary dislocations or operation shutdowns is exhausted, the Company shall:
- (A) Invoke the layoff provisions of paragraphs 8.14 through 8.28 or;
 - (B) Pay the employees affected at their base or regular hourly rates or assign them to other work as provided under Article 9, paragraphs 9.3 and 9.4.
- 8.12 **Operation Shutdown.** An operation shutdown is a total or partial departmental shutdown which extends beyond two (2) days but is no longer than five (5) consecutive days in the department so affected.

- 8.13 The Company will invoke no more than four (4) partial or total operation shutdowns per department during a rolling fifty-two week period. In case of a partial departmental operation shutdown, the seniority rules shall apply to the job classification to be retained.
- 8.14 **Layoff.** For the purpose of this Agreement, the term layoff means an adjustment or a reduction in the work force involving the separation of employees from the active payroll, and does not include temporary dislocations of the working force.
- 8.15 In the event of a reduction in force, an employee may, in accordance with paragraph 8.1 of this Article, exercise their seniority within their own classification and then within classifications in the same labor grade or lower labor grade in their occupational group, ending with their movement to Group 8 or layoff.
- 8.16 In returning to work from layoff, the employee in accordance with paragraph 8.1, of this Article, is eligible to be recalled to work beginning with jobs in the plant-wide pool and then to jobs in the employee's original occupational group ending with their return to work in their regular classification. However, if an employee does not have the seniority to be recalled to their home classification and/or labor grade in the plant-wide pool, the employee will have the right to be assigned to a higher classification in the plant-wide pool, prior to the Company hiring new employees. The employee will remain in this classification until their seniority enables them to return to their regular classification.
- 8.17 In the event an employee is excess in the plant-wide pool and does not have the seniority to maintain their classification or a lower classification, prior to being laid-off the employee will be temporarily transferred to the highest classification in the plant-wide pool in line with their seniority. The employee will remain in this classification until their seniority enables them to return to their regular classification.

- 8.18 If an employee waives a classification and takes a voluntary lay-off in the course of a layoff, such waiver shall remain in effect only for the duration of the layoff and shall become void after the employee is returned to their last classification and/or regular classification.
- 8.19 After thirty-six (36) months of Voluntary Layoff, an employee will be contacted one (1) time by the Company if and when there is an open job, to be given the opportunity to return to the active payroll. The employee will be assigned to an open job prior to hiring new employees and after the Layoff/Recall Procedure and Pre-Job Bid System have been utilized. The employee will be assigned to the highest open job that he or she is qualified for in their occupational group or plant-wide pool ending with his or her home labor grade.
- 8.20 The employee will remain in the classification as assigned until the employee is recalled to their home classification per the Layoff/Recall Procedure or he or she Pre-Job Bids per his or her request.
- 8.21 The employee will not be eligible for an additional Voluntary Layoff until one of the following occurs:
- (A) The employee is recalled to their home classification and is later transferred out of said classification.
 - (B) The employee Pre-Job Bids and is later transferred out of said classification.
- 8.22 A Voluntary Layoff will not be granted by the Company for a semi or skilled classification until the employee is properly replaced. However, the Voluntary Layoff will be granted if the Company has not replaced the employee within ten (10) working days for the 5x8 schedule or eight (8) working days for the 4x10 schedule.

- 8.23 Prior to thirty-six (36) months, employees on Voluntary Layoff will have recall rights only to their home classifications. Also, if the employee refuses the opportunity to be returned to the active payroll after thirty-six (36) months, he or she will be entitled to be recalled to his or her home classification only.
- 8.24 Employees presently on Voluntary Layoff for thirty-six (36) months or longer will be contacted if and when job openings exist, in line with their seniority, to be given the opportunity to be reinstated per the above stated procedure.
- 8.25 The Company will give to the Union Committee and to the employees who will be affected forty-eight (48) hours advance notice in the event of a manpower move if five percent (5%) of the work force is affected.
- 8.26 The Company will give the Union Committee, and to the employees who will be affected forty-eight (48) hours advance notice in the event of a layoff. In the event of a layoff which will affect ten percent (10%) of the work force, the Company will give copies of the layoff list to the Union Committee seventy-two (72) hours in advance, and will notify the employees affected forty-eight (48) hours in advance.
- 8.27 Each time employees are recalled to work from layoff, the Company will give the Union Committee a list of the recalled employees.
- 8.28 An employee improperly laid-off or recalled under the provisions of paragraphs 8.14 through 8.28 only, shall have ten (10) working days from the date the error is known by the employee to file a grievance. A grievance settlement in favor of the employee affecting wages shall not exceed 30 days of retroactive adjustment from the date of the error and the Company will only be liable for the difference between the base pay to which the employee was enti-

ted and the base pay he or she earned at their other job, either with the Company or outside the Company.

8.29 **Seniority List.** The seniority list will be revised by the Company every ninety (90) days, and a copy given to each member of the Grievance Committee.

8.30 **Probationary Employees.** All new employees of the Company shall be considered probationary employees (except seasonal employees) until they have completed ninety (90) calendar days of continuous service with the Company, after which their seniority shall date from the first date of their latest hiring in the plant. The Company shall be the sole and exclusive judge of the ability and qualifications of a probationary employee.

8.31 If a probationary employee, who is laid-off or terminated prior to completing their probationary period is rehired within six (6) months from the date of their layoff, the employee must complete ninety (90) calendar days of continuous service from the date of their rehire. Under these circumstances, the employee's seniority will date from the date of the original employment.

8.32 **Continuous Service.** The length of continuous service of an employee means the aggregate length of the period or periods of active service with the Company in the bargaining unit unless such service shall be broken by one or more of the following events, in which case it means the aggregate length of the period or periods of active service subsequent to the last such break in service.

(A) The employee voluntarily resigns from the Company.

(B) The employee is discharged by the Company.

- (C) The employee fails, while laid-off, to communicate with the Company within three (3) calendar days after the date on the return receipt of the certified letter sent by the Company, unless such failure is excused by the Company on account of sickness, or other satisfactory cause. The Company shall be considered to have fulfilled its obligations to give the notice called for in paragraphs 8.32 and 8.33 by sending a certified letter, return receipt requested, to the laid-off employee's address as shown on the Company's records.

- (D) The employees' continuous absence from active employment by the Company for a period of more than thirty-six (36) months for any cause whatsoever except military service, and absences caused by accidents occurring on the Company's premises, in which latter case such employee shall accumulate credit for continuous service until the termination of the period for which statutory compensation is payable.

8.33 At the end of thirty-six (36) months of continuous absence from active employment, employees having a seniority date prior to April 25, 1999 shall continue to have recall rights for twenty-four (24) additional months, but their seniority will not accumulate beyond the thirty-six (36) months.

8.34 **Transfers (Pre-Job Bidding).** The provisions of this section shall apply to an employee's initial bid to transfer to an open job in a different classification or to a lateral transfer to a different department. Lateral transfer to a different department will be unlimited. Employees bidding to different classifications will be subject to the limitations of (E) below. An employee who desires to bid or transfer may do so in writing to the Human Resources Department subject to the following.

- (A) The Company agrees to post a bulletin indicating the cutoff date and listing requisitions prior to the Human Resources Department writing a manpower move. The minimum posting period will be forty-eight (48) hours. It is understood that employees submitting Job Bids to these initial openings listed on this bulletin will not necessarily be transferred since employees who are excess or have recall rights have first preference.
- (B) If the bid to transfer is to a different classification, the employee may be interviewed prior to the job being filled to determine their ability and qualifications to perform the work for which he or she is bidding.
- (C) A copy of the bid to transfer will be provided to the employee at the time the employee submits a bid.
- (D) An employee may not have more than three (3) requests for lateral transfers and not more than three (3) bids for transfers to a different classification at any one time. If awarded a transfer the employee will be given the highest paying job, provided the employee meets all the applicable qualifications for the following classifications: Production Support Associate, Precision Inspector B, Group Leader and Apprentice.
- (E) An employee granted a transfer to a different classification, in occupational groups 1 through 7, will not be eligible to transfer again until the employee has completed a minimum of six (6) months in that classification.
- (F) At the conclusion of the manpower move, all bids will be destroyed.

- (G) Any employee requesting a transfer must have completed a minimum of six (6) months service with the Company.
- (H) A probationary employee may be unilaterally transferred by the Company if no bids for transfer were submitted and the job is designated for a new hire.
- (I) Any employee who is transferred per their request to a different classification in groups 1 through 7 and is later transferred as a result of the Layoff/Recall Procedure within six (6) months will be allowed to transfer without being subject to (E) above.

8.35 When a job opens, except for the provisions listed in paragraphs 8.36 and 8.37, it will be filled by either an employee having a Pre-Job Bid on file for a transfer under (Different Classification) or (Same Classification), depending upon which employee has the greater seniority. If the job is not filled in this manner, it will be filled by the transfer of a qualified employee within the plant. In filling a job in either of the above ways, the employee to be transferred will be moved provided that there is a qualified replacement available for semi and skilled classifications (This is not meant to permanently retain an employee in a job classification). Only employees in occupational groups 1 through 7 will be retained for up to two (2) weeks in order to provide a training opportunity or a qualified replacement. Employees in group 8 will be released immediately.

8.36 The provision in paragraph 8.35 addressing transfers to different classifications shall only apply when there is no employee working outside of their own classification as a result of layoff who has recall rights to return to their own classification.

8.37 When a job opens, and there are employee(s) out of the classifica-

tion, the job(s) will be filled first by lateral transfers. Any remaining open job(s) will be filled by individuals being recalled to their home classification. Only after all employees are recalled to their home classification will pre-job bids be accepted.

- 8.38 The name, seniority date and department of employees transferred to jobs under this section will be posted on the bulletin board after each manpower move.
- 8.39 Unless an employee who has been qualified for a job under paragraph 8.34 (B) of this section withdraws the application for transfer prior to the posted cut off time, the employee shall be required to accept the transfer.
- 8.40 When a classification is established, either as the result of a new or changed operation or the creation of a new department, and/or a department begins an additional shift, a notice of such action will be posted on the bulletin board and bids honored.
- 8.41 **Shift Preference.** At the time of a work force adjustment which results in the employee being transferred, or when an employee has been transferred to an open job by means of a Pre-Job Bid, the employee will have shift preference in line with their seniority. The Company will notify the employee in advance of the transfer whenever possible, so that the employee can indicate shift preference prior to the effective date of transfer. If advance notice is not possible, the employee will be given the right to exercise shift preference within three (3) days of the effective date of the transfer, and the Company will make the change as soon as possible and practicable.
- 8.42 During a manpower adjustment affecting a department, employees assigned to the department affected will be given an opportunity to change shift in line with their seniority within three (3) days of the date of the manpower move.

- 8.43 **Job Disqualification.** If as a result of a physical condition brought about by injury or illness, and the employee is no longer able to meet the requirements of their job to the satisfaction of the Company, the employee may request a transfer, or the Company may initiate action to transfer the employee, to a job which the employee can perform to the satisfaction of the Company, and to which their seniority otherwise would entitle them, as provided for in paragraphs 8.1 through 8.6 of this Article, commencing with classifications in the same or lower labor grades within their occupational group.
- 8.44 In considering such a transfer, the Company will require the employee to take a physical examination if this action is indicated based upon the employee's previous performance on their present job, the employee's records in the Company's Medical Department, and in those cases in which there is an obvious indication that the judgment of the Company's doctor is required before making a decision on the transfer.
- 8.45 If an employee is disqualified from their job because of failure to perform the assigned work as required for any reason, except as provided in paragraphs 8.43 and 8.44, the employee shall be given the opportunity to transfer to an open job which he or she can perform to the satisfaction of the Company, and to which their seniority otherwise would entitle them. If there are no open jobs available, the employee will then have the opportunity to replace only the least senior employee in the Plant-Wide Pool Occupational Group.
- 8.46 **Transferring Out of Unit.** Effective May 1st, 2002, an employee with seniority in the bargaining unit transferring out of the bargaining unit prior to or after the effective date of this Agreement, shall continue to accrue seniority, and commence work as an hourly rated employee in line with his or her seniority ranking and in accordance with the provisions of this Article, provided, the

employee is transferred back to the unit within seven (7) months after transferring out of the unit.

8.47 If the employee again transfers out of the bargaining unit and once again is transferred back to the unit within seven (7) months, he or she shall commence work as an hourly rated employee with his or her seniority ranking in accordance with the provision of this Article. If the employee transfers for a third time to a position out of the bargaining unit, and thereafter is transferred back to the unit, the employee shall commence work as an hourly rated employee with no seniority ranking regardless of the length of time out of the unit.

8.48 Employees with seniority in the bargaining unit transferring out of the unit after the effective date of this agreement, and remaining out of the unit for seven (7) consecutive months or more, and is thereafter transferred back into the bargaining unit shall commence work as an hourly rated employee with no seniority ranking.

8.49 **Production and Maintenance Work.** All production and maintenance work shall be performed only by employees in the bargaining unit, except for purposes of instruction, demonstration, performing work of an experimental nature, checking the safeness of an operation and in case of an emergency where an employee is not available to do such work. The Company pledges its full cooperation to prohibit violations of paragraphs 8.49, 8.50 and 8.51 and will instruct all non-bargaining unit personnel on the seriousness of its intent and the requirement for everyone to follow the provisions of paragraphs 8.49, 8.50 and 8.51.

8.50 To enable the Company to keep its production abreast of scientific and technical changes, the Company may, from time to time, providing this will not affect the tenure of employment for the regularly assigned employees, hire, transfer, train, and assign duties to technical men or women, or others who in the opinion of

the Company, may be qualified for that purpose. Any violation of this provision should immediately be brought to the attention of the Production Manager.

- 8.51 The above shall not be used to displace any employee regularly assigned to such job, or to keep from placing an employee on such job.

ARTICLE 9 RATES OF PAY AND CLASSIFICATIONS

- 9.1 **Job Classification.** The job classifications and rates of pay shall be set forth in Appendix A attached hereto and made a part of this Agreement. These job classifications and rates of pay shall remain in effect during the life of this Agreement, except as changed in accordance with paragraphs 9.12 and 9.13, Base Rates, of this Article.
- 9.2 The base rates shown in Appendix A will remain in effect for the life of the Agreement.
- 9.3 **Temporary Transfers.** During the period of a temporary transfer made at the Company's request not to exceed twenty (20) consecutive calendar days, the employee selected shall receive the base hourly rate of pay applicable to the job from which he or she is transferred or the corresponding rate of pay applicable to the job to which he or she is transferred, whichever is higher. If such temporary transfer is to a higher labor grade, employees will be asked to transfer based upon their seniority in the classification selected. However, if the transfer is to the same or lower labor grade, the junior employee will be assigned to the temporary transfer based upon the classification from which the employee is selected.

- 9.4 After an employee is assigned to the same job for twenty consecutive calendar days by means of a temporary transfer, the job shall be considered a permanent opening and subject to be filled as an open job under the provisions of Article 8, Seniority, paragraphs 8.34 through 8.40, Transfers, except as provided under Article 24, paragraph 24.6.
- 9.5 **Incremental Increases.** Progressive incremental increases as outlined in Appendix "A", shall be effective on the preceding Monday if the increase is due to be effective on a Tuesday. The incremental increase will be effective the following Monday, if the increase is due to be effective on a day falling during the remainder of the week. If the incremental increase is due to be effective on a Monday, it will become effective on that Monday.
- 9.6 When an employee is transferred under the provisions of Article 8, paragraphs 8.34 through 8.40, Transfers, the employee shall receive the next higher incremental wage rate in the event of a transfer to a different pay grade; or the maximum wage rate in the event of a transfer to a different pay grade where the employee's old pay rate exceeds the maximum of the new pay grade; or the same wage rate in the event of a transfer to same pay grade.
- 9.7 In the event an existing classification is eliminated through job evaluation and is replaced by a new classification, the incumbents transferring to the new classification will be paid according to the same step in the rate progression table that the employee maintained in the obsolete classification.
- 9.8 **Group Leader.** Employees classified as group leaders will receive an additional \$1.50 per hour pay above the highest classification in the occupational group in which they lead.
- 9.9 Group leaders will be selected based upon the employees' knowledge, skill and ability to do the job with consideration given to

seniority. An employee desiring to be a group leader must fill out a group leader application form at the hourly Human Resources department. Upon completing the application, the employee will be interviewed and selected for the position by the Group Leader Selection Committee, which will include the Cell Manager, Labor Relations Manager, Union President and Chairman of the Union Grievance Committee or their designee. Group leader overtime will be handled under the normal rules of overtime.

- 9.10 **Group Leader Seniority Rights.** Group leaders will have bumping rights only within their occupational group. If for any reason a group leader is bumped out of their group into group 8, they will bump into the Production Associate "A" classification, unless they can demonstrate to the selection committee that they possess the knowledge, skill and ability to perform all elements of the Production Associate "A" classification, in which case they could retain group leader status.
- 9.11 Employees currently occupying the group leader classification will remain in this classification provided they complete the Group Leader Training Program scheduled.
- 9.12 **Base Rates.** Whenever it shall become necessary for the Company to establish a new base hourly wage rate, or to adjust an existing base hourly wage rate for reasons such as: the creation of a new job, the development of new manufacturing processes, substantial changes in equipment of job content, or improvements brought about by the Company in the interest of improved methods and products, the Company shall establish or adjust such base hourly rates in proper relationships to rates paid for similar or comparable jobs within the plant.
- 9.13 A rate so established by the Company shall be subject to adjustment where it is found to be incorrect, and such adjustment shall be made effective the date the employee was assigned to the new

or changed job. If, after a thirty (30) day trial period, a grievance shall be filed by an employee holding such job, alleging that such rate does not bear fair relationship to the base hourly wage rates established for other jobs in the plant, the matter shall be handled in accordance with the Grievance Procedure including arbitration as set forth in Article 16 of this Agreement. It is agreed, however, that no such grievance shall be deemed to exist unless notice thereof shall be filed within the period commencing thirty (30) days and ending sixty (60) days after such rate shall have become operative.

9.14 General Increases:

Effective April 29, 2002	\$0.45
Effective April 28, 2003	\$0.45
Effective April 26, 2004	\$0.55

ARTICLE 10 HOURS OF WORK

- 10.1 **Hours of Work.** The regular hours of work are eight (8) hours per day or forty (40) hours per week. The work week shall begin at 12:01 A.M., Monday and end at midnight the following Sunday.
- 10.2 The Company may elect to schedule some departments, or employees within a department, to a four (4) day week, consisting of ten (10) consecutive scheduled working hours each day. In such event, overtime rates will not apply until after the completion of the ten (10) regularly scheduled working hours. The Company will provide the Union sixty (60) days notice prior to implementing this schedule.
- 10.3 The foregoing does not constitute any guarantee of hours of work

per day or per week, nor does it limit the right of the Company to require employees to work any specified number of hours, either per day or per week.

- 10.4 **Overtime Equalization.** It is recognized that emergency requirements for overtime work are inherent in certain departments such as Maintenance, Tool Room, Receiving, Shipping and other service functions, and that in these instances, and in emergency situations involving employees in other departments, it may not be possible to give employees advance notice of a requirement of overtime work.
- 10.5 On the other hand, in all cases in which the Company is able to anticipate a need to work overtime, employees shall be told before the end of the current shift if they are required to work overtime on the next scheduled shift. Also, if overtime is scheduled for Saturday or Sunday, the employees, who will be required to work overtime will be told before the end of the shift on Thursday. In addition, for those employees on the four (4) day ten (10) hour schedule and required to work overtime on Friday, Saturday or Sunday, they will be told before the end of the shift on Wednesday.
- 10.6 If a change in the overtime schedule becomes necessary during the regular work week including Friday, Saturday or Sunday work, such notice shall be given to employees at least two (2) hours prior to the completion of the regular shift unless the overtime schedule is canceled because of a breakdown of equipment or Act of God.
- 10.7 Overtime work in each department will be divided as evenly as possible during the year, by classification and by shift, with the Company agreeing to limit the out of balance at one time between the employee having the most overtime hours worked and employee having the least overtime hours worked to eleven (11)

hours on any one shift and twenty-two (22) hours between shifts, when the department is normally operating on a 4 x 10 schedule. Should the department be operating on a 5 x 8 schedule, the out of balance limits will be nine (9) hours on any one shift and eighteen (18) hours between shifts. In addition to the above, in the event that a mistake in the scheduling of overtime is brought to the attention of the Supervisor by the employee and his or her steward one (1) hour prior to the end of the shift and no action is taken to correct the error, the employee will be paid.

- 10.8 For purposes of dividing overtime work, overtime charges will be made in accordance with the charging of overtime rules mutually agreed upon between the Company and the Union.
- 10.9 **Overtime.** The Company will pay one and one-half (1 1/2) times an employee's base hourly rate for time worked by an employee based on his or her work schedule as follows: for five (5) eight (8) hour days - in excess of eight (8) hours in any one day, for four (4) ten (10) hour days - in excess of ten (10) hours in any one day.
- 10.10 The Company will also pay one and one-half times an employee's base hourly rate for time worked by an employee on Friday if the employee is on a ten (10) hour schedule, or on Saturday if the employee is on an eight (8) hour schedule. This provision does not apply to any employee whose regular work schedule concludes with the fifth working day extending into a Saturday morning.
- 10.11 Overtime and premium payments shall not be pyramided.
- 10.12 **Overtime Pay.** The Company will pay two (2) times an employee's base hourly rate for time worked by an employee on Sunday. However, there will not be any payment of double time when the regular scheduled eight (8) hours shift extends into either a Sunday or a Holiday. If overtime is scheduled beyond the regular

eight (8) hours and extends into either a Sunday or a Holiday, such overtime will be paid for at two (2) times the employee's base hourly rate.

- 10.13 **Shift Premium.** Employees reporting to work on the second (2nd) shift shall receive twenty (20) cents per hour premium for all hours worked on the second (2nd) shift.
- 10.14 Employees reporting for work on the third (3rd) shift shall receive twenty (20) cents per hour premium for all hours worked on the third (3rd) shift.
- 10.15 Employees commencing work or called in to work on shifts starting between the hours of 12:00 noon and 10:00 P.M. will be paid the second (2nd) shift premium. Employees commencing work or called in to work on shifts starting between the hours of 10:00 P.M. and 5:30 A.M. will be paid the third (3rd) shift premium.
- 10.16 Any first shift employee who works twelve (12) consecutive hours or more on his or her shift will receive second (2nd) shift premium commencing with the ninth (9th) hour of work. For those employees working fourteen (14) hours on a ten (10) hour schedule, second (2nd) shift premium will commence with the eleventh (11th) hour of work.
- 10.17 **Work Schedule.** Each employee is expected to begin his or her work on schedule and to continue their work until the completion of the scheduled shift. An employee shall ring in his or her attendance card or badge no earlier than fifteen (15) minutes before the starting time of their shift, and shall ring out their attendance card no later than fifteen (15) minutes after the end of his or her shift, unless authorized by the foreman.

ARTICLE 11 MILITARY SERVICE

- 11.1 Any employee who is called or volunteers to serve in the Armed Services of the United States Government shall, upon discharge or separation from such service under the conditions provided by law be reinstated to their former job and shift, if applicable, or a like job at its current status with full accumulated seniority, providing he or she is physically fit to perform the work and the Company has work available for which they are qualified. Any such employee must apply for reinstatement within ninety (90) days after the date of the discharge or separation from the Armed Services. In the event he or she became disabled while in such government service and is physically unfit to perform their regular work, the Company will place them in any available job that they are capable of doing satisfactorily. Employment rights shall be in accordance with the Selective Training and Service Act at the time of the discharge or separation from service.
- 11.2 Members of the Armed Forces Reserves and National Guard shall be granted a leave of absence for a period no longer than the two (2) week "Summer Training Program". Such employee shall receive the difference between eight (8) times their base hourly rate or ten (10) times their base hourly rate, as applicable, and their military pay for each normal workday, up to two (2) weeks. Such payment will also be applicable to emergency call-ups for a period not to exceed two (2) weeks. The employee will present proof of attendance and of the amount of pay received from the military.

ARTICLE 12 MINIMUM PAY GUARANTEES

- 12.1 **Reporting Pay.** Except as otherwise provided in paragraph 2.2 of

this Article, if any employee shall be required by the Company to report for work on any day and the employee shall report at the time and place at which he or she was required so to report and shall not be put to work, or actually begins to work and works less than one half (1/2) their normally scheduled hours, the employee will be paid four (4) hours if normally scheduled to work a five (5) day, eight (8) hour work schedule or five (5) hours if normally scheduled to work a four (4) day, ten (10) hour work schedule. For days which are not normally scheduled work days, the reporting pay will be one half (1/2) of the posted hours scheduled for that day but not less than four (4) hours nor more than five (5) hours. At the Company's discretion, the employee may be assigned and shall perform other work.

12.2 **Exceptions.** The provisions of the foregoing paragraph 12.1 shall not apply:

(A) In any case in which an employee's request to be excused from work is granted by the Company or in any case in which an employee, because of his or her own fault is not put to work or is suspended or terminated for disciplinary reasons after having been put to work, or

(B) In any case in which any employee shall be laid off, after having been put to work, by reason of any strike, slow-down, or other stoppage of work in connection with any labor dispute, or Act of God.

12.3 **Call-In Pay.** If an employee is recalled to work from their home after having worked his or her regularly scheduled hours, either eight (8) or ten (10), whichever is applicable, previously in the day, to perform work in any emergency, the employee shall be paid at the rate of time and one-half (1/2) for the hours worked, but in no case shall they be paid less than four (4) hours if their

normally scheduled work day is eight (8) hours or less than five (5) hours if their normally scheduled work day is ten (10) hours at the rate of time and one half.

- 12.4 If an employee is called into the plant for work in an emergency on Saturday, Sunday or a Holiday, they shall be paid at the premium rate required for the hours worked, but in no case shall they be paid less than four (4) hours if their normally scheduled work day is eight (8) hours or less than five (5) hours if their normally scheduled work day is ten (10) hours at the premium rate for the day involved.

ARTICLE 13 HOLIDAYS

- 13.1 **Paid Holidays.** The following days shall be considered holidays regardless of the day of the week on which such holiday falls. When any of the following enumerated holidays fall on Sunday and the day following is observed as the holiday by the State or the Nation, it shall be paid as such holiday. Any holiday falling on Saturday will be celebrated on the Friday before such holiday.

New Years Day
Good Friday
Memorial Day - as celebrated in Indiana
Independence Day
Labor Day
Thanksgiving Day - as celebrated in Indiana
Friday after Thanksgiving Day
Christmas Day

- 13.2 During the term of this agreement, the holiday schedule (including four (4) designated floating holidays) is as follows:

5/27/02	5/26/03	5/31/04
5/28/02	5/27/03	6/1/04
7/4/02	7/4/03	7/5/04
9/2/02	9/1/03	9/6/04
11/28/02	11/27/03	11/25/04
11/29/02	11/28/03	11/26/04
12/24/02	12/24/03	12/23/04
12/25/02	12/25/03	12/24/04
12/31/02	12/31/03	12/31/04
1/1/03	1/1/04	1/3/05
1/20/03	1/19/04	1/17/05
4/18/03	4/9/04	3/25/05

- 13.3 For the employee normally scheduled to work the four (4) day ten (10) hour work schedule, and not scheduled to work on a holiday, the amount of holiday pay will be based upon the number of hours worked during the last full payroll week immediately preceding the holiday, including shift differential, divided by the days worked, but in no case more than four (4) days, then multiplied by the employee's base hourly rate, but in no case less than ten (10) hours including shift differential, multiplied by his or her base hourly rate, provided the holiday falls on a normally scheduled work day. The employee will be paid eight (8) hours times their base hourly rate including shift differential for a holiday which falls on a day not normally scheduled.

Employees are required to work the scheduled shift before or the scheduled shift after a holiday to be eligible for holiday pay. Excuses provided by the Agreement will not disqualify an employee from holiday pay.

- 13.4 For the employee normally scheduled to work the five (5) day eight (8) hour schedule, and not scheduled to work on a holiday, the amount of holiday pay will be based upon the number of hours

worked during the last full payroll week immediately preceding the holiday, including shift differential, divided by the days worked, but in no case more than five (5) days, then multiplied by the employee's base hourly rate, but in no case less than eight (8) hours including shift differential, multiplied by his or her base hourly rate.

- 13.5 An employee will be eligible for holiday pay if he or she works one (1) of the two (2) qualifying days during the week in which the employee is either laid-off or recalled.
- 13.6 **Notice to Work.** If a holiday falls on Friday or Monday, an employee is to be notified one (1) week in advance if they are to work on that Friday or Saturday.
- 13.7 **Working a Holiday.** An employee who works on any of the above named holidays will be paid the holiday pay to which they are entitled, plus double time for actual hours worked.
- 13.8 **Failure to Report.** An employee who agrees to work and is scheduled to work on a holiday, and who fails to report for work, will receive no pay for the holiday.
- 13.9 **Computing Overtime.** For the sole purpose of computing overtime, a holiday named in this Article, which is not worked, will be counted as a day worked except where an employee agrees to work and is scheduled to report for work on the holiday and fails to do so.
- 13.10 **Holiday Hours Defined.** The above-named holidays shall be consecutive twenty-four (24) hour periods beginning and ending on the holidays enumerated above.
- 13.11 **Holiday Basing Period.** The period to be used in calculating days worked for the employee will be the most recent full week

the plant worked prior to the week in which the holiday occurs. For this purpose, a "full week" is one in which neither a holiday nor a complete shutdown to the plant occurs. This procedure will apply except when an employee is returning from regular vacation or an SVP vacation. In such cases, the computation will be based upon the last full week the employee worked.

ARTICLE 14 VACATIONS

- 14.1 **Vacation Policy.** *During the term of this Agreement, the Company will grant vacations with pay to the eligible employees in accordance with the following plan.*
- 14.2 **Vacation Plan.** *The Company agrees to formulate and issue information about the vacation plan for each of the following business units: Manufacturing, Distribution Center, in any year on or before March 1st. Normally the Distribution Center will not have a vacation shutdown. Normally the plant will shutdown for a period of two weeks sometime between June 1st and September 1st during which all employees will take their vacations. It is understood that because of planned maintenance functions or unusual operating conditions, it may be necessary to schedule a limited number of employees for vacations at times other than during the plant shutdown. In addition, it may be necessary to schedule that portion of an employee's vacation that extends beyond two (2) weeks at times other than during the plant shutdown. In these cases, the employee will schedule vacations as far in advance as possible.*
- 14.3 *Any holiday that should occur during an employee's vacation will entitle them to time off at a future date, if so desired. Such time off will be scheduled as far in advance as possible by the employee.*

- 14.4 **Vacation Eligibility.** To be eligible for a vacation with pay, an employee must be a full-time regular employee on the payroll as of June 1st. An employee with less than five (5) years of continuous service since his or her latest employment date with service calculated as of August 31st must also have worked a minimum of one thousand (1,000) straight time hours during the basing period which is the fifty-two (52) completed payroll weeks immediately preceding June 1st of the vacation year. An employee with less than five (5) years of service, not on the payroll June 1st, will nonetheless be eligible if he or she is absent on June 1st because of illness, disability, or layoff; but the period of absence does not exceed sixty (60) consecutive calendar days.
- 14.5 During the basing period, all overtime hours worked, all holidays not worked, all vacation hours not worked, and all hours lost due to compensable injury or sickness under the Workmen's Compensation Act shall be counted as "hours worked" for the purpose of meeting the one thousand (1,000) hours minimum service requirement. For the employee, in building up the one thousand (1,000) hour minimum service requirement, a week of vacation not worked will be credited as forty (40) hours; each additional day of vacation not worked will be credited as eight (8) hours, or ten (10) hours depending upon the employee's shift.
- 14.6 Employees with more than five (5) years of service as previously defined will be eligible for their vacation entitlement by being on the active payroll as of June 1 of any year, provided, however, that such an employee who is not on the active payroll as of June 1 shall nevertheless be eligible if he or she meets either of the following conditions:
- (A) the employee has worked five hundred (500) straight time hours during the basing period which is fifty-two (52) completed payroll weeks immediately preceding June 1 of the vacation year; or,

- (B) the employee is absent on June 1st because of illness, disability or layoff, but the period of absence does not exceed sixty (60) consecutive calendar days.

- 14.7 A reinstated veteran returning from military service will be eligible for a vacation with pay if he or she returns to work prior to the vacation shutdown.
- 14.8 **Vacation Entitlement.** The number of days of vacation with pay will depend upon the number of years of continuous service since latest employment date with service calculated as of August 31st.

Years of Continuous Service Since Latest Employment Date Determined as of August 31	Vacation Entitlement
1 Year	1 Week
2 Years	2 Weeks
3 Years	2 Weeks
4 Years	2 Weeks
5 Years	2 Weeks
6 Years	2 Weeks and 1 Day
7 Years	2 Weeks and 2 Days
8 Years	2 Weeks and 3 Days
9 Years	2 Weeks and 4 Days
10 Years	3 Weeks
11 Years	3 Weeks
12 Years	3 Weeks
13 Years	3 Weeks
14 Years	3 Weeks
15 Years	3 Weeks
16 Years	3 Weeks and 1 Day
17 Years	3 Weeks and 2 Days
18 Years	3 Weeks and 3 Days
19 Years	3 Weeks and 4 Day
20 Years	4 Weeks

21 Years	4 Weeks
22 Years	4 Weeks
23 Years	4 Weeks
24 Years	4 Weeks
25 Years and Over	5 Weeks

14.9 For the employee, vacation pay for a week will be their base hourly rate multiplied by the average hours of the days worked per week during the thirteen (13) completed payroll weeks immediately preceding June 1st, but in no case, less than forty (40) hours, multiplied by their base hourly rate. Similarly, for each additional day of vacation, the employee's pay will be their base hourly rate, multiplied by the average hours worked per week during the thirteen (13) completed payroll weeks immediately preceding June 1st, but in no case, less than eight (8) hours, multiplied by their base hourly rate as of June 1st of the vacation year. In this connection, the average hours worked per day will be obtained by dividing the hours worked per week by the days worked, but in no case more than five (5) days. Shift premium will be added to this calculation, if applicable.

14.10 **Termination.** If between June 1st and September 30th, an employee is laid off, or their services are terminated after having become eligible for a paid vacation which they have not yet taken, the employee shall receive their vacation check at the time he or she leaves.

ARTICLE 15 SAFETY AND HEALTH

15.1 **Company Obligations.** The Company will continue to make reasonable provisions for the safety and health of its employees, maintain proper working conditions, and shall make available to its employees protective devices and equipment as required by the

laws and regulations of the State of Indiana and/or federal laws.

- 15.2 An employee injured while carrying out assigned work on Company premises shall be offered an escort and transportation when it is necessary to take the employee to a doctor, hospital, or clinic for treatment. On the day of the injury, the employee will be paid at the applicable hourly rate for the time lost from their scheduled work hours while receiving medical treatment. Any revisits required as the result of the initial injury shall entitle the employee to be paid at their base hourly rate for time lost from regularly scheduled work.
- 15.3 **Union Obligation.** The Union agrees to cooperate with the Company in encouraging its employees to observe such reasonable safety regulations as the Company may prescribe.
- 15.4 **Joint Committee.** The Company and the Union agree to form and maintain a cooperative Safety Committee made up of representatives from each. Membership will consist of four (4) representatives designated by each. The committee may be enlarged by mutual agreement of the parties should circumstances warrant. The committee may designate subcommittees as necessary to augment the process if required. Monthly meetings will be held on an agreed upon date in an effort to promote a safe and healthful work environment.
- 15.5 Through active participation and cooperation the committee will strive to increase employee education and awareness while recommending improvements in plant operations conducive to accident prevention and the safeguarding of employees.
- 15.6 The Indianapolis facility is smoke free. Designated smoking areas can be found outside the building and smoking will be limited to such areas.

ARTICLE 16 GRIEVANCE PROCEDURE

- 16.1 **Filing a Grievance.** During the life of this Agreement, any dispute between the Company and the Union or any employees as to the application or interpretation of the provisions of this Agreement shall be subject to adjustment in the manner provided for herein. Any alleged grievance not filed in writing within ten (10) working days from the date the incident occurred may not be processed through the grievance procedure, except where a longer period is specifically provided for in this Agreement.
- 16.2 **Step No.1** Any employee, believing that they have suffered a grievance through improper application or interpretation of this Agreement may, with or without the steward or committeeman at interest in their building area, present the grievance to the foreman of the employee's department. If a satisfactory settlement is not reached within two (2) working days, the grievance is to be written and given to the foreman who will give a written answer within two (2) working days. Following receipt of the foreman's decision, the Union shall have two (2) working days in which to either accept the decision or appeal to the next step in the grievance procedure.
- 16.3 **Step No. 2** The grievance will be considered at a meeting between the department steward, the grievance committeeman (or committeemen) at interest in the building, the President of the Union and the Chairman of the Grievance Committee, and the Foreman and the Superintendent within two (2) working days from the date of appeal. After the date of the meeting, the Company shall have three (3) working days in which to give its written decision. Following receipt of the Company's decision, the Union shall have three (3) working days in which to either accept the decision or appeal to the next step in the grievance procedure.

- 16.4 **Step No. 3** The grievance will be considered at a meeting *between the Grievance Committeemen at interest in the building*, the President of the Union, the Chairman of the Grievance Committee, the Superintendent, the Production Manager, and the Labor Relations Manager, within three (3) working days from the date of appeal. After the date of the meeting, the Company shall have three (3) working days in which to give its written decision. Following receipt of the Company's decision, the Union shall have three (3) working days in which to either accept the decision or appeal to the next step in the grievance procedure.
- 16.5 **Step No. 4** The grievance will be considered at a meeting between the Grievance Committee, with the International Representative in attendance, the Plant Manager, the Labor Relations Manager, *and/or their other designated representatives*. After the date of the meeting, the Company shall have three (3) working days in which to give its written decision. Following receipt of the Company's decision, the Union shall have five (5) working days in which to either accept the decision or appeal to the next step in the grievance procedure.
- 16.6 **Time Limit.** At any of the four (4) steps described in paragraphs 16.2 through 16.5, if the Union fails to appeal the Company's decision *within the specified time limit*, the grievance shall be considered settled on the basis of the Company's decision.
- 16.7 At any of the four (4) steps described in paragraphs 16.2 through 16.5, *if the Company fails to meet or give its decision within the specified time limit*, the grievance shall be considered settled in favor of the aggrieved employee.
- 16.8 Settlement of a grievance by the failure of either the Company or the Union to comply with the time limits specified in paragraphs 16.2 through 16.5 shall not constitute a precedent in any other case.

- 16.9 At any of the four (4) steps described in paragraphs 16.2 through 16.5, the time limit can be extended by mutual agreement of the Company and the Union.
- 16.10 **Arbitration.** Within the five (5) working days provided in Step No. 4, paragraph 16.5 for an appeal from the Company's decision in Step No. 4, the Union may submit the grievance in arbitration by the giving of written notice of intention to arbitrate said grievance. The arbitrator shall be chosen, within ten (10) working days from the time that the Union gives such written notice in the following manner.
- 16.11 **Step No. 5** The Company and the Union shall each appoint a person for the purpose of selecting an arbitrator. In the event the two (2) representatives are unable to select an arbitrator within five (5) working days from the date they shall have been appointed, either party may thereupon request the Federal Mediation and Conciliation Service to designate an impartial arbitrator to hear and determine such grievance. The decision of the arbitrator shall be final and conclusive on both the Company and the Union. The fees and expenses of the arbitrator will be paid one-half (1/2) by the Company and one-half (1/2) by the Union.
- (A) The arbitrator shall have jurisdiction only as to the application or interpretation of any meaning of this Agreement.
 - (B) The arbitrator shall have no power to add to, or subtract from or modify any of the terms of this Agreement, and the arbitrator shall have no power to determine standards of production.

ARTICLE 17
BULLETIN BOARDS

- 17.1 The Company agrees to furnish an adequate number of bulletin boards to the Union and permit the Union to post on these bulletin boards, such announcements and notices of the Union, as from time to time may be submitted, by the President of the Union, to the Human Resources Department of the Company for such purposes concerning meetings of the Union, holding and results of elections, appointments to office, and social, educational or recreational affairs of the Union, provided, however, that nothing herein shall be deemed to require the Company to post any announcements or notices containing anything offensive or political or controversial or reflecting upon the Company or any of its employees.

ARTICLE 18
INSURANCE PLAN

- 18.1 *The parties agree that notwithstanding any provisions of the Agreement, Summary Plan Description, Insurance Agreements, or any plan documents to the contrary, that the active employee benefit levels referenced in this article will not be adjusted or lowered for the duration of this agreement, unless agreed to by both the Company and the United Steelworkers of America. It is understood that any plan changes required to conform to recent or future legislation shall be made, in accordance with the law.*

During the life of this agreement, the group insurance plan will consist of the following items:

Life Insurance

Effective 04/29/2002	\$29,000
Effective 04/28/2003	\$30,000
Effective 04/26/2004	\$31,000

Spouse Life Insurance	\$5,000
Dependent Life Insurance	\$2,000
Accidental Death & Dismemberment	
Effective 04/29/2002	\$29,000
Effective 04/28/2003	\$30,000
Effective 04/26/2004	\$31,000
Weekly Accident & Sickness Benefit	
Effective 04/29/2002	\$245.00
Effective 04/28/2003	\$250.00
Effective 04/26/2004	\$255.00

Medical Coverage See 18.11

Dental Coverage See 18.12

Benefits incurred on or after 7/01/2004 provided under the improved schedule presented to the Union on April 16, 2002. Effective July 5, 1999, the annual maximum benefit allowance per covered person for class II and class III services combined will be increased from \$1250 to \$1500.

Retiree Life Insurance	
Fully paid by Company	\$2,000
Early Retiree Health Care Plan	
Plan Maximum	\$1,500,000

- 18.2 Health care plan provided for those employees (and their eligible dependents) retiring prior to age sixty-five (65), will be provided a fixed contribution by the Company toward coverage, up to age sixty-five (65) and/or the time the retired employee and/or spouse becomes eligible for Medicare.

- 18.3 Life Insurance, Accidental Death and Dismemberment Insurance will be provided for those employees and their dependents who qualify for Disability Retirement subject to the waiver of premiums by the insurance carriers. Life Insurance and Accidental Death and Dismemberment Insurance coverage will be provided for those employees receiving a disability retirement prior to age sixty-five (65) up to the age of 65.
- 18.4 The weekly employee contributions for medical coverage through the Company's Managed Care Medical Plan will be:

Employee Contributions - Medical Plan

	CIGNA	
<u>Time Frame</u>	<u>Single</u>	<u>Family</u>
4/28/02 - 6/30/02	\$5.00	\$12.75
7/1/02 - 5/1/05	\$6.50	\$16.58

The weekly employee contributions for medical coverage for those employees electing an available Health Maintenance Organization (HMO) will be determined in accordance with the Letters of Understanding - HMO Offering." (Letter M)

Life, AD&D, S&A 100% Company provided

Employee Contributions - Dental Plan

<u>Time Frame</u>	<u>Single</u>	<u>Family</u>
7/1/02 - 6/30/03	\$0.50	\$1.25
7/1/03 - 6/30/04	\$1.00	\$2.50
7/1/04 - 5/1/05	\$1.50	\$3.83

- 18.5 Employees retiring early on or after May 1, 1993 will be eligible for the Defined Dollar Benefit provisions described below. Early retirees are eligible for coverage up to age sixty-five (65) or

Medicare eligibility, whichever occurs first. Eligible dependents may be covered up to the earliest of the date the spouse reaches age sixty-five (65) or becomes eligible for Medicare, or the retiree reaches (or would have reached, if deceased) age seventy (70).

18.6 A) Early retirees who retired on or after May 1, 1993 but prior to January 1, 1994 will continue to receive medical coverage under the 1993 hourly indemnity plan design. Early retirees retiring on or after January 1, 1994 through December 1, 1996 will continue to receive medical coverage under the same medical plan as provided for the active Indianapolis bargaining unit employees. Early retirees retiring after May 1, 1999 will receive medical coverage under the same medical plan as provided for the active salaried employees which will be subject to change as the active salaried plan changes. The early retiree health care plans described above have a maximum of one million five hundred thousand dollars (\$1,500,000) for each covered individual.

B) Effective for those retirees retiring after December 1, 1996, the Company will not reimburse a retiree and /or spouse for the cost of Medicare Part "B" coverage.

18.7 The cost of the early retiree medical coverage will be calculated on an annual basis and will be based on the melded utilization experience of all domestic Carrier hourly retirees, covered spouses and covered dependents participating in early retiree medical coverage.

18.8 For those retirees who elect to participate in the coverage, the Company will provide a fixed contribution towards the cost of the early retiree coverage. This fixed contribution will be based on years of continuous service at retirement per the following schedule:

**Years of Continuous
Service at Retirement**

**Fixed Company Contribution
Toward Early Retiree Medical
Premium**

	<u>Retiree or Dependent Only</u>	<u>Retiree + 1 or Family</u>
After 10	\$1250	\$2500
For each year 10 through 20	Add \$100 per year	Add \$200 per year
For each year 21 through 30	Add \$150 per year	Add \$300 per year

- 18.9 The retiree who elects early retiree medical coverage will pay an amount equal to the annual plan cost minus the fixed Company contribution calculated using the schedule above. For example, if the annual cost for the first year of an hourly retiree's early retiree medical plan is four thousand dollars (\$4,000) for retiree only coverage, and that retiree has twenty-five (25) years of continuous service at retirement, the retiree's cost is calculated as follows:

First Year Annual Cost	\$4,000	[\$1,250+(10x\$100)+(5x\$150)] (prorated by remaining months in calendar year of retirement)
Minus Company Contributions	\$3,000	
Retiree's Annual Cost	\$1,000	
Second Year Annual cost	\$4,400	(paid in quarterly installments)
Minus Company Contributions	\$3,000	
Retiree's Annual Cost	\$1,400	

- 18.10 The Company shall have the right to select the insurance carrier covering Medical, Life Insurance, Accidental Death and Dismemberment Insurance, Weekly Accident and Sickness Benefits, Dental, and to receive the dividend returns from the operation of the plan.
- 18.11 Medical Coverage details are set forth in the brochure furnished by the Company and to the Union. The contents of this brochure titled "Medical Benefits - Summary Plan Description For Hourly Paid Represented Employees - Indianapolis, Indiana" will be furnished to all employees.

- 18.12 Details of the Dental Plan are set forth in the Dental Plan brochure furnished by the Company to the Union and all employees.
- 18.13 Employees hired after April 22, 1990 and subsequently laid off will be ineligible for Company health care continuation except as may be provided under the provisions of COBRA.

ARTICLE 19 PENSION PLAN

- 19.1 During the life of this Agreement, the Amended Pension Agreement dated April 25, 1999 is contained in a booklet titled "Employee Retirement Plan - Summary Plan Description - Carrier Corporation - Indianapolis, Indiana". This booklet constitutes a part of this Article as incorporated herein by reference and shall continue in full force and effect according to its terms.
- 19.2 The Company and the Union agree to have the pension agreement comply with the minimum requirements of the Employee Retirement Income Security Act of 1974 provided that compliance with the Act does not reduce any heretofore negotiated pension benefits. The pension agreement provisions are subject to approval by the IRS.
- 19.3 As agreed, the text entitled, "Retirement Plan for Hourly Employees of The Carrier Corporation" and contained on Pages 110-173 of the April 25, 1999 Agreement, will be replaced by language contained in Article 19 and the separate booklet titled "Employee Retirement Plan - Summary Plan Description - Carrier Corporation - Indianapolis, Indiana".
- 19.4 The parties agree that notwithstanding any provisions of the Agreement, Summary Plan Description, Pension Agreement, or

any plan document to the contrary, the Pension Plan shall not be terminated during the life of the Agreement nor shall the Pension Plan be amended during the life of the Agreement in any manner that would adversely affect an employee's right to accrued benefits or benefits as they may accrue to an employee during his employment under the terms of the Agreement, except as may be required by law. Nothing in this paragraph is to be construed as affecting in any way rights otherwise reserved to the Company by this Agreement or by law.

- 19.5 Employees retiring during the life of this agreement will receive all pension benefit level increases on the dates outlined herein.

The amount of pension benefit:

- (A) The monthly pension benefit payable to a participant at or after his normal retirement age shall be equal to the amount specified in 19.6 (b), and provided for in the booklet titled "Employee Retirement Plan - Summary Plan Description - Carrier Corporation - Indianapolis, Indiana".
- (B) Participants retiring from active employment on or after April 29, 2002 will be eligible for \$40 multiplied by the years of his period of service (maximum 40 years).
- (C) A Pop Up provision will provide the participant an opportunity to select an option allowing the pension benefit to increase to the level of a participant without a spouse, should the retiree's spouse predecease the retiree.

- 19.7 **Membership in the Plan:** Every employee shall be eligible to become a participant in this plan as of the first day of the calendar month on or after his employment date. The employee must be an hourly employee of the company covered under the collec-

tive bargaining agreement. Plan benefits are paid for entirely by the Company.

19.8 **Vesting.** If a participant leaves the Company before early or normal retirement, the participant may be entitled to a vested plan benefit. To qualify for a vested benefit, the participant must have completed at least a five-year period of continuous service.

19.9 **Credited Service.** Credited service means the period of employment beginning on the employee's employment date or reemployment date, whichever is applicable, and ending on the employee's termination date. For the purpose of calculating the plan benefit, an employee can earn a maximum of 40 years credited service.

19.10 **Retirement Dates**

(A) The normal retirement date for a participant in the plan shall be the 1st of the month following his 65th birthday.

(B) A participant shall be eligible to elect early retirement following his completion of at least 10 years continuous service and attainment of age 55.

(C) If you become disabled while employed by UTC, full benefits can begin as early as the first day of the month after you have been disabled for one year, provided you have at least 10 years of continuous service and you are receiving Social Security disability benefits.

19.11 **Monthly Pension Benefit Payment Options**

Standard Forms of Payment:

Life Annuity Option for single participants

50% "Pop-Up" Contingent Annuity Option for married participants

Optional Forms of Payment:
Life Annuity Option

50% "Pop-Up" Contingent Annuitant Option

100% "Pop-Up" Contingent Annuitant Option

19.12 Pre-retirement Death Benefits

- (A) Before Age 55: if you die in active service after you complete a five-year period of service, your surviving spouse will automatically be eligible to receive a lifetime benefit from the plan. Payments will start on what would have been your normal retirement date. If your period of continuous service is at least 10 years when you die, your spouse can elect to have payments start as early as the first day of the month on or after the date that would have been your 55th birthday. The benefit payable would be equal to 50% of the benefit that would have been paid to you if you left your employment on the date of your death with a vested benefit and elected a 50% "Pop Up" joint and survivor annuity.
- (B) After Age 55: If you die in active service after age 55 after completing a period of continuous service of at least five years, your surviving spouse will automatically be eligible for a benefit from the plan. The benefit payable would be equal to 50% of the pension you would have received if you had retired on the date of your death with a 50% contingent annuity. If you die after age 55 after completing a period of continuous service of at least 10 years, your beneficiary will be eligible to receive a benefit from the plan beginning on the first day of the month following your date of death.

19.13 UTC Represented Employee Retirement Plan

The official name of the retirement plan for hourly employees at Carrier Corporation's Indianapolis, Indiana facility is the UTC Represented Employee Retirement Plan. The complete details and provisions of the retirement plan can be found in the official plan document entitled United Technologies Corporation Represented Employee Retirement Plan. If there is any conflict between the information in this Article 19, the plan documents will govern.

ARTICLE 20

SAVINGS AND VACATION PLAN

- 20.1 During the life of this Agreement, the Savings and Vacation Plan dated April 15, 1984, which is attached hereto and incorporated herein by reference, shall continue in full force and effect according to its terms.
- 20.2 Effective July 2, 2001, employees who have attained one (1) year of service will be eligible to deposit two dollars (\$2) to forty-six dollars (\$46) per week in a savings account in which the Company will match deposits at a rate of fifty percent (50%). Effective July 1, 2002 employees who have attained one (1) year of service will be eligible to deposit two (\$2) dollars to sixty dollars (\$60) per week in a savings account on an unmatched basis. Effective April 28, 2003, employees who have attained one (1) year of service will be eligible to deposit two dollars (\$2) to sixty-two dollars (\$62) per week in a savings account on an unmatched basis. Effective April 26, 2004, employees who have attained one (1) year of service will be eligible to deposit two dollars (\$2) to forty-eight dollars (\$48) per week in a savings account which the Company will match deposits at a rate of fifty percent (50%). In addition, effective April 26, 2004, employees who have attained one year of service will be eligible to deposit two dollars (\$2) to

sixty-four dollars (\$64) per week in a savings account on an unmatched basis. Details as to the plan's overall procedure will be highlighted in a separate brochure titled "Employee Savings Plan - Carrier Corporation - Indianapolis". The Company will continue to offer a tax-deferred option as part of the Employee Savings Plan.

ARTICLE 21 COST-OF-LIVING CLAUSE

- 21.1 The cost-of-living allowance shall be paid as a clock card addition for all hours worked as shown in the table below:

Difference in C.P.I exceeding 6% between addition	Becomes a Clockcard
February 2002 and August 2002	September 30, 2002
February 2002 and February 2003	March 31, 2003
February 2003 and August 2003	September 29, 2003
February 2003 and February 2004	March 29, 2004
February 2004 and August 2004	October 4, 2004
February 2004 and February 2005	April 1, 2005

- 21.2 The cost-of-living allowance shall be determined in accordance with changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers Revised Series (CPI-W) - United States - all items, (1967-5-100) published by the Bureau of Labor Statistics U.S. Department of Labor, hereafter referred to as the "BLS Index".
- 21.3 The amount of the cost-of-living allowance that shall be effective shall be one cent (\$.01) per hour for each .04 point increase in the BLS Index exceeding six percent (6%) annually. Such allowance shall also be subject to decrease at the rate of one cent (\$.01) per hour for each .04 point decrease in the BLS index, as provided in paragraph 21.1 above.

- 21.4 The allowance shall be subject to a maximum of twenty cents (\$.20) for changes exceeding six percent (6%) in the C.P.I. between February 2002 and February 2003, February 2003 and February 2004, and February 2004 and February 2005.
- 21.5 Cost-of-Living adjustment payments will have no impact upon wage incentive calculation and will apply to all hours worked. The cost-of-living allowance as defined in paragraph 21.1 will not apply to hours not actually worked (such as vacation, holiday, bereavement, grievance, jury and military pay).
- 21.6 In the event the Bureau of Labor Statistics does not issue the BLS Index identified in paragraph 21.2 above, on or before the beginning of the payroll periods referred to in paragraph 21.1 above, any adjustment in the allowance required by the Index shall be effective at the beginning of the first payroll period after receipt of the Index.
- 21.7 No adjustments, retroactive or otherwise, shall be made because of any revision that may later be made in the published figures for the BLS Index for any month on the basis of which the allowance has been determined.
- 21.8 The continuance of the cost-of-living allowance shall be contingent on the availability of the BLS Index in the form identified in paragraph 21.2, and calculated on the same basis as said Index. If the BLS index in that form or calculated on that basis shall be revised or discontinued, the parties shall attempt to adjust this clause or, if agreement is not reached, the parties shall request the Bureau of Labor Statistics to provide a conversion or adjustment which shall be applicable in the interpretation of this clause thereafter.

ARTICLE 22
GENERAL CLAUSES

- 22.1 **Warning Notices.** It is agreed that the personal warning slips on an employee shall be considered void after the employee has worked twelve (12) months from the date of the first disciplinary action for the same offense. Voided records of disciplinary warnings are to be removed from the employee's personnel folder. All disciplinary action will be initiated within two (2) working days after all the facts are known on the alleged violation.
- 22.2 **Jury Duty.** If employees who have acquired seniority are required to serve on a jury during the regular hours scheduled to work, pay will be granted with a maximum allowance of eight (8) hours for any one day or ten (10) hours during a four (4) day, ten (10) hour work schedule. Employees assigned to second (2nd) or third (3rd) shift work and required to serve on a jury will be excused from their scheduled shift work, if so desired, and will be paid in the same manner.
- 22.3 For the purpose of paragraphs 22.2 through 22.7, the day on which an employee is summoned and reports for possible jury duty whether or not selected, shall be considered a day of jury service.
- 22.4 An employee must notify his Supervisor of pending jury service on the work day after he receives his notice.
- 22.5 If an employee is excused from jury duty on any day, he or she may report for work and work the balance of his or her shift.
- 22.6 In addition to being eligible for payment for jury duty service, an employee will be eligible for payment in the manner previously described in this section, for any day on which he or she is subpoenaed to appear in court as a witness.

- 22.7 An employee, who claims pay under paragraphs 22.2 through 22.7, must furnish the Human Resources Department with a statement, signed by the Clerk of the Court.
- 22.8 **Bereavement Pay.** The Company agrees to provide the employee three (3) days bereavement leave which shall be taken within two (2) weeks of death of the covered family member. No employee shall receive bereavement pay if the employee is on lay-off at the time of death.
- 22.9 The employee will be paid up to twenty-four (24) hours pay for time lost, not to exceed eight (8) hours per day at their base hourly rate, or ten (10) hours per day on a four (4) day ten (10) hour work schedule, not to exceed thirty (30) hours. The employee must take their bereavement within two weeks of the death of a family member.
- 22.10 If a holiday should occur during the same time, an employee will be entitled to time off for such holiday following the completion of the twenty-four (24) hour period stated above, if they so desire. Payment for such additional time off shall be in accordance with Article 13.2.
- 22.11 In case of death in an employee's immediate family during the time the employee is on a scheduled vacation, he or she shall be entitled to a maximum of three (3) additional days off with pay at the completion of his or her scheduled vacation period if the employee so desires. Such payment shall be in accordance with paragraphs 22.8 through 22.13.
- 22.12 The Company agrees to request documentation of death and relationship in cases in which there is reasonable belief that documentation will resolve discrepancies.
- 22.13 For the purpose of paragraphs 22.8 through 22.13, immediate

family shall be the employee's: mother, father, husband, wife, children, brother, sister, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparents, sister-in-law, brother-in-law, grandchildren and stepchildren.

- 22.14 **Retirement Pay.** Employees who retire on or after March 1, 1966 will receive a lump sum payment of five hundred dollars (\$500.00) at the time of retirement.
- 22.15 **Seniority Payments.** All employees with seniority preceding April 15, 1984, will receive a seniority payment of one dollar and ninety-two cents (\$1.92) per hour as a clock card addition for all hours worked and a payment of one dollar and twenty-seven cents (\$1.27) per hour as a clock card addition for hours not actually worked (such as vacation, holiday, bereavement, grievance, jury and military pay). The seniority payments will apply only to employees hired prior to April 15, 1984.

ARTICLE 23

SEVERANCE PLAN

- 23.1 In the event that the Company discontinues an Indianapolis-based operation permanently or moves it to a new location, the following Severance Plan will be followed.
- 23.2 Under either of the above circumstances all employees whose jobs are eliminated at an Indianapolis-based operation will exercise fully their seniority rights as set forth in the Agreement which is in effect at the Company's Indianapolis-based operations at that time.
- 23.3 Job opportunities with the Company at a relocated operation will also be discussed with employees whose jobs at the Indianapolis-based location are eliminated as a result of the relocation.

However, it is agreed that the offering and acceptance of jobs at a relocated operation will in no way affect any labor agreement which may be in effect at that location. The refusal of an employee to accept the offer of a job at a relocated operation will not affect his or her rights under the provision of this article.

- 23.4 If, as a final consequence of the discontinuance of an Indianapolis-based operation, as previously described, jobs are not available, either at the Company's Indianapolis-based operations or at a new location, terminating employees will receive severance pay in accordance with the following schedule.

SEVERANCE ALLOWANCE BY YEARS OF SERVICE

Weeks at Base Pay

Less than 5 yearsNone
5 years1 Week
6 years2 Weeks
7 years3 Weeks
8 years4 Weeks
9 years5 Weeks
10 years6 Weeks
11 years7 Weeks
12 years and over8 Weeks

- 23.5 If an employee is laid off with recall rights in accordance with Article 8 as a result of a discontinuance of an Indianapolis-based operation, the employee will be eligible for severance allowance if he or she is not reinstated to the active payroll within the time frame as described in Article 8, paragraphs 8.32 and 8.33.
- 23.6 The applicable provisions of the Pension Plan will also apply to eligible employees who terminate their employment with the

Company under the circumstances described in this Article.

ARTICLE 24

LEAVES OF ABSENCE

- 24.1 **Granting Leaves.** An employee may be granted a leave of absence based on proper and justifiable reasons and the facts as presented in the request. Such leaves shall be applied for in writing to the Company and upon approval shall be granted in writing with a statement of the duration and circumstances thereof.
- 24.2 **Public Office.** An employee may be granted a leave of absence in order to occupy an elected public office, on a full-time basis. Such leaves shall be applied for in writing and shall be granted in writing with a statement of the duration and circumstances thereof.
- 24.3 **District Organizations.** An employee who is selected or elected for a position with the District Organization of the Union, the International Union, or full time position with the Local Union shall be granted a leave of absence for the maximum period as described in Article 8, paragraphs 8.32 and 8.33 of this Agreement. Such leaves shall be applied for in writing and granted in writing with a statement of the circumstances of such leaves. Any person on such leave of absence on the effective date of this agreement shall continue to accrue seniority.
- 24.4 **Seniority Accumulation.** During periods of leaves of absences, an employee's seniority shall accumulate.
- 24.5 **Returning from Leave.** An employee must return from a leave of absence granted under paragraph 24.3 within two (2) weeks from the expiration of such leave. Employees granted leaves of absence under paragraphs 24.2 and 24.3 shall return from such

leave within the time provided in the written statement of the leave of absence. The failure of an employee to return to work in accordance with this section shall result in termination of employment. It is understood, however, that the time limits for such return may be extended by mutual agreement in writing by the Company and the employee.

24.6 **Classification Placement.** On return from leave of absence, the employee shall have the rights to placement in the bargaining unit that arise from the extent of their seniority. On leaves of absence of sixty (60) days or less, the employee will be returned to their former classification and shift, and department. On return from medical leaves of absence, regardless of the duration, the employee will be returned to their former classification, shift, department and job unless the employee's physical condition prevents this reassignment. In such case, the employee shall have the rights to placement in the bargaining unit that arise from the extent of their seniority.

24.7 **Illness or Injury.** In case of verified illness or injury making it necessary for an employee to be temporarily absent from work, a leave of absence will be granted as follows:

Amount of Seniority	Maximum Amount of Leave
0 - 90 Days (Probationary Period)	None
90 days to 1 year	3 Months

24.8 **Family Leave.** An employee may be granted an unpaid leave of up to twelve (12) weeks. A family leave will provide the employee an opportunity to take care of a newborn or newly adopted child, or to care for a sick family member.

24.9 The employee must provide the reason for the leave in writing to

the Labor Relations Manager and must submit in writing every thirty (30) days a status report of the family leave situation. The employee must return to work within five (5) days from the conclusion of the leave. The employee will be entitled to a position within the bargaining unit under the provisions of paragraph 23.6.

- 24.10 The provisions of a family leave may exceed that which is outlined under the Family and Medical Leave Act of 1993.

ARTICLE 25 TERMINATION

- 25.1 This Agreement shall become effective April 29, 2002 and shall remain in full force and effect until midnight, May 1, 2005, and shall then renew itself from year to year unless either party to the agreement gives written notice to the other party, at least sixty (60) days prior to the expiration of the Agreement, of the desire to change, amend, or terminate the agreement.

Executed this 29th day of April, 2002

UNITED STEELWORKERS OF AMERICA

Leo W. Gerard
James English
Andrew Palm
Leon Lynch
James Robinson
James Adcock
Bruce Reed
Chuck Jones
Crystal Harris
Robert Asher
Roxanne Barger-Gregory
Roy Beatty
Taylor Dancy
Steve Davis
Allen Johnson
Archie McClain
Delmas Smith

INDIANAPOLIS PLANT OF
CARRIER CORPORATION
INDIANAPOLIS, INDIANA

Brad Hardesty
Phil Grady
Cindy Cox
Rejeana Pendleton
Kevin Howard
Troy Rector
Matt Schlotzhauer

NEGOTIATION REPRESENTATION
APRIL 29, 2002

Indianapolis Plant
Carrier Corporation
Indianapolis, Indiana

&

United Steelworkers
Of America
Local Union No. 1999

Brad Hardesty
Brad Hardesty

Leo. W. Gerard

Phil Grady
Phil Grady

James English

Cindy Cox
Cindy Cox

Andrew Palm

Rejeana Pendleton
Rejeana Pendleton

Leon Lynch

Kevin Howard
Kevin Howard

James Robinson

Troy Rector
Troy Rector

James Adcock

Matt Schlotzauer
Matt Schlotzauer

Bruce Reed

Chuck Jones
Chuck Jones

Crystal Harris

Crystal Harris
Crystal Harris

Robert Asher

Robert Asher
Robert Asher

Roxanne Barrett-Greer

Roxanne Barrett-Greer
Roxanne Barrett-Greer

Roy Beatty
Roy Beatty

Taylor Dancy

Taylor Dancy
Taylor Dancy

Steve Davis

Allen Johnson
Allen Johnson

Archie McClain

Archie McClain
Archie McClain

Delmas Smith

Delmas Smith
Delmas Smith

**ARTICLE 8 - SENIORITY
SUPPLEMENT "A"**

JOB CLASSIFICATIONS WITHIN OCCUPATIONAL GROUPS

GROUP 1	GROUP LEADER	10
	PRECISION INSPECTOR B (CRAFT)	10
	GROUP LEADER	8
	HAZARDOUS MATERIALS ATTENDANT	8
	ERGONOMICS TECHNICIAN	8
	PRECISION INSPECTOR	8
GROUP 2	GROUP LEADER	8
	TRUCK DRIVER	8
	MATERIALS ASSOCIATE	8
	SALVAGE & REPAIR SHIPPER	8
GROUP 3	GROUP LEADER	10
	MACHINE REPAIR TECHNICIAN	10
	ELECTRICAL/ELECTRONIC REPAIR	10
GROUP 4	GROUP LEADER TOOL & DIE	11
	TOOL AND DIE MAKER	11
	TOOL AND DIE MAKER TRAINEE	11
	GROUP LEADER	9
	FABRICATION TECHNICIAN	9
	OWNER OPERATOR	8
	PRODUCTION SUPPORT ASSOCIATE	8
GROUP 5	GROUP LEADER	8
GROUP 6	GROUP LEADER	8
	BRAZER	8
GROUP 7	GROUP LEADER	7
	PRODUCTION ASSOCIATE D	7
	GROUNDS KEEPER	7
GROUP 8	GROUP LEADER	8
	PRODUCTION ASSOCIATE A	8
	PRODUCTION ASSOCIATE C	6
	PRODUCTION ASSOCIATE B	6
	GENERAL MAINTENANCE	6
	TEMPORARY	1

APPENDIX "A"
EFFECTIVE 4/29/02

Labor Grade	Classification	Start	6 Mos.	9 Mos.	12 Mos.	15 Mos.	18 Mos.	21 Mos.	24 Mos.
1	TEMPORARY	11.31							
6	GENERAL MAINTENANCE	12.26	12.43	12.60	12.78	12.95	13.12	13.29	
6	PRODUCTION ASSOCIATE B	13.40	13.59	13.81	14.01	14.21	14.42	14.62	
6	PRODUCTION ASSOCIATE C	13.40	13.59	13.81	14.01	14.21	14.42	14.62	
7	GROUNDSKEEPER	13.95	14.14	14.36	14.56	14.76	14.97	15.17	
7	PRODUCTION ASSOCIATED	13.95	14.14	14.36	14.56	14.76	14.97	15.17	
7	GROUP LEADER	16.67							
8	HAZARDOUS MTLs ATTN.	13.70	14.08	14.47	14.85	15.23			
8	MATERIALS ASSOCIATE	13.70	14.08	14.47	14.85	15.23			
8	OWNER OPERATOR	13.70	14.08	14.47	14.85	15.23			
8	PRECISION INSPECTOR	13.70	14.08	14.47	14.85	15.23			
8	PRODUCTION ASSOCIATE A	13.70	14.08	14.47	14.85	15.23			
8	SALVAGE & REPAIR SHIPPER	13.70	14.08	14.47	14.85	15.23			
8	BRAZER	13.70	14.08	14.47	14.85	15.23			
8	TRUCK DRIVER	13.70	14.08	14.47	14.85	15.23			
8	PROD SUPPORT ASSOCIATE	13.70	14.08	14.47	14.85	15.23			
8	ERGONOMIC TECHNICIAN	13.70	14.08	14.47	14.85	15.23			
8	GROUP LEADER 2	16.73							
8	GROUP LEADER 8	16.73							
9	FABRICATION TECHNICIAN	14.59	14.90	15.21	15.52	15.83			
9	GROUP LEADER 4	17.33							
10	ELECTRICAL/ELECTRONIC REPAIR	16.26	16.57	16.88	17.02	17.51			
10	MACHINE REPAIR TECH.	16.26	16.57	16.88	17.02	17.51			
10	PRECISION INSPECTOR "B"	16.26	16.57	16.88	17.02	17.51			
10	GROUP LEADER 3	19.01							
11	TOOL & DIE MAKER	16.45	16.75	17.05	17.35	17.65			
11	GROUP LEADER 11	19.15							

GROUP LEADER EARNS \$1.50 ABOVE THE HIGHEST CLASSIFICATION THAT HE OR SHE LEADS.

APPENDIX "A"
EFFECTIVE 4/28/03

Labor Grade	Classification	Start	6 Mos.	9 Mos.	12 Mos.	15 Mos.	18 Mos.	21 Mos.	24 Mos.
1	TEMPORARY	11.76							
6	GENERAL MAINTENANCE	12.71	12.88	13.05	13.23	13.40	13.57	13.74	
6	PRODUCTION ASSOCIATE B	13.85	14.04	14.26	14.46	14.66	14.87	15.07	
6	PRODUCTION ASSOCIATE C	13.85	14.04	14.26	14.46	14.66	14.87	15.07	
7	GROUNDSKEEPER	14.40	14.59	14.81	15.01	15.21	15.42	15.62	
7	PRODUCTION ASSOCIATE	14.40	14.59	14.81	15.01	15.21	15.42	15.62	
7	GROUP LEADER	17.12							
8	HAZARDOUS MTLs ATTN.	14.15	14.53	14.92	15.30	15.68			
8	MATERIALS ASSOCIATE	14.15	14.53	14.92	15.30	15.68			
8	OWNER OPERATOR	14.15	14.53	14.92	15.30	15.68			
8	PRECISION INSPECTOR	14.15	14.53	14.92	15.30	15.68			
8	PRODUCTION ASSOCIATE A	14.15	14.53	14.92	15.30	15.68			
8	SALVAGE & REPAIR SHIPPER	14.15	14.53	14.92	15.30	15.68			
8	BRAZER	14.15	14.53	14.92	15.30	15.68			
8	TRUCK DRIVER	14.15	14.53	14.92	15.30	15.68			
8	PROD SUPPORT ASSOCIATE	14.15	14.53	14.92	15.30	15.68			
8	ERGONOMIC TECHNICIAN	14.15	14.53	14.92	15.30	15.68			
8	GROUP LEADER 2	17.18							
8	GROUP LEADER 8	17.18							
9	FABRICATION TECHNICIAN	15.04	15.35	15.66	15.97	16.28			
9	GROUP LEADER 4	17.78							
10	ELECTRICAL/ELECTRONIC REPAIR	16.71	17.02	17.33	17.47	17.96			
10	MACHINE REPAIR TECH.	16.71	17.02	17.33	17.47	17.96			
10	PRECISION INSPECTOR "B"	16.71	17.02	17.33	17.47	17.96			
10	GROUP LEADER 3	19.46							
11	TOOL & DIE MAKER	16.90	17.20	17.50	17.80	18.10			
11	GROUP LEADER 11	19.60							

GROUP LEADER EARNS \$1.50 ABOVE THE HIGHEST CLASSIFICATION THAT HE OR SHE LEADS.

APPENDIX "A"
EFFECTIVE 4/26/04

Labor Grade	Classification	Start	6 Mos.	9 Mos.	12 Mos.	15 Mos.	18 Mos.	21 Mos.	24 Mos.
1	TEMPORARY	12.31							
6	GENERAL MAINTENANCE	13.26	13.43	13.60	13.78	13.95	14.12	14.29	
6	PRODUCTION ASSOCIATE B	14.40	14.59	14.81	15.01	15.21	15.42	15.62	
6	PRODUCTION ASSOCIATE C	14.40	14.59	14.81	15.01	15.21	15.42	15.62	
7	GROUNDSKEEPER	14.95	15.14	15.36	15.56	15.76	15.97	16.17	
7	PRODUCTION ASSOCIATE	14.95	15.14	15.36	15.56	15.76	15.97	16.17	
7	GROUP LEADER	17.67							
8	HAZARDOUS MTLs ATTN.	14.70	15.08	15.47	15.85	16.23			
8	MATERIALS ASSOCIATE	14.70	15.08	15.47	15.85	16.23			
8	OWNER OPERATOR	14.70	15.08	15.47	15.85	16.23			
8	PRECISION INSPECTOR	14.70	15.08	15.47	15.85	16.23			
8	PRODUCTION ASSOCIATE A	14.70	15.08	15.47	15.85	16.23			
8	SALVAGE & REPAIR SHIPPER	14.70	15.08	15.47	15.85	16.23			
8	BRAZER	14.70	15.08	15.47	15.85	16.23			
8	TRUCK DRIVER	14.70	15.08	15.47	15.85	16.23			
8	PROD SUPPORT ASSOCIATE	14.70	15.08	15.47	15.85	16.23			
8	ERGONOMIC TECHNICIAN	14.70	15.08	15.47	15.85	16.23			
8	GROUP LEADER 2	17.73							
8	GROUP LEADER 8	17.73							
9	FABRICATION TECHNICIAN	15.59	15.90	16.21	16.52	16.83			
9	GROUP LEADER 4	18.33							
10	ELECTRICAL/ELECTRONIC REPAIR	17.26	17.57	17.88	18.02	18.51			
10	MACHINE REPAIR TECH.	17.26	17.57	17.88	18.02	18.51			
10	PRECISION INSPECTOR "B"	17.26	17.57	17.88	18.02	18.51			
10	GROUP LEADER 3	20.01							
11	TOOL & DIE MAKER	17.45	17.75	18.05	18.35	18.65			
11	GROUP LEADER 11	20.15							

GROUP LEADER EARNS \$1.50 ABOVE THE HIGHEST CLASSIFICATION THAT HE OR SHE LEADS.

ADMINISTRATIVE PROCEDURES FOR FOUR DAY WORK WEEK

1. All departments except Shipping/Distribution/Receiving would be placed on a 4-day, 10 hour per day work schedule with the four days being Monday through Thursday.
2. Shipping department personnel whose duties are tied to production lines will work production line schedules. Shipping/Receiving department personnel whose duties are not governed by production line schedules may remain on a 5-day, 8-hour per day work week or could work a schedule of Monday through Thursday 10-hour work day.
3. One of the current breaks of 10 minutes would be extended to 15 minutes for those on a 10-hour schedule.
4. Maintenance department personnel would be assigned as needed. It is possible that some may follow the production line schedules to maintain equipment. Some may be scheduled in early for plant start-up. Others may be scheduled for 4 10-hour days Monday through Thursday.
5. Holidays will be observed on the designated nationally observed days unless changed by mutual agreement.
6. Holidays falling on an employee's regularly scheduled work day will be paid on the basis of the regularly scheduled hours for that day and also will be included in the calculation of weekly overtime.
7. In the event management wishes to cancel 10-hour shifts and change to an 8-hour per day, 5-day work week, it may do so by providing a notice of not less than ninety (90) working days.

SAVINGS AND VACATION PLAN

Section 1. Purpose

The purpose of this Plan is to provide bargaining unit employees with savings and supplemental vacation and retirement benefits to the extent that funds are available as set forth herein.

Section 2. Financing

- 2.1 The Company will establish a financial availability account to be used to provide employees with benefits under this Plan. The *Financial Availability Account* will accrue for each hour worked by each employee in the bargaining unit at the rate of five cents (\$.05) per hour effective April 14, 1978.
- 2.2 The Financial Availability Account will be the sole source of monies to provide for benefits to employees become entitled here under. The Company will determine its method of financing the benefits herein except as otherwise provided in Section 9.
- 2.3 The liability of the Company for the financing of the benefits under this Plan shall be limited to the making of the payments provided for in this Section 2.

Section 3. Retirement Units

- 3.1 Each employee with seniority as of April 14, 1969, shall be credited with fractional Retirement Units at the rate of one-fifth (1/5) unit for each whole year of seniority prior to April 14, 1969.
- 3.2 Any Retirement Unit with which an employee has been credited shall be canceled if he dies or on the termination of his employment unless such termination is a retirement pursuant to Section 4 hereof.

Section 4. Retirement Benefits

- 4.1 Except for employees who retire on a deferred vested pension, effective April 14, 1969 each employee who retires pursuant to the Pension Agreement shall become entitled as of the date of his retirement to a payment of Retirement Benefits based on the following:
- (A) For each Retirement Unit, an amount equal to a forty (40) hour week of vacation pay pursuant to Article 13 of the collective bargaining agreement for the most recent calendar year prior to the year of his retirement in which he received a paid vacation.
 - (B) For each uncancelled Vacation Unit, an amount calculated at the rate of vacation pay he would receive if he was then entitled to use such Vacation Unit for a Vacation Benefit under this Plan.
 - (C) The balance of any unused Vacation Benefits as provided in Section 9 hereof.
- 4.2 When the status of the Financial Availability Account for any period is insufficient to allow for the payment of all Retirement Benefits provided in this Section 4, such benefits shall be made to retirees in the order of their retirement dates. Unpaid Retirement Benefits carried over to a later period shall be paid as soon as the status of the Financial Availability Account permits, with retirement dates determining the order of payment.
- 4.3 In the event of the death of an employee prior to his having become entitled to the payment of a Retirement Benefit, he shall lose any claim to such benefit.

- 4.4 As of July 31, 1969, and as of the end of every third month thereafter, the Company shall as soon as practicable determine the balance of the Financial Availability Account after provisions for all Retirement Benefits, including those provided for in Section 4.1B and C, above, payable for retirements on or before said dates. It is understood that no Vacation Benefit shall be credited to any other employee until such provision has been made.

Section 5. Vacation Units

- 5.1 Each employee having two (2) or more years of seniority as of August 31, 1969 shall be credited with one (1) Vacation Unit provided he has worked some part of each of fifty-two (52) weeks during his last two (2) years of service prior to August 31, 1969.
- 5.2 For each two (2) consecutive year period of seniority thereafter, an employee shall be credited with a Vacation Unit as of the beginning of the next Vacation Benefit Cycle, provided he has worked some part of each of fifty-two (52) weeks during such two (2) year period, provided, however, that no employee shall receive more than one (1) Vacation Unit for any Vacation Benefit Cycle.
- 5.3 No vacation unit shall be credited to any employee with respect to any week after he has attained age sixty-five (65) and is eligible to retire pursuant to the Pension Agreement.
- 5.4 Any Vacation Unit with which an employee has been credited shall be canceled if he dies or on the termination of his employment unless such termination is a retirement pursuant to Section 4 hereof.
- 5.5 A Vacation Unit shall be canceled as of the time that an employee is credited with a Vacation Benefit.

Section 6. Vacation Benefit Cycle

- 6.1 A Vacation Benefit Cycle shall start on November 1, 1969. Each Vacation Benefit Cycle shall end when all employees having a Vacation Unit have become entitled to the (1) week of Vacation Benefit for each Vacation Unit and a new cycle shall then begin.

Section 7. Entitlement to Vacation Benefits

- 7.1 Subject to the provision required by Section 4.4, during each Vacation Benefit Cycle the total amount of the balance of the Financial Availability Account shall be credited to the employees, in the order of their seniority, as Vacation Benefits on the basis of their Vacation Units. As of the time that an employee is credited with a Vacation Benefit, he shall become entitled to it within the meaning of the Plan.
- 7.2 In the event that an employee has become entitled to a Vacation Benefit and thereafter dies or his employment is terminated, the amount thereof shall be paid to him or to his beneficiary.

Section 8. Amount of Vacation Benefits

- 8.1 An employee's Vacation Benefit for each week thereof shall be in the amount of one (1) week's vacation pay for the most recent calendar year in which he received a paid vacation pursuant to Article 14 of the Collective Bargaining Agreement during the completion of the cycle in process at the time of this agreement. Commencing with the next cycle and all other cycles during the life of the agreement, an employee's vacation benefit for each week thereof shall be in the amount of two hundred fifty dollars (\$250.00).

Section 9. Vacation Benefit Option and Payment

- 9.1 An employee shall have the following options with respect to each Vacation Benefit to which he has become entitled, subject to his irrevocable election in writing seven (7) days following the date he becomes eligible.

Option A. He may elect to take any weeks of vacation benefit as time off from work in accordance with Section 10, in which event he shall be paid the vacation benefit at the time that said time off is scheduled; or

Option B. He may elect to be paid the vacation benefit at the time that he requests such payment, provided that such payment shall be made no later than the next time that he receives the vacation pay provided by Article 13 of the Collective Bargaining Agreement and provided further that such payment shall not be made at any time that the employee is on strike.

- 9.2 Each employee shall be given seven (7) calendar days in which to make his election of options as stated above. If an employee fails to make such election of option within seven (7) calendar days, he shall be conclusively deemed to have elected Option B.
- 9.3 Each employee who has elected Option A must take such time off as provided for in 9.1 no later than December 31st of the calendar year following the year of his entitlement. If the employee does not exercise Option A during this period, he will automatically be changed to Option B.

Section 10. Vacation Time Off

- 10.1 If an employee has elected Option A pursuant to Section 9, the vacation time off may be scheduled by the Company at any time during the remainder of the calendar year in which the employee

became entitled to the Vacation Benefit or within the succeeding calendar year.

- 10.2 Any unpaid Vacation Benefit pursuant to Option A shall be payable to an employee on written application by him in the event of unemployment, other than unemployment caused by his being on strike, after the exhaustion of unemployment compensation, or in the event of illness or disability, after the exhaustion of the weekly sickness and accident benefit.
- 10.3 In the scheduling of vacations here under the Company will attempt to give preference to the wishes of the employees having the greatest seniority. If the Company determines that operations so permit, an employee may upon request take any full weeks of his annual vacation pursuant to Article 14 of the collective bargaining agreement in conjunction with vacations pursuant to this plan.

Section 11.

- 11.1 The continuation of this plan shall be subject to the Company's securing and retaining appropriate rulings with respect to tax laws and the Fair Labor Standards Act.

Section 12. Administration

- 12.1 The Company shall have the exclusive right to administer this plan and to establish such procedures and promulgate such regulations as are reasonably related to the administration thereof, subject to the terms and provisions thereof.

Section 13. Disputes

- 13.1 If any dispute shall arise between the Company and the Union or any employee as to the application or interpretation of the provi-

sions of this plan, and a resolution thereof cannot be reached between representatives of the Company and the Union designated for this purpose such dispute shall be disposed of in the manner provided for in Article 16 of the Collective Bargaining Agreement, commencing with Step No. 4 thereof.

- 13.2 In the event that the Union or an employee wishes to submit a dispute as provided above, it or he must file a statement in writing with the Labor Relations Manager of the Company within ten (10) days from the date of the notice to him of the action to which he objects. Said written statement shall fully set forth the nature of the dispute.

Section 14. Reports

- 14.1 The Union shall be furnished in the form and at times mutually agreed upon such information as may be reasonably requested to enable the Union to be properly informed concerning the operation of the Plan.

Section 15. Status of Veterans

- 15.1 Any employee returning to the active payroll after having served in the Armed Services will be granted the benefit contained in this SVP program so long as he is on the active payroll prior to the time that his seniority entitles him to payment.

Letter of Understanding - Staggered Shift
April 29, 2002

Ms. Crystal Harris
Unit President, Local Union 1999-07
United Steelworkers of America
Indianapolis, Indiana

Dear Ms. Harris:

To be able to effectively ship and efficiently manufacture products at the Indianapolis operations, some shift hours must be staggered. This practice will be kept at a minimum and it will not be done to avoid overtime. If problems develop because of a staggered shift, the committee will be expected to bring this fact to the attention of the appropriate manager for an explanation of the reason for the scheduled shift in question.

Very Truly Yours,

AGREED:

Cindy Cox
Senior Plant H/R Manager
Carrier Corporation
Indianapolis Plant

James C. Adcock
UNITED STEELWORKERS
OF AMERICA
LOCAL 1999

Letter of Understanding – Medical/Safety Department Policy
April 29, 2002

Ms. Crystal Harris
Unit President, Local Union 1999-07
United Steelworkers of America
Indianapolis, Indiana

Dear Ms. Harris:

This is to confirm the agreements reached during our recent negotiation sessions concerning Medical/Safety Department policies:

Visits to Company Doctor for Non-Occupational/Return to Work Physical: The Company agrees to the following regarding visits to the off-site Company doctor:

1. Company medical papers will be given to the second shift employee prior to leaving the Indianapolis Carrier Plant facility if he is required to go to the Company doctor the following day.
2. The nurse will inform the second shift employee that he can report to the Community Occupational Health Clinic at his convenience but prior to 4:00 pm the following day. However, the employee will be required to return to the plant Medical Department with the Company medical forms after each visit and prior to returning to work. Employees will be required to provide documentation of their arrival and departure in order to qualify for reimbursement as provided in 15.2.
3. A first shift employee requiring a revisit to the Company doctor will

be given the Company medical papers when he returns from his previous visit to avoid having to return to the Indianapolis Carrier Plant facility prior to going to the Company doctor on the next visit. However, the employee will be required to return to the Medical Department with the Company medical forms after each visit to the Company doctor.

4. The Company will pay for parking expenses incurred on an authorized visit to the Company doctor upon presentation of a receipt of said expense.

Our medical policy requires that all employees must pass a physical examination by a Company physician before returning to work if they have been (a) absent for more than thirty (30) consecutive calendar days because of personal leave of absence or on layoff because of lack of work or, (b) absent seven (7) consecutive calendar days due to an illness or injury. The Company reserves the right to require an examination even if the period of absence has been shorter than indicated above if the reason for his absence should so indicate.

The Company also agrees to have a qualified medical attendant present in the Medical Department whenever a major production line is running.

Safety Shoes: The Company has made arrangements for employees to purchase safety shoes direct from the shoe mobile, which comes to the plant once per year.

Prescription Safety Glasses:

1. The Company will pay for new prescription glasses every two (2) years.
2. The Company policy on prescription glasses does not apply when an eye examination reveals a change in the individual's prescription. In those instances, the Company will pay for the new prescription with-

out regard to a time limit.

3. Employees assigned to spot welding and/or departments having high metal pitting effect on glasses, the prescription eyeglasses will have plastic lenses. Because of the high risk of pitting to glass lenses and scratching to plastic lenses in spot welding departments, the Company will pay for new prescription glasses more frequently than the two-year period stated in Item #1. The employees, however, are expected to carry out reasonable precautions to prevent damage to the lenses.
4. The Company will pay for all tinting of glasses, if required and so stated on the prescription, except the tinting known as "shadow gray." Green tinted glasses (or equivalent (3.0) per the OSHA standard) will be furnished only to the employees required to work in spot welding/brazing areas.
5. The Company does not pay for the eyeglasses examination.
6. It is the Company policy to replace at no charge to the employee any prescription eyeglasses when such glasses and/or frames break or are found to be deficient because of the manufacturer's quality.
7. The Company will provide retirees who so desire, prescription eyeglasses at the Company's cost.

It is the Company's intention to post the above policies in a prominent location within the Medical Department.

Very Truly Yours,

Cindy Cox
Senior Plant H/R Manager
Carrier Corporation
Indianapolis Plant

AGREED:

James C. Adcock
UNITED STEELWORKERS
OF AMERICA
LOCAL 1999

Letter of Understanding - Credit Union
April 29, 2002

Ms. Crystal Harris
Unit President, Local Union 1999-07
United Steelworkers of America
Indianapolis, Indiana

Dear Ms. Harris:

This letter will serve to confirm the Company's commitment to provide Credit Union services to the extent now provided to employees and will continue to support the Credit Union in its operation.

Very Truly Yours,

AGREED:

Cindy Cox
Senior Plant H/R Manager
Carrier Corporation
Indianapolis Plant

James C. Adcock
UNITED STEELWORKERS
OF AMERICA
LOCAL 1999

Letter of Understanding - Time Clocks
Deduction from Paychecks /Check Shortages / Direct Deposit
April 29, 2002

Ms. Crystal Harris
Unit President, Local Union 1999-07
United Steelworkers of America
Indianapolis, Indiana

Dear Ms. Harris:

This is to confirm in writing the agreements reached during our contract negotiation meetings during the month of April, 2002. The Company has agreed to the following:

1. **Time Clocks** - Each manufacturing manager will review the placement of time clocks in his building with respect to tie-ups in lines because of an out-of-balance condition of departments. Where necessary, time card racks for departments will be realigned and if necessary, additional time clocks will be purchased to eliminate unnecessary delays in ringing-in and ringing-out.
2. **Deduction from Paychecks** - As agreed, no deduction of more than 1.5 hours from an employee's paycheck will be made unless the employee has been given the opportunity to sign a wage deduction authorization form stating the reason for the deduction.
3. **Check Shortages** - If an employee has a shortage on his paycheck, because of a payroll error, the employee's paycheck shall be corrected by the close of business *Friday*.
4. **Direct Deposit** - The Company will offer a direct deposit option for hourly employees.

Very Truly Yours,

AGREED:

Cindy Cox
Senior Plant H/R Manager
Carrier Corporation
Indianapolis Plant

James C. Adcock
UNITED STEELWORKERS
OF AMERICA
LOCAL 1999

Letter of Understanding - Manufacturing Inventory
April 29, 2002

Ms. Crystal Harris
Unit President, Local Union 1999-07
United Steelworkers of America
Indianapolis, Indiana

Dear Ms. Harris:

During a manufacturing inventory, employees will not be guaranteed a specific number of hours or days in which to complete the inventory. Employees will be reassigned as required, during the course of the inventory, until no further assignment is available. Employees will be released, regardless of seniority, when their assignment is completed.

This inventory plan will be effective each year of this contract. The Company will call a meeting with Union representatives for purposes of explaining the details of the inventory plan.

Very Truly Yours,

AGREED:

Cindy Cox
Senior Plant H/R Manager
Carrier Corporation
Indianapolis Plant

James C. Adcock
UNITED STEELWORKERS
OF AMERICA
LOCAL 1999

Letter of Understanding - Alcohol and Drug Abuse
April 29, 2002

Ms. Crystal Harris
Unit President, Local Union 1999-07
United Steelworkers of America
Indianapolis, Indiana

Dear Ms. Harris:

The Company agrees to continue an Alcohol and Drug Abuse Program during the term of this Agreement.

Very Truly Yours,

AGREED:

Cindy Cox
Senior Plant H/R Manager
Carrier Corporation
Indianapolis Plant

James C. Adcock
UNITED STEELWORKERS
OF AMERICA
LOCAL 1999

Letter of Understanding - Training Programs
April 29, 2002

Ms. Crystal Harris
Unit President, Local Union 1999-07
United Steelworkers of America
Indianapolis, Indiana

Dear Ms. Harris:

The Company and Union have mutually benefited by the Training Program in place. It is the intention of both parties to reconfirm our commitment to continue this program to meet the common needs, as identified by the Company, on a timely and on-going basis, as discussed in the recent contract negotiations.

The Company also confirms its commitment to employees regarding training in the face of manufacturing advancements, job consolidations and the realignment of occupational groups.

This process will start immediately.

Very Truly Yours,

AGREED:

Cindy Cox
Senior Plant H/R Manager
Carrier Corporation
Indianapolis Plant

James C. Adcock
UNITED STEELWORKERS
OF AMERICA
LOCAL 1999

Letter of Understanding - Continuous Improvement Opportunities
April 29, 2002

Ms. Crystal Harris
Unit President, Local Union 1999-07
United Steelworkers of America
Indianapolis, Indiana

Dear Ms. Harris:

The Company and Union have agreed during recent contract negotiations to continue the joint support of continuous improvement opportunities throughout the Indianapolis manufacturing operation. Our continuous improvement efforts encourage the voluntary participation of hourly associates in continuous improvement action teams in areas such as total quality management, diversity, safety and health, and demand flow manufacturing.

The parties agree that the support and empowerment of hourly associates in these activities significantly contributes to the long-term security and positive working environment of the Indianapolis manufacturing operation.

Very Truly Yours,

AGREED:

Cindy Cox
Senior Plant H/R Manager
Carrier Corporation
Indianapolis Plant

James C. Adcock
UNITED STEELWORKERS
OF AMERICA
LOCAL 1999

LETTER I

Letter of Understanding - Labor Management Participation Team
April 29, 2002

Ms. Crystal Harris
Unit President, Local Union 1999-07
United Steelworkers of America
Indianapolis, Indiana

Dear Ms. Harris:

In support of the transfer of products from the International Comfort Products' Lewisburg manufacturing facility and the resultant employment opportunities, the Company and Union agree to jointly address operational issues and concerns in order to facilitate the introduction and manufacture of these new products and achieve the increased production requirements. To this end, designated Company and Union representatives will begin meeting no later than June 1, 2002 to review operational needs or concerns such as work-force flexibility, training, productivity, subcontracting, etc., with the intent of resolving any issues identified so that the plant's expected level of performance will not be compromised.

The Company and Union enter into the Letter of Understanding with a good faith intention of fully supporting this joint effort to address and resolve identified operational issues associated with the introduction of the products transferred to the Indianapolis plant and its increased production requirements. Should Indianapolis Plant management and Local Union representatives be unable to resolve operational issues through their joint efforts, the issue will be referred to Carrier Corporation's Vice President of Industrial and Employee Relations and the United Steelworkers International Union's District Director, or their designees.

Very Truly Yours,

AGREED:

Cindy Cox
Senior Plant H/R Manager
Carrier Corporation
Indianapolis Plant

James C. Adcock
UNITED STEELWORKERS
OF AMERICA
LOCAL 1999

Letter of Understanding - Vacation
April 29, 2002

Ms. Crystal Harris
Unit President, Local Union 1999-07
United Steelworkers of America
Indianapolis, Indiana

Dear Ms. Harris:

In an effort to establish a more equitable process in granting employee vacation, the parties have agreed to the following vacation bidding procedure:

1. To be eligible to bid for vacation the employee must be eligible for a minimum of 2 weeks vacation.
2. The first two weeks of any employees' vacation eligibility will be dedicated to the plant shutdown period.
3. Employees with at least 3 weeks of vacation may bid for the dates of excess vacation 8 weeks in advance and will be granted these weeks in line with their seniority.
4. Ten percent (10%) of a classification within a department will be released at any given time for vacation.
5. In the event of a workforce adjustment, and a more senior person enters a department who is scheduled for vacation, forcing an excess 10% of employees scheduled for vacation, the supervisor will meet with the affected employees and negotiate a resolution.

6. Employees will not be allowed to bid for individual days, unless the days are part of block of vacation. Days will be handled within the department, if not scheduled as part of a vacation block.
7. The bidding procedure will be administered through the Labor Relations department. The Company will supply a 3-part form. The Labor Relations department will publish the schedule. Any errors in the schedule must be brought to the Labor Relations Manager's attention within 5 working days after the schedule is published.

Very Truly Yours,

AGREED:

Cindy Cox
Senior Plant H/R Manager
Carrier Corporation
Indianapolis Plant

James C. Adcock
UNITED STEELWORKERS
OF AMERICA
LOCAL 1999

**Letter of Understanding - Pension Plan
April 29, 2002**

**Ms. Crystal Harris
Unit President, Local Union 1999-07
United Steelworkers of America
Indianapolis, Indiana**

Dear Ms. Harris:

This will confirm our discussion concerning the Indianapolis Pension Plan for LOCAL 1999.

Sections 2.20 and 2.28 (1 hour requirement and 501 hour requirements) are included in the Pension Plan documents because of IRS/ERISA requirements. The plan also provides the Elapsed Time Method for crediting service (including the two year "creep").

The Company will continue to use the Elapsed Time Method for crediting service under the Pension Plan.

Very Truly Yours,

AGREED:

**Cindy Cox
Senior Plant H/R Manager
Carrier Corporation
Indianapolis Plant**

**James C. Adcock
UNITED STEELWORKERS
OF AMERICA
LOCAL 1999**

Letter of Understanding - Health Care Legislation
April 29, 2002

Ms. Crystal Harris:
Unit President, Local Union 1999-07
United Steelworkers of America
Indianapolis, Indiana

Dear Ms. Harris:

This will confirm the understanding and agreement reached at our recent contract negotiations between the Company and LOCAL 1999 concerning state or federally legislated health insurance.

The parties recognized the possibility that state or federal legislation providing for benefits which are duplicated, are in addition to, or in excess of, those specified in this agreement could be enacted and become effective during the term of this agreement or any extension thereof. In that event, the benefits provided in this agreement will be modified through negotiations between the company and the Union to the end that, insofar as permitted by law, the cost of benefits provided at the company's expense (1) through this agreement, (2) through state or federal taxes, premiums or other costs imposed on the Company by such new legislation, or (3) and combination thereof, will be no different than such cost would have been had such legislation not been enacted.

Very Truly Yours,

AGREED:

Cindy Cox
Senior Plant H/R Manager
Carrier Corporation
Indianapolis Plant

James C. Adcock
UNITED STEELWORKERS
OF AMERICA
LOCAL 1999

Letter of Understanding - HMO Offering
April 29, 2002

Ms. Crystal Harris
Unit President, Local Union 1999-07
United Steelworkers of America
Indianapolis, Indiana

Dear Ms. Harris:

The Company and the Union have agreed under the terms of this letter that during the life of this contract, employees covered by our agreement could elect to enroll in an available HMO if agreed upon by the Company and Union, subject to the following conditions:

- A. Effective April 29, 2002 through May 1, 2005, if an employee elects to enroll in a HMO, the employee will pay a weekly contribution subject to the following requirements:
- The minimum weekly contribution for a selected HMO will never be less than \$6.50 weekly for Employee Only and \$16.58 weekly for Employee Plus Family.
 - The weekly contribution for a selected HMO will be equal to the contribution for the Company's Managed Care Plan (\$6.50 Employee Only or \$16.58 Employee Plus Family) plus the third party valuation of any benefit differences between the HMO and the company sponsored plan, plus any incremental HMO administrative charges over the level of administrative charges for the company sponsored plan.
 - If any employee's weekly wages are insufficient to collect the required contributions, the uncollected contributions will be accumulated and subsequently deducted from future wages until they have been fully collected.
- B. There will be an annual open enrollment period at which time eligible employees will be allowed a choice among the Company health benefits programs and an HMO that the

Company may make available to employees. With the exception of certain employee life status changes, or the cancellation or withdrawal of the HMO, once an election has been made or the open enrollment period has expired, no change may be made until the next open enrollment period.

- C. A special open enrollment period will be scheduled during May 2002, during which employees may choose either, the Company's Managed Care Plan (if in the Health Plan area or electing to join from an out of the Health Plan area), an Indemnity Out-of-Area Plan (if out of the Health Plan area), or the United Healthcare PPO. Elections will become effective July 1, 2002.
- D. The selection of a replacement HMO will require the mutual agreement of the parties, with the understanding all applicable provisions of this letter will remain in effect for any replacement HMO. Further, the Company and Union agree to meet periodically to discuss the HMO offering. In the event the HMO no longer becomes available, the Company and Union will meet to discuss the selection of an HMO.
- E. It is understood and agreed that any HMO offered must have current NCQA accreditation.
- F. It is also understood and agreed that whether or not any HMO is available on April 29, 2002, or any other date, will not delay or otherwise hinder implementation of this letter.

Very Truly Yours,

AGREED:

Cindy Cox
Senior Plant H/R Manager
Carrier Corporation
Indianapolis Plant

James C. Adcock
UNITED STEELWORKERS
OF AMERICA
LOCAL 1999

**Letter of Understanding - Medical Coverage
April 29, 2002**

**Ms. Crystal Harris:
Unit President, Local Union 1999-07
United Steelworkers of America
Indianapolis, Indiana**

Dear Ms. Harris:

The Company agrees that it will not change the terms of its Managed Care Medical Plan during the life of this Agreement. The Company further agrees that employee contributions for the Managed Care Medical Plan will not change from those provided elsewhere in the Company's Last, Best and Final Offer, dated April 28, 2002.

The Union and Company recognize that neither party can guarantee that the HMO offering will not change its plan design during the life of the Agreement or even offer or continue to offer a medical plan for employees.

Very Truly Yours,

AGREED:

**Cindy Cox
Senior Plant H/R Manager
Carrier Corporation
Indianapolis Plant**

**James C. Adcock
UNITED STEELWORKERS
OF AMERICA
LOCAL 1999**

Letter of Understanding – Alignment Procedure
(Open and Backfill Jobs)
April 29, 2002

Ms. Crystal Harris:
Unit President, Local Union 1999-07
United Steelworkers of America
Indianapolis, Indiana

Dear Ms. Harris:

For the duration of this Agreement “open” and “backfill” jobs will be filled in the same manner as they have been filled in the past.

Very Truly Yours,

AGREED:

Cindy Cox
Senior Plant H/R Manager
Carrier Corporation
Indianapolis Plant

James C. Adcock
UNITED STEELWORKERS
OF AMERICA
LOCAL 1999

**Letter of Understanding - Full Time Union Representatives
April 29, 2002**

Ms. Crystal Harris
Unit President, Local Union 1999-07
United Steelworkers of America
Indianapolis, Indiana

Dear Ms. Harris:

The parties agree that there shall be three (3) full time Union Representatives at the Company's Indianapolis facility.

The Representatives shall be determined by the Union and its internal procedures, however the Union and the Company agree that two (2) of the Representatives shall be employed on the first shift and the third (3rd) shall be a Representative on the second shift.

This agreement shall not alter, modify, or abrogate any other terms of the Collective Bargaining Agreement and is in addition to the current language covering *Union business* or *Union Representation* that is currently contained within the agreement.

This Understanding shall remain in full force and effect until the expiration of the current Collective Bargaining Agreement, at which time it shall be up for review by either party should they so desire.

Very Truly Yours,

AGREED:

Cindy Cox
Senior Plant H/R Manager
Carrier Corporation
Indianapolis Plant

James C. Adcock
UNITED STEELWORKERS
OF AMERICA
LOCAL 1999

**Letter of Understanding – Skilled Trades
April 29, 2002**

Ms. Crystal Harris
Unit President, Local Union 1999-07
United Steelworkers of America
Indianapolis, Indiana

Dear Ms. Harris:

The Company and Union agree that employees, other than the current Skilled Trades employees, may enter a skilled trades classification after April 28, 2002, through one of the following avenues:

1. Successfully complete the current agreed upon Skilled Trades Apprenticeship Program for that trade or;
2. Possess a current federal or state certified journeyman's card for that trade or;
3. Successfully complete (80% min. correct) the applicable Industrial Assessment test to be administered by Ivy Tech and complete a required interview.

Very Truly Yours,

AGREED:

Cindy Cox
Senior Plant H/R Manager
Carrier Corporation
Indianapolis Plant

James C. Adcock
UNITED STEELWORKERS
OF AMERICA
LOCAL 1999

Letter of Understanding - Medical Replacement
April 29, 2002

Ms. Crystal Harris
Unit President, Local Union 1999-07
United Steelworkers of America
Indianapolis, Indiana

Dear Ms. Harris:

If the Company determines that it will be necessary to bid a "Medical Replacement" job the following will apply:

- a) The Medical Replacement job must be filled by seniority.
- b) The temporary bidder may realign by shift according to their seniority.
- c) In the event of multiple jobs the junior bidder will be considered the Medical Replacement job.
- d) If it becomes necessary to reduce the classification, the Medical Replacement employee will come out in seniority order.
- e) When the incumbent worker returns they will return to the same position held prior to leave.
- f) When the incumbent returns the Medical Replacement will return to their Department and Classification, where their seniority places them, on the following manpower move.
- g) If a worker, on leave, decides to retire the Medical Replacement job must be bid as a permanent position, on the following manpower move.

Very Truly Yours,

AGREED:

Cindy Cox
Senior Plant H/R Manager
Carrier Corporation
Indianapolis Plant

James C. Adcock
UNITED STEELWORKERS
OF AMERICA
LOCAL 1999

**Letter of Understanding – Labor Management Participation Team
April 29, 2002**

Ms. Crystal Harris
Unit President, Local Union 1999-07
United Steelworkers of America
Indianapolis, Indiana

Dear Ms. Harris:

In recent negotiations the parties discussed the problems that exist in the administration of the overtime rules. The parties agreed that to address this problem they would create a Labor Management Participation Team. This team, which will function on an equal Union and Company status, will agree to educate both hourly and salaried associates in the proper administration of overtime rules. The team will also jointly monitor overtime balance within departments.

This team will not circumvent management's liability for overtime rules violation liability.

Very Truly Yours,

AGREED:

Cindy Cox
Senior Plant H/R Manager
Carrier Corporation
Indianapolis Plant

James C. Adcock
UNITED STEELWORKERS
OF AMERICA
LOCAL 1999



Carrier

A United Technologies Company

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