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Collective Bargaining

Agreement

Between

The Northwestern Mutual
Life Insurance Company

and

Office and Professional
Employees International
Union, Local 35
AFL-CIO-CLC

Effective April 1, 2005
through March 31, 2007

(Portions changed significantly from the
2002 Agreement are indicated in italics.)

110 pages

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Collective Bargaining Agreement

This Agreement entered into this 27th day of April, 2005 by and between The Northwestern Mutual Life Insurance Company, a corporation organized and existing under the laws of the State of Wisconsin, hereinafter referred to as "the Company," and Office and Professional Employees International Union, Local 35, AFL-CIO-CLC, representing the Home Office Employees of the Company, hereinafter referred to as "the Union." Personal pronouns shall be construed to apply to both sexes.

The contracting parties desire that a maximum of well-being, contentment, and goodwill should result from the friendly deliberation on and fair disposition of all problems arising in the management-employee relationship.

The contracting parties further agree as follows:

ARTICLE I

Union Recognition: Union Membership

SECTION 1. The Company recognizes the Union as the sole collective bargaining representative for all regular employees and long-term temporary employees in the Home Office of the Company, except (1) members of management, (2) secretaries to executive officers, department heads and human resources officers, (3) the secretary to the Secretary of the Office/Recognition Committee, (4) the secretary to the Secretary of the Management Committee, (5) employees in the Corporate Offices Department, (6) the secretary to the Secretary of the Human Resources Committee, (7) the secretary to the Law Department attorney assigned to industrial relations, (8) guards and supervisors as defined in the Act (9) other employees whose job duties regularly involve access to information used by management in collective bargaining or grievance handling (such jobs being set forth in a separate list which will be made and supplemented by mutual agreement between the Union and the Company from time to time), and (10) persons employed on a temporary basis. A "temporary employee" is defined as an individual who is either: (a) a full-time student, (b) an on-call employee, (c)

an employee who is hired for job duties which are expected to last for a maximum of twelve months. All other employees shall be deemed to be regular or long-term temporary employees. A "long-term temporary employee" is an individual who is hired for a specific project or projects which are expected to last for more than nine months, but it is understood and agreed between the Company and the employee at the time of hire that upon completion of the project the employee will be terminated.

SECTION 2. The contracting parties agree that in carrying out this Agreement neither will unlawfully discriminate against any employee because of such employee's race, color, religion, sex, age, national origin, disability, membership or nonmembership in the Union, Vietnam era veteran status, exercising rights under either the State or Federal family/medical leave laws, or any other factors prohibited by law. The contracting parties also agree that neither will take any action that would be in conflict with executive Order 11246 and regulations issued pursuant thereto by the Office of Federal Contract Compliance Programs.

SECTION 3. Immediately after being employed, employees shall become eligible for Union membership and the Company agrees, upon request by the Union, to submit to such employees a letter which states that the Union is the exclusive bargaining agent for all employees of the Company (to the extent that such employees are defined and included within this Agreement), that the relations which exist between the Company and the Union are harmonious, and that they will be solicited for membership in the Union. The Company will also cooperate in arranging for convenient contacts between new employees and representatives of the Union.

SECTION 4. Upon the written authorization of any member of the Union, the Company will deduct from his salary the current amount of his Union dues. Any such authorization shall remain in effect until canceled by such employee by written notice to the Company and the Union. The form of such authorization shall be substantially as follows:

"I hereby authorize my Employer, The Northwestern Mutual Life Insurance Company, to deduct the current amount of my Union dues

payable to OPEIU, Local 35, from my salary beginning _____, and pay said amount over to said Local 35. This authorization will remain in effect until I advise you to cancel it by written notice to the Company and the Union Treasurer."

ARTICLE II

Regular Employees:
Length of Service, Layoffs, and Definitions

SECTION 1.

- (a) A full time office staff employee is defined as an employee who is regularly scheduled to work a minimum of 1,950 hours per year.
- (b) A full time building services employee (excepting restaurant staff and the PH1 and PH2 classifications for which full-time is defined as a *minimum of 1,950 hours per year*) is defined as an employee who is regularly scheduled to work a minimum of 2,080 hours per year.
- (c) A regular part time employee is defined as an employee who performs work on a part time basis that cannot and is not currently being done on a full time basis, for a minimum of 1,000 hours per year.
- (d) A voluntary part time employee is defined as an employee who performs work that can be done and is currently being done on a full time basis, but where a business need allows for a part time arrangement, for a minimum of 1,000 hours per year.

SECTION 2. No employee shall become a regular employee until he has satisfactorily completed a probationary period. The duration of the probationary period shall be determined according to the following:

Office Staff

Job Level	Probationary Period
Levels 2 and 3.....	4 - 8 months
Levels 4 and 5.....	6 - 10 months

Levels 6 and above*8 - 12 months

* Includes Market Rate (MR) and No Range (NR) jobs

Orders and Material Handling

Job Level	Probationary Period
DS1	4 - 8 months
DS2	6 - 10 months
DS3	6 - 10 months
DS4	6 - 10 months
DS5	6 - 10 months

Restaurant

Job Level	Probationary Period
R1/PR1	4 - 8 months
R2/PR2	4 - 8 months
R3/PR3	6 - 10 months
R4/PR4	6 - 10 months

Building Services

Job Level	Probationary Period
PH1 & PH2.....	4 - 8 months
M2.....	4 - 8 months
M3.....	4 - 8 months
M4.....	4 - 8 months
M5.....	4 - 8 months
M6.....	4 - 8 months
M7.....	4 - 8 months
M8.....	4 - 8 months
M9.....	4 - 8 months
M10 -13	6 - 10 months

If the probationary period is extended beyond the duration noted above, no employee shall become a regular employee until he has satisfactorily completed the extended probationary period. During the probationary period or the extended probationary period, the Company shall be the sole and final judge of whether an employee shall be retained in its employment. The Company will provide the Union with a copy of the notice an employee receives whenever the probationary period is extended.

SECTION 3. Except as provided in Section 5 of Article III (time clock), Section 3 of Article VIII (vacation), length of service of all regular employees, present and future, shall be computed from the date of employment or, in the case of an employee rehired after voluntary termination or discharge for cause, the date of rehiring. For purposes of seniority, any period of continuous service previously performed by a rehired employee shall be added to his current period of service, but

only if his break in service with the Company is less than 1 year and only after 1 year of service following rehire.

SECTION 4.

- (a) In the event of layoff because of lack of work, the Company will recognize the principle of seniority (length of service) and will apply it subject to the ability of the employees involved to perform the available work.
- (b) In implementing the provisions of subsection (a) above, seniority shall apply by Department and Company-wide as follows:
 - 1. An employee who is affected by a scheduled layoff shall first be assigned to an open position at his current job level on a Company-wide basis, provided he has the qualifications to perform the job. If there is no open position at his current job level, he shall then be assigned to move into an open position in lower job levels, provided he has the qualifications to perform the job.
 - 2. If there is no such open position, he shall then displace the least senior probationary, temporary, or long-term temporary employee (in that order) at his job level or at lower job levels within his Department, provided he has the qualifications to perform the job.
 - 3. If there is no such job held by a probationary, temporary, or long-term temporary employee in his Department, he shall then displace the least senior probationary, temporary, or long-term temporary employee (in that order) on a Company-wide basis, provided he has the qualifications to perform the job.
 - 4. If there is no such job held by a probationary, temporary, or long-term temporary employee on a Company-wide basis, he shall then displace the least senior regular employee within his Department, provided he has the qualifications to perform the job.

5. If there is no such job held by a regular employee in his Department, he shall then displace the least senior regular employee on a Company-wide basis, provided he has the qualifications to perform the job.
6. If no job is available following the foregoing procedures, the employee shall be laid off from work.
7. If under the foregoing procedures an employee is assigned to a job level below his current job level, he shall continue to receive the salary rate for the higher current job level.
8. If and when openings again become available for positions from which employees were laid off, the Company shall offer re-employment to such employees in the reverse order of layoff, so that the last person laid off will be the first offered re-employment, provided he has the qualifications to perform the job.

The interpretation or application of this Section and the Company's determination as to the qualifications of employees laid off, retained, and recalled shall be subject to Steps 1 and 2 of the grievance procedure provided in Article X, but in no event shall be subject to the provisions of Step 3 or Step 4 of said grievance procedure.

ARTICLE III

Work Schedules, Overtime and Time Clock

SECTION 1. The work week for the full time office staff shall be 37 1/2 hours to 40 hours, with a prescribed one-half hour for luncheon. An employee may choose a daily work schedule which varies from the regular schedule of office hours, so long as the daily work schedule is approved by his manager, and in any such case

Article V shall not apply. *(See Exhibit VII for additional information on office staff work schedules.)*

SECTION 2. The work week for the building services staff (excepting the restaurant employees and the PH1 and PH2 classifications whose work week is 37 1/2 hours to 40 hours) shall be forty (40) hours divided (as nearly as practicable) into five days of 8 hours each. The work week shall begin starting on Monday of each week (excepting third shift building engineers in the HVAC Services division whose work week shall begin with the third shift on Sunday evenings). Time schedules for individual employees shall be established by the manager. An employee may choose a daily work schedule which varies from the schedule established by his manager so long as the daily work schedule is approved by his manager, but no shift differential shall be based only on an employee's own choice of his work schedule.

Except for scheduling of emergency work, whenever there is a change in the prevailing regular time schedules of employees of this department, the manager shall post the new schedules 5 working days in advance of the effective date. An emergency shall be regarded as any situation when performance of the work is imperative and it is impossible for the manager to give the required notice. Under such circumstances the manager shall give such notice as is possible.

Whenever an emergency occurs at a time other than during a building services employee's regular work schedule and the employee must therefore be called into the Home Office or the Franklin facility to work, he shall be compensated at the appropriate hourly rate as provided in Section 3 below for the actual number of hours worked, or for a period of 4 hours at the straight time rate, whichever is greater.

SECTION 3

- (a) "Overtime" as applying to the office staff is defined as work performed in excess of the regular number of hours an employee is scheduled to work in any work week. Full time office staff overtime shall be compensated at one and one-half times the straight time rate if the time worked is in excess of 40 hours in any week. Part time office staff overtime shall be compensated at one and one-half times the straight time rate if the time worked is in excess of 40 hours in any work week. Office staff overtime

shall be compensated at two times the straight time rate if the time worked is (i) on a Saturday in excess of 8 hours, excluding employees for whom Saturday is a regularly scheduled work day, or (ii) the time worked is on a Sunday or is on a holiday as set forth in Article IX, or is on a Saturday which is either immediately preceded by a holiday as set forth in Article IX or is followed by a holiday on the following Monday as set forth in Article IX. Performance of work on a holiday shall not reduce any rights of the employee granted by Article IX.

A member of the office staff may, but shall not be required to, take compensatory time off for work performed which is outside of his regular work schedule. Any such election to take compensatory time off shall be subject to the approval of the employee's manager, which shall not be unreasonably withheld. If such an employee is entitled to more than straight time rates for the work so performed, the compensatory time off shall be converted to straight time.

With the approval of his manager an employee may take compensatory time to amend for variations in his work schedule. Compensatory time for purposes of rearranging an employee's work schedule is to be within the same pay period and is earned at the appropriate hourly rate.

- (b) "Overtime" as applied to the building services staff is defined as work performed in excess of 40 hours in any work week. "Overtime" as applied to the Restaurant staff and PH1 and PH2 classifications is defined as work performed in excess of the regular number of hours an employee is scheduled to work in any work week. Building Services and Restaurant overtime shall be compensated at one and one-half times straight time rate if the time worked is in excess of 40 hours in any week.

Building service employees and Restaurant employees shall be compensated at two times the straight time rate if the time worked is (i) on a Saturday in excess of 8 hours, excluding employees for whom Saturday is a regularly scheduled work day, or (ii) on a Sunday (excepting third shift building engineers in the HVAC Services division who shall be compensated at two times the straight time rate if the time worked is on the workday beginning third shift Saturday

evening), or is on a holiday as set forth in Article IX, or is on a Saturday which is either immediately preceded by a holiday as set forth in Article IX or is followed by a holiday on the following Monday as set forth in Article IX.

Employees on the building services and restaurant staff may, but shall not be required to, take compensatory time off for work performed which is outside of their regular work schedule. Any such election to take compensatory time off shall be subject to the approval of the employee's manager, which shall not be unreasonably withheld.

- (c) In applying (a) and (b) above, all time paid for, including holidays, shall be considered time worked.
- (d) Compensatory time off shall be scheduled at the convenience of the Company.
- (e) Whenever an employee is scheduled and/or called into the Home Office to work overtime and upon arrival it is determined that no work is available in his regular job, or in another job in his own division for which he is qualified, such employee will be compensated for a period equal to one-half of his normal workday at the straight time rate.

SECTION 4. The Union recognizes that there are various factors inherent in the operation of the business which bring about peak loads in the performance of the office staff duties. It is agreed that to the extent necessary to render efficient service to policyowners, the work week and daily work schedules specified in this Article may require individual and group modification from time to time. Employees working hours in excess of the work week shall be compensated in accordance with the provisions of Section 3 of this Article.

When required by his manager, an employee shall not unreasonably and without good cause refuse to work overtime. Similarly, the manager will not unreasonably deny such employee the right to be excused from such overtime work. Whenever overtime is required by the manager, the manager shall give as much advance notice as is reasonably practicable.

On occasion the Company may offer overtime work to employees on a voluntary basis. With consideration given towards the requisite skills and abilities to perform the task, an employee will be requested to volunteer for overtime work on their own job first and then for other suitable opportunities if available. If the skills and abilities of those qualified employees volunteering are relatively equal, seniority shall be the determining factor in assigning the overtime work. An employee shall not be adversely impacted for not accepting overtime work offered on a voluntary basis.

SECTION 5. All regular office staff employees in Job Level 2, all building services employees in the PH1 and PH2 classifications and all restaurant employees in the R classification, shall be required to punch time clocks during their probationary periods. Other employees whose tardiness record is below average may be required to punch time clocks, but in such event the requirement will be removed at the expiration of two months. In addition, employees may be required to punch time clocks in order to record overtime, compensatory time, and hours worked in the case of certain part-time employees.

ARTICLE IV

Job Levels, Salaries, Promotional and Merit Increases

SECTION 1. Attached to and made a part of this Agreement are the following Exhibits: Exhibits I, II, III and IV. The Exhibits are captioned as follows:

- Exhibit I - New Salary Ranges--Office Staff
- Exhibit II - New Salary Ranges--Building Services Staff
- Exhibit III - New Salary Ranges--Restaurant Staff
- Exhibit IV - New Salary Ranges--Orders and Material Handling Staff

SECTION 2. Each Office (excepting MR and NR level), Building Services, Restaurant, and Orders and Material Handling employee who is promoted to a job level with a higher range midpoint will receive a salary increase effective as provided in Section 1 of Article VII. The increase shall be determined according to the following:

For promotions to a position one job level above the employee's previous job level the promotional increase will be equal to 4% of the new position's salary range midpoint or the amount necessary to bring the employee's salary to the minimum of the salary range for the level of the new position, if this latter amount is greater. *The Company, at its discretion, may provide a promotional increase which is greater than 4% of the new position's salary range midpoint.*

For promotions to a position more than one job level above the employee's previous job level the promotional increase will be equal to 5% of the new position's salary range midpoint or the amount necessary to bring the employee's salary to the minimum of the salary range for the level of the new position, if this latter amount is greater. ***The Company, at its discretion, may provide a promotional increase which is greater than 5% of the new position's salary range midpoint.***

For promotions to an MR level, the annual promotional increase will be according to the following, or the amount necessary to bring the employee's salary to the minimum of the new level, if this latter amount is greater. ***The Company, at its discretion, may provide a promotional increase which is greater than provided in the following.***

<u>One Level Promotion</u>	<u>Two or more Level Promotion</u>
\$1,552.00	\$1,941.00

In those instances where an employee is promoted from one MR level to a different MR level, a promotional increase will be granted if the percentage differential between the current midpoint and new midpoint is 8% or greater. ***The Company, at its discretion, may provide a promotional increase in circumstances where the differential is less than 8%.***

For promotions to an NR level, the annual promotional increase amount will be according to the following (*The Company, at its discretion, may provide a promotional increase which is greater than provided in the following*):

<u>One Level Promotion</u>	<u>Two or more Level Promotion</u>
\$1,552.00	\$1,941.00

Job Levels and salary ranges are shown in Exhibits I - IV.

In no event shall a promotional increase take an employee's salary over the new range maximum. If the promotional increase would generate a base salary above the new range maximum, the employee's base salary shall be limited to the new range maximum.

SECTION 3.

- (a) Salaries of employees shall be reviewed for April 1 of the contract year. Such reviews are for the purpose of adjusting salaries of employees where such adjustments are merited and logical. Any change in salary shall become effective for the first full pay period of the contract year.

- (b) Every employee is entitled to full information as to the Company's evaluation of his performance, including his rating. To this end, each employee shall have the opportunity for an annual interview with his manager. Such interview shall be held, if practicable, during the months prior to April 1 of the contract year, but in any event no later than the date prescribed for the filing in the Human Resources Department of the salary consideration form. The manager shall discuss with the employee his rating and the Company's evaluation of his performance, applicable training and development plans, if any, and shall furnish him with copies of the non-management performance appraisal form and the annual review form.
- (c) If an employee does not agree with any of the comments or statements provided by his manager on either the non-management performance appraisal form or the annual review form he shall have an opportunity to meet and discuss such comments or statements with his manager and Administrative Officer. Further, the employee may submit a written statement to Human Resources which explains the reasons the employee disagrees with his manager's comments or statements. Human Resources shall include this written statement in the employee's personnel file.
- (d) Upon request an employee may, in the presence of a Company representative and with his assistance, inspect the Company's personnel *documents (as defined by Wisconsin law)* maintained with respect to his employment. Every employee shall be furnished with a photocopy of any disciplinary memoranda placed in *the Human Resources* personnel file on and after May 1, 1980.

SECTION 4. Salary adjustments made pursuant to Section 3 above shall be referred to as "merit and senior merit increases." The principles of the Merit and Senior Merit Increase Program operative for the duration of this Contract have been negotiated between the Company and Union. The Merit and Senior Merit Increase Program provides for a range of increases, subject to salary range maximums as provided in Exhibit VI. To receive a senior merit increase under this program an employee must have received a performance rating of "*Meets Requirements*" or above. The amount of any merit and/or senior merit increase approved by an employee's manager will be administered as follows:

If the addition of the full merit increase amount would result in the employee's base salary exceeding his salary range maximum, only that portion of the merit increase amount that brings the employee's base salary up to the range maximum will be added to the employee's base salary. The balance, if any, will be paid to the employee as a one-time senior merit lump sum which shall not be deemed a part of the employee's salary, provided the employee has received a performance rating of "Meets Requirements" or above. As a result of this administration, one of three variations could occur: (1) the full amount of the increase could be added to base pay as a merit increase, (2) a portion of the increase could be added to base pay as a merit increase and a portion could be paid as a one-time senior merit lump sum, or (3) the full amount of the increase could be paid as a one-time senior merit lump sum.

If approved by his manager, merit increases and/or any senior merit lump sum amounts will be paid on the first pay day following April 1.

SECTION 5. Temporary employees as defined in Section 1 of Article I will be paid according to the employment market. The Company will notify the Union in writing whenever any such employee is hired at a salary other than that established for regular employees performing similar duties.

SECTION 6. Regular, full-time employees with at least five years service shall have the option of having their merit increase: (1) added to their regular earnings on a semi-monthly (weekly) basis; OR (2) paid out in a lump sum, (i.e., an advance against future earnings). An employee terminating employment will be required to repay to the Company any unearned portion of a lump sum merit increase at the time of termination.

ARTICLE V

Shift Differential

SECTION 1. Rules

The compensation and the work schedule of Shift Differential employees shall be governed by the following rules:

- (a) Definition. These rules shall apply only to full-time office staff and building services employees (excepting the PH1 and PH2 classifications) assigned by the Company to a Shift Differential schedule, either on a temporary, periodic, or regular basis, and shall not apply to employees who choose variable hours under Section 1 or 2 of Article III.
- (b) Employees will be assigned weekly work schedules on as long-term basis as the nature of the work permits.

(c) Shift Differential.

(1) Basic Starting Times and Shift Differential.

A. Office Staff – 37.5 hour work week.

1. Any office staff work schedule commencing between the hours of 7:00 a.m. and 9:59 a.m., inclusive, shall not earn a Shift Differential.
2. Any office staff work schedule commencing between the hours of 10:00 a.m. and 1:59 p.m., inclusive, shall earn a 4% Shift Differential.
3. Any office staff work schedule commencing between the hours of 2:00 p.m. and 10:59 p.m., inclusive, shall earn a 7% Shift Differential.
4. Any office staff work schedule commencing between the hours of 11:00 p.m. and 4:59 a.m., inclusive, shall earn an 11% Shift Differential.
5. Any office staff work schedule commencing between the hours of 5:00 a.m. and 6:59 a.m., inclusive, shall earn a 4% Shift Differential.

B. Office Staff – 40 hour work week.

1. Any office staff work schedule commencing between the hours of 7:00 a.m. and 9:29 a.m., inclusive, shall not earn a Shift Differential.
2. Any office staff work schedule commencing between the hours of 9:30 a.m. and 1:29 p.m., inclusive, shall earn a 4% Shift Differential.

3. Any office staff work schedule commencing between the hours of 1:30 p.m. and 10:29 p.m., inclusive, shall earn a 7% Shift Differential.
4. Any office staff work schedule commencing between the hours of 10:30 p.m. and 4:59 a.m., inclusive, shall earn an 11% Shift Differential.
5. Any office staff work schedule commencing between the hours of 5:00 a.m. and 6:59 a.m., inclusive, shall earn a 4% Shift Differential.

C. Building Services.

1. Any building services work schedule commencing between the hours of 6:00 a.m. and 9:59 a.m., inclusive, shall not earn a Shift Differential.
2. Any building services work schedule commencing between the hours of 10:00 a.m. and 1:59 p.m., inclusive, shall earn a 4% Shift Differential.
3. Any building services work schedule commencing between the hours of 2:00 p.m. and 9:59 p.m., inclusive, shall earn a 7% Shift Differential.
4. Any building services work schedule commencing between the hours of 10:00 p.m. and 5:59 a.m., inclusive, shall earn an 11% Shift Differential.

(2) General Provisions.

- a. Any schedule for which Shift Differential pay is earned will normally be scheduled on a permanent basis. If possible, a new schedule, or an assignment to an old schedule, will begin on the first day of a pay period and end on the last day of a pay period.
- b. Certain circumstances require that an employee work a shift differential schedule on either a temporary or periodic basis. Under such circumstances the employee will have the appropriate shift differential rate applied to his straight time hourly rate of pay for those days a shift differential schedule is worked.
- c. The percentages referred to in paragraphs (1) and (2) shall apply to the employee's straight-time hourly rate (i.e., monthly salary x 12/1950(2080) in the case of office staff employees, and weekly salary x 1/40 in the case of building services employees.)

SECTION 2. General. Except as provided in Section 1(a), (b), and (c) above, all the provisions of this Agreement concerning the office staff and building services employees shall apply to the Shift Differential employees, including the provisions of Section 3 of Article III thereof concerning overtime.

SECTION 3. If a building services employee or an office staff employee who normally works days fills in at night on another job, he will be paid the Shift Differential, if any, for such other job.

ARTICLE VI

Cost-of-Living Adjustments

SECTION 1. The salaries and salary ranges which are set forth in Exhibit I (Office Staff) shall be subject to cost-of-living adjustments effective on July 1, 2005, October 1, 2005, January 1, 2006, April 1, 2006, July 1, 2006, October 1, 2006, January 1, 2007, and April 1, 2007, to the extent provided for in Paragraph 6 of this Article.

The cost-of-living adjustment effective on July 1, 2005, and thereafter will be computed on the basis of increases in the Consumer Price Index for Urban Wage Earners and Clerical Workers (revised series) (C.P.I.-W.)—United States—All Items (1967 =100) above the equivalent index for February 2005 (557.9) in the manner and amount shown on the table referred to as Exhibit V attached hereto and made a part hereof.

The dollar adjustments, in increments of \$13 for level 2, \$14 for level 3, \$15 for level 4, \$16 for level 5, \$17 for level 6, and \$18 for level 7, NR and MR, shown in Exhibit V represent the total increases at various levels on the C.P.I.-W at the times indicated for which such salaries and salary ranges shall be adjusted for such period under this Article. During *April 2006* a new table will be prepared by the Company and furnished to the Union for the period of *April 1, 2006 through March 31, 2007*, on the same basis as the previous year.

Such salaries and salary ranges shall be adjusted upward or downward to reflect the total changes, if any, in the correct level of the C.P.I.-W at the time of adjustment, but such downward adjustments shall in no event aggregate more than the total of previous increases granted subsequent to the preceding *April 1* pursuant to this Article.

In using Exhibit V, the appropriate columns reflect the adjustments effective July 1, 2005, October 1, 2005, January 1, 2006 and April 1, 2006. For example, if the C.P.I.-W for *May 2005* is *581.0* the total cumulative adjustments effective on *July 1, 2005* will be \$26 for level 2, \$28 for level 3, \$30 for level 4, \$32 for level 5, \$34 for level 6 and \$36 for level 7, NR and MR. The Company and the Union agree that the cost-of-living adjustments as reflected in Exhibit V will not take effect unless

and until the C.P.I.-W has risen 4.1% in the year commencing *April 1, 2005*, and has risen 4.1% in the year commencing *April 1, 2006*.

SECTION 2. The salaries and salary ranges which are set forth in Exhibits II (Building Services Staff), III (Restaurant Staff), and IV (Orders and Materials Handling Positions) shall be subject to adjustments at the same time as discussed in Section 1 of this Article, above.

The cost-of-living adjustments effective July 1, 2005 and thereafter will be computed on the basis of increases in the Consumer Price Index for Urban Wage Earners and Clerical Workers (revised series) (C.P.I.-W)—United States—All Items (1967=100) above the equivalent index for February 2005 (557.9) in the manner and amount shown on the table referred to as Exhibit V attached hereto and made a part hereof. The cost-of-living adjustments for the Building Services, Restaurant staff, and Orders and Materials Handling positions will be computed as shown on Exhibit V. During *April 2006* a new table will be prepared by the Company and furnished to the Union for the period of *April 1, 2006 through March 31, 2007*, on the same basis as the previous year.

Such salaries and salary ranges shall be adjusted upward or downward to reflect the total changes, if any, in the correct level of the C.P.I.-W at the time of adjustment, but such downward adjustments shall in no event aggregate more than the total of previous increases granted subsequent to the preceding *April 1* pursuant to this Article.

ARTICLE VII

Promotions, Demotions, Transfers, Shift Preferences and New Positions

SECTION 1. When an employee is promoted to a job level that has a higher range midpoint or an eligible MR or NR position, such promotion shall be considered conditional until such employee has satisfactorily completed a trial period which shall begin on the effective date of such promotion, and be of the following duration:

Restaurant Staff	
R2 and below	2 months
R3, R4	6 months
Bldg. Services Staff	
M5 and below	2 months
M6 through M9	4 months
M10 and above	6 months
Orders and Material Handling Staff	
DS1	4 months
DS2, DS3, DS4 and DS5	6 months
Office Staff	
Job Levels 2 and 3	4 months
Job Levels 4 and 5	6 months
Job Level 6 and above*	8 - 12 months

* Includes Market Rate (MR) and No Range (NR) jobs.

In the event that an employee's trial period is extended, the Company will provide the Union with a copy of the notice an employee receives whenever the trial period is extended.

Whenever administratively feasible, promotions shall be made effective as of the first working day of a pay period and promotional salary increases shall also be made effective as of such date. When promotions cannot feasibly be made effective on the first working day of a pay period, the promotional salary increase shall be made effective as of the same day the promotion is made effective.

SECTION 2. In respect to all employees considered for or applying for promotions, seniority shall be given significant consideration in appraising employees' ability, qualifications, and experience. Moreover, seniority shall be the determining factor when ability, qualifications, and experience are relatively equal.

SECTION 3. An employee who is for any reason demoted to a job level with a lower midpoint may have his salary adjusted to the range of the new job level or classification. However, an employee shall not be deemed to be demoted if:

(1) for reasons other than the employee's own performance, the job which he currently holds is re-evaluated to a lower level or classification by the Company, or he is transferred to a different job at a lower level. In such situations, the employee's level will be considered "tabbed" and the employee's salary will continue to be administered according to the level prior to the change.

(2) the employee applies for and accepts a lower level position ("voluntary transfer to a lower level"). In the case of a voluntary transfer to a lower level, the employee will retain their last promotional increase or equivalent dollars, unless a deduction is necessary to bring the employee's salary to the salary range maximum for the new position.

SECTION 4. When any change of job level or classification occurs, an employee shall receive written notice through his manager.

SECTION 5. The Company will post all job opportunities, except where there is a planned and adequate replacement within the same department or where the job opportunity is filled with a displaced employee. A planned and adequate replacement shall be defined to mean an employee who has received training or experience in most of the duties assigned to the open job opportunity, or has received training or experience in a job with duties related to the duties assigned to the open job opportunity. Applications for posted jobs are to be made to the Human Resources Department. Employees who are absent during the entire period when a job opportunity is posted will be allowed to submit an application thereafter provided the interviews of other applicants have not been completed. Such application will be considered in the same manner and to the same extent as all other applications are considered.

Such posting shall be made for a 5 working day period, and shall be posted concurrently on the Company intranet and the Company kiosks. However, alternatively and at the option of the manager in whose department the job opportunity exists, such posting may be posted for a two working day period at the posting location of the department in which the job opportunity exists prior to posting the position on the Company intranet and Company kiosks.

The Company will not consider applications from persons who are not regular employees unless applicants who are regular employees do not meet the ability, qualifications and experience required by the posted position.

Unless the department human resources officer approves, no employee shall be selected for a posted job opportunity in the same department in which he is currently employed if he: (a) has not completed the probationary period under Section 2 of Article II; or (b) has not completed the trial period under Section 1 of Article VII. Unless the Human Resources Department approves, no employee shall be selected for a posted job opportunity in a department other than the department in which he is currently employed if he: (a) has not completed the probationary period under Section 2 of Article II; or (b) has not completed the trial period under Section 1 of Article VII.

Within a reasonable time after an employee is selected for a promotion based on a Company-wide posted job opportunity the name and title of such individual shall be posted on the Company intranet and a Company communication kiosk for a period of five working days.

An employee who has been denied a posted position after having been interviewed for a posted job opportunity may at his option have a meeting with the interviewing representative to discuss the reason or reasons for denial of the promotion.

SECTION 6. If a position on the building services, restaurant, or office staff is filled temporarily for 11 or more working days by one or more employees whose range of pay is lower than that for the position being filled, any such employee will be compensated for the entire time he fills the other position at the greater of (a) the minimum rate for the other position, or (b) \$.15 (fifteen cents) per hour more than his regular compensation, but not more than the maximum for the other position.

If the position is filled temporarily for 30 or more calendar days by one or more employees whose range of pay is lower than that for the position being filled, any such employee will be compensated for the entire time he fills the other position at the greater of (a) the minimum rate for the other position, or (b) an amount equal to the promotional increase amount, as in Article IV, Section 2.

SECTION 7. The Company shall continue to study the avenues of promotion (intra- and inter-departmental) in an effort to provide, so far as practicable, equal opportunity for promotion to those of equal ability, qualifications, experience, and length of service. The Company is willing to discuss periodically with the Union its promotion policy in its general application.

SECTION 8. An employee may submit a request to his manager that his job be reevaluated if he believes there has been a significant change in job content. If the manager agrees, the job will then be reevaluated, and the employee will be notified if the level is then changed.

SECTION 9. When there are identical jobs on more than one shift, an employee in one of those jobs may express a preference to transfer to an identical

job on another shift. If an opening is available on another shift, the manager of the preferred shift will give first consideration, in order of seniority, to those employees who have expressed a preference for that shift. Candidates may be interviewed, depending on preliminary assessment of their qualifications relative to other candidates and the job requirements. The manager of the preferred shift will advise employees expressing such preference of their consideration and of the manager's decision.

ARTICLE VIII

Vacation Rules and Regulations

SECTION 1. In recognition of length of service, vacations with full salary are granted to employees (other than temporary employees) in accordance with the conditions contained in this Article.

SECTION 2. All vacations shall be taken at the convenience of the Company. Vacations may be scheduled at any convenient time during the calendar year for those employees whose continuity of service seems assured; provided, however, that all earned vacation days in excess of 7 days shall be taken by an employee before requesting an unpaid maternity leave of absence to be taken more than 7 working days prior to the scheduled due date for the birth of the child. Every practicable effort shall be made to give weight to length of service and adequately explained circumstances of employee hardship in the scheduling of vacations (except vacations carried over from the previous year pursuant to Section 8 of this Article). Vacation time may not be accumulated from one year to the next, except as provided in Section 8.

SECTION 3. In determining calendar years of continuous service for purposes of vacation under Section 7(a) of this Article, the calendar year of employment (or re-employment, in the case of a rehired employee) shall be considered the first calendar year of service, and the *current* calendar year shall be considered the last calendar year of service. Any period of 5 years or more of continuous service previously performed by a rehired employee shall be added to his current period of employment regardless of the length of his break in service with the Company. Any period of less than 5 years of continuous service previously performed by a rehired employee shall be added to his current period of service only if his break in service with the Company is less than 1 year. Any such bridging of service under the preceding two sentences shall be applied only after the rehired employee has completed 1 year of service following rehire.

SECTION 4. An employee who terminates his service in any year shall be entitled to *1/12 of the vacation for which they are eligible for each full calendar month worked during the calendar year in which such termination occurs*, if he was an employee at the end of the preceding calendar year. Such an employee shall not be entitled to pay for vacation taken in excess of such amount and the Company shall be entitled to reimbursement for any excess vacation so taken. This section does not apply to termination resulting from retirement.

SECTION 5. When an employee voluntarily terminates his service with the Company and has given the Company 2 weeks' notice, he shall be granted the full vacation *for which he is eligible in Section 4 above*, or its equivalent in salary. When the employee fails to give such 2 weeks' notice, his vacation or vacation pay shall be reduced by the difference between 2 weeks' notice and the notice actually given.

SECTION 6. An employee who is retiring during the current calendar year may at the time of retirement take the equivalent in salary of the vacation to which he is entitled.

SECTION 7.

(a) Employees shall be entitled to vacations in accordance with the following schedule:

Calendar Years of Continuous Service	Days of Vacation
25 or more	25
24	23
22-23	22
20-21	21
18-19	20
16-17	19
14-15	18
12-13	17
10-11	16
9	15
7-8	14
6	13
5	12
1-4	10

- (b) Less Than One Year of Service. Employees in the first year of employment shall be eligible for vacation benefits according to the following:

Full-time employees:

Date of Hire	Days of Vacation
January 1 through March 1	5
March 2 through May 1.....	4
May 2 through July 1	3
July 2 through October 1.....	2
October 2 through December 31	1

Regular Part-time and Voluntary Part-time employees:

Date of Hire	Vacation Factor
January 1 through March 1	1.0
March 2 through May 1.....	0.8
May 2 through July 1	0.6
July 2 through October 1.....	0.4
October 2 through December 31	0.2

In determining a part-time employee's vacation, the vacation factor associated with his employment date shall be multiplied by the employee's regularly scheduled work week.

- (c) Part Time Employees shall be entitled to vacations, which are determined by multiplying the **number of regularly scheduled hours worked per week** (excluding hours paid at a premium rate) by an appropriate factor. To determine the appropriate factor, use the applicable calendar years of continuous service as shown in the table below:

Calendar Years of Continuous Service	Factor
0-4.....	1.5
5-9.....	2.0
10-14.....	2.5
15+.....	3.0

The vacation accrual of voluntary and regular part-time employees shall only be adjusted if their actual hours worked in the previous calendar year averaged at least 5 hours per week more than their regularly scheduled hours.

SECTION 8. Each employee with 5 or more years of continuous service may carry forward to the next succeeding calendar year the number of vacation days equal to the number of his years of continuous service, with a maximum of 10 vacation days for employees with at least 10 and not more than 19 years of continuous service, and with a maximum of 15 vacation days for employees with 20 or more years of continuous service.

SECTION 9. Any request for an exception to these rules and regulations shall be referred in writing to the Employee Relations Division of the Human Resources Department.

SECTION 10. In January of each year a vacation selection schedule will be circulated in each division of the Company. Employees will indicate their preferred vacation selections on said vacation selection schedule and return it to the manager by February 1. The manager will review the selection schedule and respond to the employees with the division's vacation schedule by March 1, unless extenuating circumstances arise.

ARTICLE IX

Holidays

SECTION 1.

(a) The Home Office will be closed to observe the following holidays:

Memorial Day and the Saturday preceding Memorial Day, Labor Day and the Saturday preceding Labor Day, Thanksgiving Day, the day following Thanksgiving day and the Saturday following Thanksgiving Day;

New Year's Day on the day of its occurrence and on the Monday following when it occurs on a Sunday. In the event that New Year's Day occurs on a Friday the Home Office will also be closed the following Saturday. In the event that New Year's Day occurs on a Monday the Home Office will be closed the preceding Saturday;

Independence Day on the day of its occurrence and on the date preceding or following its occurrence when it occurs on a Saturday or Sunday, respectively. In the event that Independence Day occurs on a Friday the Home Office will also be closed the following Saturday. In the event that Independence Day occurs on a Monday the Home Office will be closed the preceding Saturday;

Christmas Day on the day of its occurrence and on the preceding Friday and the following Monday when Christmas occurs on a Saturday or Sunday, the preceding Saturday and the following Tuesday when Christmas occurs on a Monday, the preceding Monday when Christmas occurs on a Tuesday, the preceding Tuesday when Christmas occurs on a Wednesday, the half-day before Christmas and the following Friday and Saturday when Christmas occurs on a Thursday, and the preceding Thursday and the following Saturday when Christmas occurs on a Friday.

- (b) Regular part time and voluntary part time employees earn holiday pay equivalent to the number of hours regularly scheduled to work on any of the above referenced company observed holidays. A regular part time or voluntary part time employee shall not earn pay for holidays occurring on days for which he is not regularly scheduled to work.

SECTION 2.

- (a) Each employee will become eligible for a floating holiday on the last regularly scheduled working day in January, April, July and October. Additional floating holidays may be earned under Section 2 of Article XV.

In the years when Christmas occurs on a Wednesday, each employee will become eligible for a floating holiday on the preceding December 23rd.

In the years in which New Year's Day occurs on a Saturday, each employee will become eligible for a floating holiday on the preceding December 31st.

Floating holidays will be scheduled in the same manner as vacation, except that one floating holiday may be taken on the employee's birthday in any event. In addition, an employee upon request shall be excused from work from 12 o'clock noon to 3 p.m. on Good Friday; and such excused time shall be made up as compensatory time either in advance in the same week or in the following week, as approved by the manager.

- (b) A regular part time employee or voluntary part time employee will earn a floating holiday pro-rated according to his regular scheduled number of hours during the work week.

ARTICLE X

Complaints and Grievances

SECTION 1. Each employee is entitled to receive a full explanation by his manager of any action which affects him adversely. The manager shall respond to any inquiry or complaint of an employee within 3 working days and shall notify the employee of any action taken. At the employee's request, a Union representative may be present during such explanation or notification. If such explanation or notification is given in writing, the chief steward or other authorized union representative shall, at the employee's request, be given a copy thereof. If after thorough discussion with the manager the employee is not satisfied, the action of the manager shall be reviewed as follows:

Step 1: Within 3 working days after receiving the notice from the manager, the employee or authorized union representative shall request a meeting with the department head of his department. The employee or authorized union representative shall put his inquiry or complaint in writing as a grievance and deliver it to his department head, to his manager, and to the Human Resources Department employee designated to receive such grievances. The department head shall meet with the employee within 5 working days after the date on which the grievance was delivered to him, with or without a union representative as the employee desires. The department head shall act within 5 working days and shall notify the employee and the Union in writing of the action taken.

Step 2: If this does not satisfy the employee and he desires the Union to present the grievance to the Grievance Committee, the Union, within 10 working days after the employee has received the notice from his department head, shall notify the *Director, Employee Relations* in writing that the Union desires to meet with the Grievance Committee. Such notice shall briefly summarize the reason why the employee is not satisfied with the department head's decision, but such notice shall not in any way restrict the opportunity of the Union or the Company to introduce such facts which it deems relevant.

The Grievance Committee shall be composed of the Chairman, who shall be **Director, Employee Relations**, and four additional members appointed by the Chair of the Grievance Committee.

Within 5 working days after the Grievance Committee has received such notice, the Committee will meet with the employee, along with a union steward and the union business representative. The meeting may also be attended by representatives of the department management, including the manager and/or the administrative officer and/or the department head, if the Committee and Union deem it appropriate. Thereupon the Grievance Committee shall consider the grievance which shall be presented by the Union on behalf of the employee. The Grievance Committee shall act within 10 working days or within such extended period as the Company and the Union may mutually agree upon, and shall notify the employee and the Union in writing of the action taken.

The Company and Union may mutually agree to by-pass Step 1 if the two parties deem appropriate.

Unless the grievance involves a provision or term of this agreement for which the parties do not agree as to its intent or meaning, or relates to a discharged regular employee the action of the Grievance Committee shall be final. Such action applies specifically to such matters as the determination of promotions and merit increases for individual employees and classification of jobs, except as otherwise agreed upon by the Company and the Union, and subject to the provisions of Step 4 below.

Step 3: If the grievance involves a provision or term of this agreement for which the parties do not agree as to its intent or meaning (except as provided in Section 3 of Article II) or relates to a discharged regular employee, the Union within 10 working days after receiving the notice specified in Step 2 may notify the *Director, Employee Relations* in writing that it desires to have the matter heard by a grievance panel. Thereafter, within 10 working days the Union and the Company shall each designate a representative for the grievance panel, and shall notify each other in writing of their selection. The failure of either party to designate a representative for the grievance panel within this period shall result in a forfeiture of its right to name a representative on said panel.

Within the same 10 working day period, the Union and the Company shall decide upon the selection of an Impartial Chairman. If the parties, within the 10 working day period and 5 additional working days, are unable to decide upon an Impartial Chairman, the party desiring arbitration shall notify the Federal Mediation and Conciliation Service, which shall submit a panel containing 5 names. Each party shall alternatively strike one name until one name remains.

The person whose name remains shall serve as the Impartial Chairman. The *Impartial Chairman* shall preside over the grievance panel and shall counsel with and assist the panel in reaching a decision. The Union and the Company shall share equally the expense of the Impartial Chairman.

A majority vote of the panel shall decide any controversy submitted to it under this section. Any decision of the panel shall be in writing and shall be binding upon the employee, the Company, and the Union, to each of whom a copy shall be given.

Except for its powers in discharge cases, the grievance panel shall only have power to interpret and apply the terms of this Agreement. The panel shall have no power to extend the duration of this Agreement, to add any terms or provisions, or to enlarge its jurisdiction, except by mutual consent of the Company and the Union.

Step 4: (a) If the grievance involves an issue of promotion, or a transfer from a building services or restaurant position to a posted office staff position with an immediate higher salary rate, the Union within 10 working days after receiving the notice specified in Step 2 may notify the **Director, Employee Relations** in writing that it desires to have the matter heard by a fact finding panel. Thereafter, within 10 working days the Union and the Company shall each designate 2 representatives for the fact finding panel, and shall notify each other in writing of their selection.

The fact finding panel shall make such investigation and interview such witnesses as in its judgment is appropriate or necessary under the circumstances, and shall render its decision within 20 working days, or such extended period of time as is mutually agreed upon between the Company and the Union.

A majority vote of the panel shall decide any controversy submitted to it under this Section. Any decision of the panel shall be in writing and shall be binding upon the employee, the Company, and the Union, to each of whom a copy shall be given.

In the event that the panel becomes deadlocked and a majority vote cannot be reached, the panel within the same 20 working day period shall ask the Wisconsin Employment Relations Commission to assign a mediator from among a list of three mediators whose names will be mutually agreed upon by the Company and the Union. Whenever possible, the Commission will be asked to assign the mediator on a rotation basis, so that each of the three mediators on the list will serve in turn.

The panel will meet with the mediator at such times as may be mutually convenient to the mediator and the panel, and within the same 20 working day period or such extended period as mutually agreed upon will try to arrive at a majority vote. If after a thorough discussion, investigation, and the process of mediation, the panel still remains deadlocked, the prior decision of the Grievance Committee shall be final.

(b) If the Grievance involves an issue of job evaluation or merit increase, the Union within 10 working days after receiving the notice specified in Step 2 may notify the **Director, Employee Relations** in writing that it desires to appeal the decision of the Grievance Committee to a fact finding panel composed of an equal number of persons designated by the Union and the Company. Thereafter, within 10 working days the Union and the Company shall each designate 2 representatives for the fact finding panel, and shall notify each other in writing of their selection.

The fact finding panel will determine if there are any additional facts relevant to the Grievance and will report any findings back to the Grievance Committee within 20 working days, or such extended period of time as is mutually agreed upon between the Company and the Union. The Grievance Committee will then reconsider the Grievance based on the recommendation of the fact finding panel. In such cases, the action of the Grievance Committee is final.

SECTION 2. Documentation related to an employee grievance is to be maintained in one central grievance file in the Human Resources Department and will not be included in any Company personnel file maintained with respect to such employee.

SECTION 3. Should any differences arise between the Company and the Union which affect the Union as a whole or a substantial part of its membership, not all in the same department, the Union shall submit the controversy directly to the Grievance Committee or a subcommittee designated by it.

SECTION 4. *In the interest of fostering good relations with employees, the Human Resources Department of the Company shall be available at all times to employees or their representatives for the purpose of counseling.*

ARTICLE XI

Discharge

SECTION 1. The Company shall have the right to discharge any employee for good and sufficient reason. The Company shall deliver to the Union office a copy of any written warning given to a regular employee to the effect that he will be discharged if he does or does not perform certain acts specified in such warning. No regular employee shall be discharged without having received at least one prior written warning, unless such discharge is caused by an employee's serious willful misconduct or other circumstances where such warning is not reasonably practicable. Any such written warning shall specify a reasonable period of time within which the employee shall be required to improve his performance or attendance, as the case may be. Upon the expiration of the specified time period, the employee shall be notified in writing, and a copy furnished to the Union, stating whether or not the employee has complied with the terms of the warning.

When it does discharge a regular employee, the employee's manager shall meet with the employee to explain the reason for the discharge. At the employee's request, the Union representative may be present at such meeting. If such a meeting is not practicable under the circumstances, or if no Union representative attends such meeting, the Company shall notify the Union office in writing of the discharge and the reason therefor. Whenever reasonably possible, the notice shall be given before the employee is discharged but in any event not later than the close of business on the next working day following the day of the discharge.

SECTION 2. By filing a grievance with the head of the department from which he was discharged within 10 working days after discharge, the regular employee may have his discharge considered as a grievance in accordance with the steps of the procedure outlined in Article X. Any regular employee who has been wrongfully discharged shall be reinstated with full pay and shall receive restoration of all benefits.

SECTION 3. The provisions of this Article shall not apply to the discharge of a long-term temporary employee, as defined in Article I, when the Company exercises its right to discharge such employee upon completion of the specific project or projects for which he was hired.

ARTICLE XII

Cooperation

The Union acknowledges that the purpose of the Company is to furnish a high standard of personal service to policyowners and beneficiaries, and to that end the Union representatives agree to emphasize to members of the Union the importance of their cooperation and performance in attaining that objective.

All employees shall individually and collectively perform loyal and efficient work to the best of their ability, and shall cooperate with the Company and with the employees of their own and other groups or departments in promoting and advancing the welfare of the Company at all times. The Company and the Union agree to promote harmony and cooperation in their dealings with each other, and to promote harmony and efficiency among all the employees.

caucuses extending beyond 75 hours per person and/or beyond *March 31, 2007* shall not be paid by the Company. Any such business shall be conducted so as not to interfere with the efficient performance of his regular job duties by the Union member. If the member works on the second or third shift, and such business cannot therefore feasibly be conducted during his regular shift, he shall be entitled to an equal amount of time off for the time spent on such business, to be taken at the convenience of the Company.

SECTION 2. Unless his absence will interfere with the efficient operation of the department, any officer or representative of the Union who desires to participate in any activity of the Union or of Office and Professional Employees International Union shall, upon application to his manager, be permitted to leave work for the time necessary to transact such business. Such employee shall receive no compensation from the Company while so engaged. An absence of one day in each twelve-month period for purposes of Union activities acceptable to the Company will not be considered an absence from work for purposes of an employee's eligibility to earn [an] attendance incentive day[s] as identified in Article XV, Section 2 of this collective bargaining agreement.

SECTION 3. Collectors of Union dues are permitted to collect Union dues in such manner as will not interfere with the Company's work.

SECTION 4. The Company shall maintain Union bulletin boards now in use and shall install additional boards mutually agreed upon by both parties for posting of notices and other noncontroversial material acceptable to the Company. In furtherance of the foregoing, the Union will be allowed the use of a portable bulletin board to be placed near the present Union bulletin board on the second floor of the South building. The use of such portable bulletin board will be permitted only for certain occasions, to wit: Union election notices and general membership meeting notices, and for a maximum period of two working days per occasion. Such notices must be acceptable to the Company, and the use of the board may not conflict with any Company use which shall have priority.

SECTION 5. Within five working days of request by the Company, the Union shall provide the Company with a list of all union stewards and union officers.

The Company, its employees, and the Union acknowledge their mutual responsibility to promote and encourage safety in all areas of the Company. To this end, the Company for its part agrees to continue to make all reasonable provisions for the safety of all employees, and the Union for its part agrees to continue to promote the realization among all employees of their individual responsibility to exercise due care so as to prevent accidents.

ARTICLE XIII

Management Rights

It is recognized by the contracting parties that management of the business and direction of the working forces, including the right to hire, promote, discharge, and transfer employees, is vested exclusively in the Company. However, nothing contained in this Article shall be used to contradict or limit any other specific provision of this Agreement.

ARTICLE XIV

Union Activities

SECTION 1. Upon application to his manager (which application shall not be unreasonably denied), any member of the Union who transacts Union business with the Company, or settles grievances with the Company, during the regular schedule of office hours shall be excused from work for a sufficient time to discharge such Union duties without loss of pay. If the Union or the Company gives the notice to terminate or amend the Agreement effective *April 1, 2005* as provided in Article XVII, and the parties thereafter enter into collective bargaining negotiations for a new or amended Agreement, members of the Union Bargaining Committees shall receive their regular rate of compensation for time spent in such negotiations during their regular schedule of working hours, as well as caucuses immediately preceding or succeeding such negotiations, up to a maximum of 75 hours per person. Any such negotiations and

ARTICLE XV

Attendance/Funeral Leave of Absence

Any full time employee will be granted an additional attendance incentive day for each period of six calendar months during which he has no days of absence from work. In addition to the attendance incentive days granted under the preceding sentence, an employee will be entitled to an additional attendance incentive day for the first period of 24 calendar months and each consecutive period of 12 calendar months thereafter during which he has no days of absence from work. The additional attendance incentive days for each period of 12 calendar months following the 24 calendar month period shall be earned as of the first date after May 1, 1982, upon which the employee has completed such period of 12 calendar months.

An employee's choice of absence for one, two, or three days for a death in the family (i.e., parent, step-parent, parent-in-law, child, step-child, grandchild, son-in-law or daughter-in-law, spouse, brother or sister, grandparent, brother-in-law or sister-in-law) will not be considered an absence from work for purposes of additional attendance incentive days under this Section.

ARTICLE XVI

Present Benefits

All present benefits not affected by this Agreement shall be continued to Home Office employees of the Company except as set forth in the Supplemental Agreement dated the date of this Agreement.

ARTICLE XVII

Duration of Agreement

This Agreement shall constitute the entire agreement between the parties, shall supersede all previous agreements between them, and shall be in full force and effect for an initial term of *April 1, 2005*, through *March 31, 2007*, and from year to year thereafter unless either party shall give sixty (60) days prior written notice to terminate the Agreement or to amend the Agreement. Should either party give the prescribed notice to terminate the Agreement it shall terminate on the March 31st next following the giving of such notice. The party giving notice to amend shall state, either as a part of such notice or in a separate written statement delivered within thirty (30) days thereafter, any and all of the provisions it wishes to change. Where only a notice to amend is given, and the parties cannot agree on the proposed amendments, either party shall have the right to terminate the Agreement at any time after the expiration of the initial term upon giving five (5) days prior notice of termination.

THE NORTHWESTERN MUTUAL
LIFE INSURANCE COMPANY

- By: Todd Smasal
Director, Employee Relations
(Chairman, Company Bargaining Committee)
- By: Ellen Cummings
Employee Relations Consultant
- By: Nancy Filsinger
Manager, Field Comp & Svcs
- By: Diep Graham
Exp Management Specialist
- By: Lori Hanes
Assistant Director, Human Resources
- By: Scott J. Morris
Assistant General Counsel and Assistant Secretary
- By: Christen Partleton
Director, Corporate Services
- By: Allen Ruppel
Manager, Policyowner Services

LOCAL 35, OFFICE AND PROFESSIONAL
EMPLOYEES INTERNATIONAL UNION
AFL-CIO-CLC

By: James Becker
Member of Bargaining Committee

By: Calvin Bailey, Jr.
Member of Bargaining Committee

By: Lonrae Davis
Member of Bargaining Committee

By: Christine McDonald
Member of Bargaining Committee

By: Joan Reuter
Member of Bargaining Committee

By: Mary Rothe
Member of Bargaining Committee

By: Casimir Stelter
Member of Bargaining Committee

By: Gloria Tetting
Member of Bargaining Committee

By: Cynthia Trapp-Dietz
Member of Bargaining Committee

Approved and accepted by the Office and Professional Employees International
Union, AFL-CIO-CLC

By: Judith Burnick
Business Manager, Local 35

By: Brady Bailo
Labor Representative, Local 35

EXHIBIT I
New Salary Ranges
Office Staff*

EFFECTIVE 4/1/2005

Annual Range Structure			
Level	Minimum	Midpoint	Maximum
2	\$20,080	\$25,100	\$30,120
3	\$21,280	\$26,600	\$31,920
4	\$24,290	\$30,360	\$36,430
5	\$26,460	\$33,080	\$39,700
6	\$28,150	\$35,190	\$42,230
7	\$29,870	\$37,340	\$44,810
NR	No Range		
MR	Variable		

Hourly Range Structure		
Min.	Mid.	Max.
\$10.30	\$12.87	\$15.45
\$10.91	\$13.64	\$16.37
\$12.46	\$15.57	\$18.68
\$13.57	\$16.96	\$20.36
\$14.44	\$18.05	\$21.66
\$15.32	\$19.15	\$22.98
No Range		
Variable		

EFFECTIVE 4/1/2006

Annual Range Structure			
Level	Minimum	Midpoint	Maximum
2	\$20,590	\$25,730	\$30,870
3	\$21,810	\$27,270	\$32,720
4	\$24,900	\$31,120	\$37,340
5	\$27,130	\$33,910	\$40,690
6	\$28,860	\$36,070	\$43,280
7	\$30,620	\$38,270	\$45,930
NR	No Range		
MR	Variable		

Hourly Range Structure		
Min.	Mid.	Max.
\$10.56	\$13.20	\$15.83
\$11.19	\$13.99	\$16.78
\$12.77	\$15.96	\$19.15
\$13.91	\$17.39	\$20.87
\$14.80	\$18.50	\$22.20
\$15.70	\$19.63	\$23.55
No Range		
Variable		

*Annual range structure is based on a standard workweek of 37.5 hours. The hourly range structure is a standard workweek of over 37.5 hours, up to and including 40 hours. Annual ranges can be calculated from the hourly range structure by multiplying the hourly rate x number of hours/week x 52 weeks in a year.

EXHIBIT II
New Salary Ranges
Building Services Staff

Effective 4/1/05	Hourly Range Structure		
	Level	Min.	Mid.
PH1	\$9.88	\$10.98	\$12.07
PH2	\$10.65	\$11.83	\$13.01
M2	\$11.36	\$12.62	\$13.88
M3	\$12.07	\$14.19	\$16.30
M4	\$12.20	\$14.33	\$16.46
M5	\$12.67	\$14.88	\$17.10
M6	\$14.12	\$16.59	\$19.07
M7	\$14.53	\$17.08	\$19.62
M8	\$15.29	\$17.97	\$20.64
M9	\$16.61	\$19.94	\$23.26
M10	\$17.46	\$20.95	\$24.44
M11	\$18.31	\$21.98	\$25.64
M12	\$19.17	\$23.00	\$26.83
M13	\$20.13	\$24.16	\$28.19

Effective 4/1/06	Hourly Range Structure		
	Level	Min.	Mid.
PH1	\$10.13	\$11.25	\$12.38
PH2	\$10.91	\$12.13	\$13.34
M2	\$11.64	\$12.94	\$14.23
M3	\$12.38	\$14.54	\$16.71
M4	\$12.50	\$14.69	\$16.88
M5	\$12.98	\$15.25	\$17.52
M6	\$14.47	\$17.00	\$19.54
M7	\$14.90	\$17.51	\$20.11
M8	\$15.68	\$18.42	\$21.16
M9	\$17.03	\$20.44	\$23.84
M10	\$17.89	\$21.47	\$25.05
M11	\$18.77	\$22.53	\$26.28
M12	\$19.65	\$23.58	\$27.50
M13	\$20.64	\$24.76	\$28.89

EXHIBIT III
New Salary Ranges
Restaurant Staff

Effective 4/1/05	Hourly Range Structure		
Level	Min.	Mid.	Max.
R1	\$10.57	\$11.79	\$13.00
R2	\$11.06	\$13.27	\$15.49
R3	\$12.78	\$15.79	\$18.79
R4	\$14.47	\$17.88	\$21.28

Effective 4/1/06	Hourly Range Structure		
Level	Min.	Mid.	Max.
R1	\$10.84	\$12.08	\$13.33
R2	\$11.33	\$13.60	\$15.87
R3	\$13.11	\$16.18	\$19.26
R4	\$14.84	\$18.33	\$21.81

EXHIBIT IV
New Salary Ranges
Orders and Material Handling Positions*

EFFECTIVE 4/1/05

Level	Annual Range Structure			Hourly Range Structure		
	Min.	Mid.	Max.	Min.	Mid.	Max.
DS1	\$22,240	\$27,800	\$33,360	\$11.41	\$14.26	\$17.11
DS2	\$24,660	\$30,820	\$36,990	\$12.65	\$15.81	\$18.97
DS3	\$25,200	\$31,500	\$37,800	\$12.92	\$16.15	\$19.39
DS4	\$27,220	\$34,020	\$40,830	\$13.96	\$17.45	\$20.94
DS5	\$27,750	\$34,690	\$41,630	\$14.23	\$17.79	\$21.35

EFFECTIVE 4/1/06

Level	Annual Range Structure			Hourly Range Structure		
	Min.	Mid.	Max.	Min.	Mid.	Max.
DS1	\$22,800	\$28,500	\$34,200	\$11.69	\$14.62	\$17.54
DS2	\$25,270	\$31,590	\$37,910	\$12.96	\$16.20	\$19.44
DS3	\$25,830	\$32,290	\$38,750	\$13.25	\$16.56	\$19.87
DS4	\$27,900	\$34,870	\$41,840	\$14.31	\$17.88	\$21.46
DS5	\$28,450	\$35,560	\$42,670	\$14.59	\$18.24	\$21.88

*Annual range structure is based on a standard workweek of 37.5 hours. The hourly range structure is a standard workweek of over 37.5 hours, up to and including 40 hours. Annual ranges can be calculated from the hourly range structure by multiplying the hourly rate x number of hours/week x 52 weeks in a year.

EXHIBIT V
Table of Cumulative Cost-of-Living Increases
C.P.I.-W Cumulative Annual Increases
Effective 7/05, 10/05, 1/06 and 4/06

C.P.I.-W**	Office Staff	Building Services and Restaurant***						
	Cumulative	Custdl 1, Custdl 2		Bld Svc 3		Bld Svc 6		Bld Svc 9
	Annual Increase Unit**	Custdl 3, Bld Srv 2		Bld Svc 4	Bld Svc 7		Bld Svc 10, Bld Svc 12, Bld Svc	
		Restrnt 1	Restrnt 2	Bld Svc 5	Restrnt 3	Bld Svc 8	Restrnt 4	
&								
581.0 - under	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
581.1 - 581.3	1	0.01	0.01	0.01	0.01	0.01	0.01	0.01
581.4 - 581.6	2	0.02	0.02	0.02	0.02	0.02	0.02	0.02
581.7 - 581.9	3	0.02	0.03	0.03	0.03	0.03	0.03	0.03
582.0 - 582.2	4	0.03	0.03	0.03	0.04	0.04	0.04	0.04
582.3 - 582.5	5	0.04	0.04	0.04	0.05	0.05	0.05	0.05
582.6 - 582.8	6	0.04	0.05	0.05	0.05	0.06	0.06	0.06
582.9 - 583.1	7	0.05	0.05	0.05	0.06	0.06	0.07	0.07
583.2 - 583.4	8	0.06	0.06	0.06	0.07	0.07	0.07	0.08
583.5 - 583.7	9	0.06	0.07	0.07	0.08	0.08	0.08	0.09
583.8 - 584.0	10	0.07	0.08	0.08	0.09	0.09	0.09	0.10
584.1 - 584.3	11	0.08	0.08	0.09	0.10	0.10	0.10	0.11
584.4 - 584.6	12	0.08	0.09	0.09	0.11	0.11	0.11	0.11
584.7 - 584.9	13	0.09	0.10	0.10	0.12	0.12	0.12	0.12
585.0 - 585.2	14	0.10	0.10	0.11	0.12	0.13	0.13	0.13
585.3 - 585.5	15	0.10	0.11	0.12	0.13	0.14	0.14	0.14
585.6 - 585.8	16	0.11	0.12	0.12	0.14	0.14	0.15	0.15
585.9 - 586.1	17	0.12	0.13	0.13	0.15	0.15	0.15	0.16
586.2 - 586.4	18	0.12	0.13	0.14	0.16	0.16	0.17	0.17
586.5 - 586.7	19	0.13	0.14	0.15	0.17	0.17	0.18	0.18
586.8 - 587.0	20	0.14	0.15	0.15	0.18	0.18	0.19	0.19
587.1 - 587.3	21	0.14	0.15	0.16	0.18	0.19	0.20	0.20
587.4 - 587.6	22	0.15	0.16	0.17	0.19	0.20	0.21	0.21
587.7 - 587.9	23	0.16	0.17	0.18	0.20	0.21	0.22	0.22
588.0 - 588.2	24	0.16	0.18	0.18	0.21	0.21	0.22	0.22
588.3 - 588.5	25	0.17	0.18	0.19	0.22	0.22	0.23	0.23
588.6 - 588.8	26	0.18	0.19	0.20	0.23	0.23	0.24	0.24
588.9 - 589.1	27	0.18	0.20	0.21	0.24	0.24	0.25	0.25

Levels 2, 3, 4, 5, 6, 7, NR and MR receive \$13, \$14, \$15, \$16, \$17, \$18, \$18 and \$18 respectively, multiplied by the Annual Increase Unit for the appropriate level. The full amount of these increases will be added to the maximum. Until the maximum becomes 150% of the minimum, only one-third of these amounts will be added to the minimums. Then two-thirds of these amounts will be added to the minimums.

Revised CPI Urban Wage Earners and Clerical Workers National, All Items Figure for May, August,

November and February for increases effective July, October, January and April respectively.

For each annual increase unit received by the Office staff: levels PH1, PH2, PH3, M2, and PR1,R1 receive $\frac{2}{3}$ cents per hour; levels M3, M4, and PR2,R2 receive $\frac{5}{7}$ cents per hour; level M5 receives $\frac{6}{8}$ cents per hour; level PR3,R3 receives $\frac{6}{7}$ cents per hour levels M6, M7 and M8 receive $\frac{7}{8}$ cents per hour. levels M9, M10, M11, M12, M13, NR1 and PR4,R4 receive $\frac{11}{12}$ cents per hour.

EXHIBIT VI

**Guidelines for Patterns of Increases for Annual Merit and Senior Merit
Increases**

MERIT/SENIOR MERIT INCREASE GUIDELINES		
(Effective April 1, 2005)		
3.7% merit budget		
PERFORMANCE LEVEL	MERIT INCREASE RANGE	
Significantly Exceeds Requirements	5.1%	6.3%
Exceeds Requirements	4.1%	5.0%
Meets Requirements*	3.0%	4.0%
Requires Improvement	1.0%	2.0%
Unacceptable	0.0%	0.0%
Out-of-pattern increases will be considered if substantiated.		

*Senior merit increases require a rating of Meets Requirements or above.

The negotiated merit payout percentage shall be included as part of the 'Meets Requirements' performance rating merit increase range.

EXHIBIT VI (Continued)
Guidelines for Patterns of Increases for Annual Merit and Senior Merit
Increases

MERIT/SENIOR MERIT INCREASE GUIDELINES		
(Effective April 1, 2006)		
4.0% merit budget		
PERFORMANCE LEVEL	MERIT INCREASE RANGE	
Significantly Exceeds Requirements	5.3%	6.5%
Exceeds Requirements	4.4%	5.2%
Meets Requirements*	3.0%	4.3%
Requires Improvement	1.5%	2.0%
Unacceptable	0.0%	0.0%
Out-of-pattern increases will be considered if substantiated.		

*Senior merit increases require a rating of Meets Requirements or above.

The negotiated merit payout percentage shall be included as part of the 'Meets Requirements' performance rating merit increase range.

EXHIBIT VII

Provisions Regarding Saturday as a Work Day, the 40-Hour Workweek, and the Assignment of Work Schedules

Saturday as a Work Day

- Saturday will be implemented as a part of the regular workweek.
- The company's published workweek may be Monday through Saturday.
- Saturday will be staffed by existing employees on a voluntary basis; job postings (and new hire schedules) will specify the days required for the work schedule, to include Saturday if deemed appropriate.
- The company retains the right to assign Saturday as a regular work day for part-time employees.
- Employees will be allowed to indicate through a written work group survey (divisional or departmental) whether or not they are interested in working Saturdays.
- Employees will not lose their current hours or suffer a reduction in their merit points solely as a result of their refusal to volunteer for Saturday.
- Where and when possible, alternative work schedules will be offered to employees volunteering for a Saturday.
- With the approval of the manager, employees who volunteer for a Saturday could rotate working Saturdays or trade days off with another employee.
- When an employee who works Saturday is on vacation or absent from work, those employees who fill in on a Saturday will be paid at the appropriate rate, unless they opt to take a different day off.
- NML will be closed on Holiday weekends (as identified in Article IX). Employees scheduled for Saturday as a regular work day shall earn holiday pay for holidays (as identified in Article IX) occurring on their regularly scheduled work days.

- Employees will be compensated for Saturday hours on a straight time basis for up to 40 hours per week. Hours beyond 40 would be paid at the appropriate rate. Double-time overtime rates for time worked on a Saturday in excess of 8 hours will continue to apply as specified in the contract, excluding employees for whom Saturday is a regularly scheduled work day.
- Saturday will be a business casual dress day and the parking structure will be open.

40-Hour Workweek; Assignment of Office Staff Work Schedules

For purposes of assigning work hours under this Exhibit VII, an employee is “qualified” if he is satisfactorily performing his job responsibilities at the time the new schedule is being considered.

- All future job postings will state the specific hours of work required for the position, the service hours of the department, and the indication that work hours may change per the collective bargaining agreement.
- Where possible, alternative work schedule options will be offered.
- The 40-hour workweek will be phased in and will be implemented to address an identified business need. The company agrees to update the union in advance of any work group, division or department which will be converting to a 40 hour workweek.
- If an identified business need requires a change in hours (within the hours of 7:00 a.m. to 6:00 p.m.), the company will first seek volunteers from the work group to fill those hours, extending alternative work schedule options where possible. Volunteers will be considered on the basis of seniority, with the most-senior qualified employee having first preference. If no one volunteers, the required hours will be assigned to the least-senior qualified person. If the least-senior person can not work the hours on a permanent basis, they will be assigned the work schedule until the point in time that they find another position that can accommodate their schedule, unless the manager and work group can agree to another arrangement to guarantee the required work schedule is covered.

- Managers may consider requests of employees or may use job rotation as an option for the assignment of employee's work schedules.
- Vacations and holidays will be paid at 40 hours for those employees working 40-hour schedules.
- As vacancies occur employees in the division in which the vacancy exists shall have the opportunity to request a change in working hours prior to posting the vacancy. If there is more than one employee requesting a change in working hours the most senior qualified employee shall be offered the working hours first.
- Employees will not suffer a reduction in their performance rating solely as a result of their refusal to voluntarily change their work hours.
- In the event of absence due to vacation, disability, leaves of absence, turnover, etc. the manager will first seek volunteers from the work unit to fill the work hours vacated due to the absence. Volunteers will be considered on the basis of seniority, with the most-senior qualified employee having first preference. If no one volunteers, the required hours will be assigned to the least-senior qualified person.
- A manager shall give an employee as much advance notice as is reasonably practicable in the event of a need to change work hours.
- In staffing Office Staff work schedules outside of the hours of 7:00 a.m. to 6:00 p.m., except in remote circumstances (including circumstances where additions to staff are not required) the Company will attempt to staff such hours through the job posting procedure and the voluntary part-time employment category. Where it is not possible to use the job posting procedure or the voluntary part-time employment category the company will use the following procedures:

I. The Company will first seek volunteers from the department. Volunteers will be sought from employees in the same job group (same job duties and job level) as the vacant hours. Volunteers will be considered on the basis of seniority, with the most senior qualified employee having first preference.

II. If no one volunteers, the required hours will be assigned to the least senior qualified employee within the department performing the job duties required for the vacant working hours.

III. If the least senior qualified employee declines to work the required hours the employee shall be displaced from that job. The vacant position shall be posted with the required work hours.

IV. The employee displaced shall be assigned to an open position at his or her current job level, provided he or she has the qualifications to perform the job. The Company shall first seek to place the employee in a position within the same department. If no opportunities exist within the department, the Company shall then attempt to place the employee in a position within the same Salary Group*. If no opportunities exist within the Salary Group, the Company shall then attempt to place the employee in a position on a company-wide basis. If there is no position at his or her current job level, he or she shall then be assigned an open position in lower job levels, provided he or she has the qualifications to perform the job. The Company shall first seek to place the employee within the same Salary Group. If no opportunities exist within the Salary Group, the company shall then seek to place the employee in a position on a company-wide basis.

V. If there is no open position he or she shall then displace a probationary, temporary, or long-term temporary employee (in no order of priority) at his or her job level or at a lower job level within the department, provided he or she has the qualifications to perform the job.

VI. If there is no such job held by a probationary, temporary, or long-term temporary employee in his or her department, he or she shall then displace a probationary, temporary, or long-term temporary employee within the Salary Group, provided he or she has the qualifications to perform the job.

VII. If there is no such job held by a probationary, temporary, or long-term temporary employee in his or her job group, he or she shall then displace a probationary, temporary, or long-term temporary employee on a company-wide basis, provided he or she has the qualifications to perform the job.

VIII. If no job is available following the foregoing procedures, the employee shall be displaced from work.

IX. For a period of 12 months (not including time performing work) the displaced employee shall be considered for open positions based upon their qualifications to perform the job duties and responsibilities.

If under the foregoing procedures, an employee is assigned to a job level below his or her current job level, he or she shall continue to receive the salary rate for the higher current job level. In any event the employee will only be eligible for salary adjustments based on the assigned job level.

* For purposes of this exhibit Salary Group shall be defined as Office Staff, Building Services, Restaurant and Supply and Distribution.

EXHIBIT VIII

All letters of understanding (not including letters of settlement) dated prior to the date this Collective Bargaining Agreement is executed, shall be non-binding on either party, unless such letters of understanding appear as appendices to this Agreement, except for their use as historical documents.

Any letter of understanding appearing as an appendices to this Agreement, or provisions of any letter of understanding appearing as an appendices to this Agreement which are in variance with any provision of this Collective Bargaining Agreement shall be superceded.

LETTER OF UNDERSTANDING

June 25, 1996

Ms. Judy Burnick
Business Representative
Local 35, O.P.E.I.U

The purpose of this letter is to set forth the agreement between the Company and the Union regarding the consolidation of prior "Letters of Understanding" dated April 20, 1988, April 29, 1988, March 16, 1990, and May 16, 1990. This language is the result of current contract negotiations between The Northwestern Mutual Life Insurance Company and O.P.E.I.U. Local 35.

Temporary Employment Agency employees

A Temporary Agency Employee may be used for an assignment for a period of 12 months or less. At the end of that period, if the need for the position still exists, it will be evaluated by the Department, with the assistance of Human Resources, to determine whether the status should remain the same, be converted to a long term temporary position, or be posted in accordance with current contract procedures. The company agrees to notify the Union at the end of the twelve month period as to its intentions related to the temporary position. Further, the Company will provide the Union with a semiannual listing of all temporary employment agency employees.

Long Term Temporary employees

Long term temporary employees are used to fill temporary staffing needs which include, but are not limited to, disabilities, extended leaves, or projects. Projects, in general, are temporary in nature and are anticipated to last eighteen months or less (although they may run longer if warranted). The company agrees to inform the Union, in advance, of the staffing requirements and duration of anticipated projects as well as to update the Union on changes which could impact the duration during the course of the project.

Project positions allocated for staffing by regular employees will be posted and filled in accordance with the contract. If not filled through the posting process, they will be filled by a long term temporary. Project openings which are the result of a long term-temporary termination may be filled by another long term temporary, temporary, or agency employee. If a long term temporary transfers out of the position, the vacancy will be filled by a regular, temporary or agency employee depending on the project's status and duration of work. In any event, the company will not hire another long term temporary unless the position has been posted and has not been filled.

Long term temporary employees will be ineligible to participate in the job posting process for a period of one year, unless they have the approval of the Human Resources Officer in their current department and the Human Resources department. Regular employees will be given first consideration and interviewed for job openings before long-term temporary employees are considered and interviewed.

If, upon completion of the project, no positions are changed to regular positions, regular employees will be considered as displaced and all other project employees will be terminated or used to fill other available temporary openings.

If all or some of the project work results in regular employee positions, regular project employees will retain their project position, be placed in other available regular positions where qualified, or displaced. After regular employees have been considered, long term temporaries will be considered as planned and adequate placements for the project positions they hold or for other available project positions where qualified, with seniority as the determining factor when ability, qualifications and experience are relatively equal.

Trial period failure following a promotion, demotion, or lateral transfer

The company restates its commitment to attempt to find another suitable job for an employee, before taking steps to terminate an employee, when that employee fails a trial period following a promotion, demotion, or lateral transfer but is otherwise the kind of employee the company wishes to encourage to remain at NML. However, since the company cannot "make jobs" to find a place for these employees, we cannot guarantee that a suitable opening will exist at that time.

The company also agrees that for a period of six months following such termination, the employee will be given priority consideration for any posted or advertised job openings for which he/she is qualified at or below the job level held before the job change.

Displaced employees resulting from job elimination

The company has a long standing practice of finding another job for an employee displaced due to the elimination of their job. The company will continue to give priority consideration, in order of seniority, to displaced employees in relation to the job posting process, providing they have an established record of favorable performance, an acceptable work history, and no performance or attendance problems.

Vacancies include open regular status positions. If a suitable opening can not be found in the employee's own area, it may be necessary to offer a suitable vacant position in another staff area, at least temporarily. If there are no suitable vacant positions available for which the employee is qualified to perform, the lay off procedures outlined in Article II, Section 3 (b)2 shall apply.

Placement of an employee in a lower level position may result in a tabbed job situation. In addition, job status for employees transferred to a temporary position will not change. On-going efforts will be made to return tabbed employees and/or regular status employees in temporary positions to their prior job level and status. Tabbed "displaced employees" will be considered as automatically applying for posted jobs. If a tabbed employee is selected for a posted job or is offered a vacant position, but elects to stay in their current job, then the tabbed status will cease and the employee given the level of the present job. Employees who are transferred shall have a trial period, as does any employee who transfers to a different job.

The company also agrees that when the employee and company agree that the employee may benefit from additional assessment to facilitate placement, outside resources will be selected and used as deemed appropriate by Human Resources.

The term of this letter of understanding will be coextensive with the term of any new collective bargaining agreement resulting from current negotiations.

APPROVALS:

Judy Burnick
Business Representative
Local 35, O.P.E.I.U.

Date

Willette Bowie
Chief Negotiator
Director of Employee Relations
N.M.L.

Date

LETTER OF UNDERSTANDING

Ms. Judy Burnick
Business Representative
Local 35, O.P.E.I.U

Dear Judy:

Both the Company and the Union recognize the harmonious relationship that has existed between them over the years. In order to foster and encourage the continuation of that harmonious relationship, the Company for its part agrees to take appropriate steps to enable the unit president/chief steward currently in office, and any employee holding that office in the future, to perform and carry out his Union duties and obligations. Specifically, the Company agrees to discuss with the employee's manager and department head the duties and requirements of the unit president/chief steward's office, with a view towards accommodating the unit president/chief steward's duties and activities to the extent reasonably possible under the circumstances. Any such accommodation must, however, be subject to a balancing of priorities between Company and Union business, with the business of the Company and its policyholders having priority.

In consideration for such accommodation on the part of the Company, the Union for its part agrees on behalf of itself and its unit president/chief steward that every reasonable effort will be made to accommodate the needs and obligations of the unit president/chief steward's job with the Company, to the end that both jobs can be performed as efficiently and diligently as possible.

The term of this letter of understanding shall be coextensive with the term of any new collective bargaining agreement resulting from these current negotiations.

Your signature below will indicate the Union's agreement to this letter of understanding.

Sincerely,

Willette Bowie

Agreed this _____ day of _____, 1996.

Office and Professional Employees International Union, Local 35

By _____
Judy Burnick, Business Representative

LETTER OF UNDERSTANDING

May 2, 2002

Ms. Cynthia Oleson
Business Representative
Local 35, O.P.E.I.U

Dear Ski:

The purpose of this letter is to set forth the agreement between the Company and the Union governing policies and procedures for non-management employees choosing to work an alternative work schedule.

- A bank of holiday hours will be established for each full-time employee working an alternative work schedule. This bank of hours will be credited with 7.5 hours holiday pay for each Holiday identified in Article IX of the collective bargaining agreement.
- A bank of vacation hours will be established for each full-time employee working an alternative work schedule. This bank of hours will be credited with 7.5 hours vacation pay for each day of vacation the employee earns according to Article VIII of the collective bargaining agreement.
- A bank of floating holiday hours will be established for each full-time employee working an alternative work schedule. This bank of hours will be credited with 7.5 hours floating holiday pay for each floating holiday an employee earns according to section 2 of Article IX.
- An employee eligible to earn an attendance incentive day, as identified in Article XV of the Collective Bargaining Agreement, will be credited with leave time equal to the average number of hours worked in a two-week period divided by the number of work days in that same period.

- Hours may not be drawn from an employee's bank of holiday, vacation, attendance incentive or floating holiday hours to be applied to an employees regularly scheduled day off.
- Hours drawn from an employee's bank of holiday, vacation, attendance incentive or floating holiday hours may not exceed the employees regularly scheduled hours on that day.
- Employees not regularly scheduled to work on the day of a company observed holiday, as identified in Article IX, shall retain 7.5 hours holiday time in their holiday bank of hours and may use these hours for time off on another date.
- Provisions of the collective bargaining agreement concerning holidays, vacations and floating holidays for regular and voluntary part-time employees shall not change.
- For employees choosing to work a 9/75 work schedule overtime shall be defined as work performed in excess of 40 hours in any work week or work performed in excess of 75 hours in any two-week period. For all other employees overtime shall continue to be defined as per the current collective bargaining agreement.

Effective July 20, 1996, Article III, Section 3, shall supercede the above provision. 9/75 work schedule participants shall earn overtime at the time and one-half rate for work performed in excess of 40 hours in any work week and shall no longer earn overtime at the time and one-half rate for work performed in excess of 75 hours in any two week period. Overtime for time worked between 37.5 hours and 40 hours in any work week or time worked between 75 hours and 80 hours in any two week period shall be paid at the straight time rate.

- Premium pay for work performed in excess of 7 1/2 hours per day on any Monday through Friday shall not apply. However, employees will be compensated at one and one-half times the straight time rate for hours worked in excess of the hours scheduled on any regularly scheduled work day (except as provided under the "variable hours" provision of the current collective bargaining agreement).

Effective July 20, 1996, provisions in this letter of understanding addressing daily overtime shall be superceded by Article III, Section 3, of this Collective Bargaining Agreement. No employee shall earn daily overtime.

- Work performed on the regularly scheduled day off shall be compensated at the appropriate hourly rate. All time paid for shall be considered time worked in determining the appropriate hourly rate.

In the event that this program is terminated, the Company will notify the Union in writing, and in which event the provisions of the collective bargaining agreement in effect at that time will apply for the balance of the term of the contract.

Your signature below will indicate the Union's agreement to this letter of understanding.

Sincerely,

Todd Smasal
Employee Relations Officer

Revised this ___ day of July, 1996 (This document shall supercede the letter of understanding dated January 19, 1996.)

Office and Professional Employees International Union, Local 35

By _____
Judy Burnick, Business Representative

LETTER OF UNDERSTANDING

September 23, 1996

Ms. Judy Burnick
Business Representative
Local 35, O.P.E.I.U

Dear Judy:

The purpose of this letter is to clarify the intent of contractual language provided in Article VII, Section 3, subsection (2) of the Collective Bargaining Agreement effective May 1, 1996 to April 30, 1998. Said provision in the Collective Bargaining Agreement provides that in the case of a voluntary transfer to a lower level, an employee will retain his/her last promotional increase or equivalent dollars, unless a deduction is necessary to bring the employee's salary to the salary range maximum for the new position.

The intent of this contractual language is to provide that in the instance of a voluntary transfer to a lower level, as defined in subsection (2), an employee shall not suffer a reduction in salary, unless a deduction is necessary to bring the employee's salary to the salary range maximum for the new position to which the employee is transferring. This provision shall apply regardless of whether the transfer is to a job within one's own job classification or to a job in a different job classification (i.e. office staff, building services, restaurant, orders and material handling).

Your signature below will indicate the Union's agreement to this letter of understanding.

Sincerely,

Willette Bowie
Director, Employee Relations
Northwestern Mutual Life Insurance Company

Agreed this _____ day of _____, 1996.

Office and Professional Employees International Union, Local 35.

By _____
Judy Burnick, Business Manager

LETTER OF UNDERSTANDING

August 26, 1998

Ms. Judy Burnick
Business Manager
Local 35, O.P.E.I.U.

The purpose of this letter is to set forth the agreement between the Company and the Union regarding developmental transfers. The parties have agreed that in the interest of furthering the career development of employees, during the term of this agreement, the parties shall pilot a developmental transfer program. Under the terms of this program, the Company shall select voluntary participants for transfers into positions that serve the best interests of the further development of the employee. (Employees whose job duties are expected to be eliminated or employees who are tabbed under Article VII, Section 2, may be assigned a developmental transfer.) The position to which an employee transfers to under this program shall not be a rotation unless otherwise agreed to at the time of transfer. Transfers occurring under this program shall occur outside of the normal job posting procedure and shall be to equivalent or lower job levels (Article VII, Section 3 will apply in such circumstances). If an employee fails during the trial period, the Company agrees to place the employee in his/her former position or in a comparable position.

The Company reserves the right to terminate this program at any time.

APPROVALS:

Judy Burnick
Business Manager, Local 35

Willette Bowie
Director, Employee Relations, Northwestern Mutual Life

LETTER OF UNDERSTANDING

August 26, 1998

Ms. Judy Burnick
Business Manager
O.P.E.I.U., Local 35

The purpose of this letter is to set forth the agreement between the Company and the Union with regards to the 3 on/4 off work schedule for the Information Systems Computer Operations division. Except as noted in this letter of understanding all other provisions of the collective bargaining agreement shall remain in full effect.

- This work schedule shall be introduced at the time the division needs to support other areas of the Company. It is anticipated that this would happen no earlier than the second quarter of 1999. The Company shall provide employees with as much advance notice as is reasonably practicable in the event of a change to this work schedule.
- The workweek shall be Monday through Saturday. Employees shall semi-annually (February and August) rotate the days of the week (MTW or RFS) they are scheduled to work. First shift shall begin at 5:30 a.m. and end at 6:00 p.m. Second shift shall begin at 5:30 p.m. and end at 6:00 a.m. Each shift shall include a 30-minute meal period. With the approval of the manager, two or more employees can arrange to remain on the shift which they are assigned to.
- Employees working the first shift work schedule shall receive a 4% shift differential. Employees working the second shift work schedule shall receive a 9% shift differential.
- Assignment to work schedules and shifts will generally be established according to seniority within each job level, taking into account the need for specified expertise on each schedule and shift.

- Vacation benefits shall be determined by multiplying vacation earned per Article VIII by 7.5 hours.
- Holiday benefits shall be based upon the number of company observed holidays multiplied by 7.5 hours. Employees shall receive additional holiday paid time if the number of holidays falling on the employee's regularly scheduled work day exceeds the amount provided by multiplying the number of company observed holidays by 7.5 hours. Holiday time not used in the year shall carry-over to the following calendar year.

Employees working the Thursday – Saturday work schedule shall be required to work the Saturday of a company observed holiday weekend except in the event that the actual holiday falls on the Saturday. Unless required to work on the actual date of the holiday, any such work will be paid at the employee's regular rate of pay.

- Floating holiday benefits shall be determined by multiplying floating holidays earned per Article IX by 7.5 hours.
- Attendance incentive days earned under Article XV of the agreement shall be equivalent to 12.0 hours.
- Employees annual salaries shall not change as a result of changing to the 3 on/4 off work schedule.
- Employees hourly rate of pay shall be determined by dividing the annual salary by 1872 hours.
- Employees shall receive overtime at the straight time rate of pay for hours worked greater than 36 but less than 40 in any given work week.
- Overtime shall be assigned per Article III of the collective bargaining agreement.

APPROVED:

Judy Burnick
Business Manager, Local 35

Willette Bowie
Director, Employee Relations, Northwestern Mutual Life

LETTER OF UNDERSTANDING

August 26, 1998

Judy Burnick
Business Representative
Local 35, O.P.E.I.U

Dear Judy:

The purpose of this letter is to set forth the agreement between the company and the union regarding equity pay adjustments. The Company may wish to make adjustments in employees' pay in jobs where supply and demand issues occur in the labor market. Adjustments will be considered when current employees with comparable job experience, skills and education are being paid at a rate below that of other recently hired employees. Under no circumstances will an employee receive a rate of pay above the salary range maximum of the respective job level. The Company shall review the salaries of all employees in the job group being studied and shall determine for whom an equity pay adjustment shall be made.

The company shall notify the union in advance of the processing of an equity pay adjustment. If the union so chooses, the union shall have five working days to advise the company that it wishes to discuss the equity pay adjustments being planned. Thereafter, the parties shall meet to discuss the details of the equity pay adjustments.

APPROVED:

Judy Burnick
Business Manager, Local 35

Willette Bowie
Director, Employee Relations, Northwestern Mutual Life

Northwestern Mutual Life Insurance Company
720 East Wisconsin Avenue, Room 101
Milwaukee, WI 53202

October 14, 1997

Ms. Judy Burnick
Business Representative
Local 35, O.P.E.I.U

Dear Judy:

This letter shall serve to confirm our agreement regarding Northwestern Mutual Life's company driver position and the status of said position relative to the bargaining unit represented by O.P.E.I.U., Local 35. We have agreed that henceforth the union recognition clause in Article I, Section 1 of the collective bargaining agreement is amended to exclude the following class of employees: the company driver.

In addition to employing a company driver, the Company also uses two persons to serve as back-up drivers. These drivers are required in circumstances where the full-time driver is not available or during times of special events (Board of Trustee meetings, Annual Meeting of Agents, etc.). At this time, we have agreed that this exclusion shall not apply with respect to the two back-up drivers. However, the Company and Union agree that the Company shall reserve the right to determine who will perform the duties required of the back up driver position.

I request that you sign below indicating your agreement and return this letter to me by October 16, 1997.

Sincerely,



Willette Bowie
Director, Employee Relations

Office and Professional Employees International Union, Local 35

By Judy Burnick, Business
Representative

Date

LETTER OF UNDERSTANDING

August 25, 1998

Willette Bowie
Northwestern Mutual Life Insurance Company
720 East Wisconsin Avenue
Milwaukee, WI 53202

Dear Willette:

The purpose of this letter is to set forth the agreement between the company and the union regarding time spent in preparation for and during contract negotiations. The Company agrees that excused unpaid absences for time spent in preparation for and time spent in negotiations shall be considered as time worked and shall not break perfect attendance or be taken account for purposes of merit compensation for union bargaining committee members.

APPROVED:

Judy Burnick
Business Manager, Local 35

Willette Bowie
Director, Employee Relations

LETTER OF UNDERSTANDING

June 13, 2002

Ms. Cynthia Oleson
Business Representative
Local 35, O.P.E.I.U

Dear Ski:

The purpose of this letter is to set forth the agreement between the company and the union regarding transition benefits under the Employee Disability Income Plan for employees returning to work from short-term disability. The parties agree that the company has, as a matter of practice, provided transition benefits to employees returning to work from short-term disability where the employee's doctor and the plan administrator agree that a gradual transition back to regular work hours will ease and/or facilitate the employee's return to work. This transition period is generally not greater than four weeks, however the period may be extended depending upon the circumstances and at the discretion of the company.

While an employee is in the transition period they will be paid their regular hourly rate of pay for all hours worked and short-term disability benefits for the balance of their regularly scheduled work hours. Following the transition period, if the employee is not yet able to resume their regular work schedule then the employee will be paid only for hours worked at their regular hourly rate of pay. The company shall determine for what period of time it is able to accommodate this reduced work schedule.

APPROVED:

Cynthia Oleson
Business Representative, Local 35

Todd Smasal
Employee Relations Officer
Northwestern Mutual

LETTER OF UNDERSTANDING

March 1, 2002

Ms. Cynthia Oleson
Business Representative, OPEIU Local 35

Dear Ski:

The purpose of this letter is to set forth the tentative agreement between the Company and the Union regarding the Company's variable pay proposal which shall be made a part of the Collective Bargaining Agreement, effective May 1, 2002, between the Company and the Union.

The Company and the Union recognize that the Company's Variable Pay Plan ("Plan") has been made available to unrepresented employees of the Company. The Company and Union further recognize that the Plan is a mandatory subject of bargaining under the National Labor Relations Act. Both parties desire to make the Plan available to bargaining unit employees represented by the Union. The Union understands that the variable pay proposal is conditioned on a tentative agreement of the new Collective Bargaining Agreement by March 1, 2002, pending ratification. At the ratification meeting the Union shall recommend ratification of the Agreement. If a tentative agreement is not reached by March 1, 2002 and/or if the tentative agreement is not ratified by the Union membership, this variable pay proposal will be withdrawn.

The Variable Pay Plan is intended to reward eligible employees for superior individual performance and corporate business results. All regular office staff, building services and restaurant employees with at least a "3" performance rating and a minimum of one year of service (as of the December 31 of the year prior to payout) would be eligible to receive a variable pay award under the Plan. The target award is set at 75% of merit increases on the April 1 following the end of the variable pay plan year (which is the calendar year). Payouts to individual eligible employees will vary based on individual merit and/or senior merit increases received by that employee on that April 1 common review date. An eligible employee's individual variable pay award will be determined as follows:

(merit/senior merit increase) x (.75*). Variable pay awards for a plan year will be paid as soon as practicable following the merit increase award in the year following the end of the variable pay plan year. Employees must be actively employed at the time of payout to receive an award, but pro-rata awards may be made in the event of death, total disability or retirement. The first payout will be on or about April 1, 2004 based upon the 2003 variable pay plan year. The second payout under the Agreement will be on or about April 1, 2005 based upon the 2004 variable pay plan year and based on the merit increase in effect on April 1, 2005 under the next collective bargaining agreement between the parties.

The Union understands and agrees that the amount (if any) of any payout under the Variable Pay Plan is discretionary and will be determined solely by the Board of Trustees of the Company, except as outlined in this Letter of Understanding. No variable pay award is guaranteed for any year. The Company informed the Union that it intends to use the same business measurement factors that are used by the Company for the variable pay awards for its unrepresented employees. However, the Board of Trustees does reserve the right to change these factors at any time in its sole discretion, and the represented employees' and the Union's rights with regard to the Variable Pay Plan are only as outlined in this Letter of Understanding. Further, the Board of Trustees reserves the right to amend, modify or otherwise discontinue the Variable Pay Plan at any time.

* May be adjusted, upwards or downwards, at the discretion of the Board of Trustees. Such adjustment may be made based upon overall Company results.

In consideration of making the Plan available to bargaining unit employees as described above, the Union agrees, for the life of this Collective Bargaining Agreement and for as long as the Plan is available to bargaining unit employees, that it expressly and unequivocally waives all rights under the National Labor Relations Act and any other federal or state statute or theory of law to bargain over the terms and conditions of the Plan or to request or receive information of any kind or nature relating to the Plan. The Company, at its sole discretion, will determine what, if any, information will be provided to the Union to assist it in understanding the Plan. It is also agreed that the Plan and/or its application are not subject to the Grievance or Arbitration provisions of the Collective Bargaining Agreement.

Cynthia Oleson
Business Representative
OPEIU, Local 35

Todd W. Smasal
Employee Relations Officer
Northwestern Mutual

LETTER OF UNDERSTANDING

December 12, 2001

Ms. Cynthia Oleson
Business Representative
Local 35, O.P.E.I.U

Dear Ski:

The purpose of this letter is to set forth the agreement between Northwestern Mutual and OPEIU, Local 35 concerning contractual language clarification with respect to Article XI, "Discharge," in the collective bargaining agreement. The parties have agreed that, under limited circumstances, the Company, at its sole discretion, may issue an employee a "last chance agreement" prior to discharge. A "last chance agreement" shall not prescribe a date on which such agreement will expire. The terms and conditions of this "last chance agreement" must be met for the life of the employee's employment with Northwestern Mutual. Further, a "last chance agreement" shall not be considered to be a "written warning" for purposes of Article XI of the collective bargaining agreement.

The Company agrees that "last chance agreements" will be provided to employees on a limited basis and only under limited circumstances. These circumstances may include, but are not limited to, gross misconduct, gross derelict of job duties, and insubordination. Nothing in this letter of understanding, however, shall prohibit the Company from proceeding immediately to discharge where such discharge is caused by an employee's serious willful misconduct or other circumstances where such warning is not justified. The Company will also use its best efforts to provide the Union with an advance copy of any such agreement. In any event, the Company will provide the union with a copy of any such agreement.

APPROVED:

Cynthia Oleson
Business Representative
OPEIU, Local 35

Todd W. Smasal
Employee Relations Officer
Northwestern Mutual

LETTER OF UNDERSTANDING

April 27, 2005

Ms. Judy Burnick
Business Manager
Local 35, O.P.E.I.U

Dear Judy:

This letter of understanding shall set forth the agreement between Northwestern Mutual and OPEIU, Local 35 that all employees hired prior to April 1, 2005, and who have not yet completed the probationary period of employment shall be eligible for a probationary increase according to the following guidelines. The parties agree that all employees hired on or after April 1, 2005, shall be eligible for a probationary increase of up to 2% of base salary only if their annual salary is less than 85% of their position's salary range midpoint.

PROBATIONARY INCREASE GUIDELINES		
Employees hired prior to April 1, 2005		
PERFORMANCE LEVEL	MERIT INCREASE RANGE	
Significantly Exceeds Requirements	5.3%	6.5%
Exceeds Requirements	4.4%	5.2%
Meets Requirements*	3.0%	4.3%
Requires Improvement	1.5%	2.0%

Unacceptable	0.0%	0.0%
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APPROVED:

Judy Burnick
Business Manager, Local 35

Todd Smasal
Director, Employee Relations
Northwestern Mutual

THIS SUPPLEMENTAL AGREEMENT entered into this 1st day of April, 2005 by and between The Northwestern Mutual Life Insurance Company (the "Company") and Local 35, Office and Professional Employees International Union AFL-CIO-CLC (the "Union").

WHEREAS, the Company and the Union have recently concluded negotiations for a Collective Bargaining Agreement dated as of the date hereof (the "Agreement"), covering the terms and conditions of employment for the Collective Bargaining Unit of the Company represented by the Union; and

WHEREAS, Article XVI of the Agreement contains provisions relating to the Company's obligations to maintain present benefits not affected by the Agreement; and

WHEREAS, certain benefits have been the subject of bargaining and the parties hereto desire to confirm their understanding of the agreements reached with regard to such benefits.

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

1. The Health Care Plans provided under the Employee Flexible Benefit Plan will be amended and restated with effective dates as set forth in attached Exhibit A.
2. The Tuition Refund Plan will be amended and restated as set forth in attached Exhibit B.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Agreement to be executed the day and year first above written.

THE NORTHWESTERN MUTUAL
LIFE INSURANCE COMPANY

By: Todd Smasal
Director, Employee Relations
(Chairman, Company Bargaining Committee)

By: Ellen Cummings
Employee Relations Consultant

By: Nancy Filsinger
Manager, Field Comp & Svcs

By: Diep Graham
Exp Mgmt Specialist

By: Lori Hanes
Assistant Director, Human Resources

By: Scott J. Morris
Assistant General Counsel and Assistant Secretary

By: Christen Partleton
Director, Corporate Services

By: Allen Ruppel
Manager, Policyowner Services

LOCAL 35, OFFICE AND PROFESSIONAL
EMPLOYEES INTERNATIONAL UNION
AFL-CIO-CLC

By: Jim Becker
Member of Bargaining Committee

By: Calvin Bailey, Jr.
Member of Bargaining Committee

By: Lonrae Davis
Member of Bargaining Committee

By: Christine McDonald
Member of Bargaining Committee

By: Joan Reuter
Member of Bargaining Committee

By: Mary Rothe
Member of Bargaining Committee

By: Casimir Stelter
Member of Bargaining Committee

By: Gloria Tetting
Member of Bargaining Committee

By: Cynthia Trapp-Dietz
Member of Bargaining Committee

Approved and accepted by the Office and Professional Employees International
Union, AFL-CIO-CLC

By: Judith Burnick
Business Manager, Local 35

By: Brady Bailo
Labor Representative, Local 35

EXHIBIT A

THE NORTHWESTERN MUTUAL LIFE EMPLOYEE FLEXIBLE BENEFIT PLAN

Health Care Benefit Plans

- 1 Effective with the date of this Agreement, the Company will offer to employees health care benefit plans which provide for medical, dental and vision coverage as separate plan elections.

Medical Plan Options - Effective April 1, 2005

- 1 Comprehensive Medical Plan: The Company will offer a comprehensive medical plan option which will provide a preferred provider organization (PPO) for "in-network" benefits. The coverage and benefits, including prescription drugs, will be the same as this plan option in effect at the expiration of the prior bargaining agreement.
- 2 Exclusive Provider Organization Medical Plan: The Company will offer an exclusive provider organization medical plan structured as a self-insured HMO-type plan. The coverage and benefits, including prescription drugs, will be the same as this plan option in effect at the expiration of the prior bargaining agreement.

Medical Plan Options - Effective January 1, 2006

- 1 Comprehensive Medical Plan: The Company will offer at least one comprehensive medical plan which will provide a preferred provider organization (PPO) option for "in-network" benefits. An overview of the benefit provisions is as follows: in-network deductibles -- \$300 employee only, \$600 employee plus spouse or employee plus children, and \$900 family; out-of-network deductibles are two times the in-network amounts; after the deductible -- 90% in-network coinsurance and 70% out-of-network coinsurance; out-of-pocket maximums for in-network -- \$800 employee only, \$1,600 employee plus spouse or employee plus children, and \$2,400 family;

out-of-pocket maximums for out-of-network care are two times the in-network amounts; for preventive care -- 100% coverage up to \$250 per person per calendar year and amounts over \$250 are subject to deductibles and coinsurance. The complete details of the Comprehensive Medical Plan shall be set forth in a Summary Plan Description to be provided to OPEIU, Local 35.

- 2 Exclusive Provider Organization Medical Plan: The Company will offer at least one exclusive provider organization medical plan structured as a self-insured HMO-type plan, an insured HMO plan or some other type of managed care plan. An overview of the benefit provisions is as follows: 100% coverage after \$15 co-pay for office visits and other outpatient services; 100% coverage after \$100 co-pay for hospital admissions and outpatient surgical procedures; 100% coverage for preventive care with no co-pay. The complete details of the Exclusive Provider Organization Medical Plan shall be set forth in a Summary Plan Description to be provided to OPEIU, Local 35.
- 3 Consumer Driven Medical Plan: The Company will offer at least one consumer driven medical plan which will provide a higher deductible program with consumer choice features to encourage consumerism by plan participants. An overview of the benefit provisions is as follows: in-network and out-of-network combined deductibles -- \$1,000 employee only, \$2,000 employee plus spouse or employee plus children, and \$3,000 family; after the deductible -- 90% in-network coinsurance and 70% out-of-network coinsurance; out-of-pocket maximums for in-network -- \$1,750 employee only, \$3,500 employee plus spouse or employee plus children, and \$4,500 family; out-of-pocket maximums for out-of-network -- \$3,000 employee only, \$5,000 employee plus spouse or employee plus children, and \$7,500 family; for preventive care -- 100% coverage up to \$250 per person per calendar year and amounts over \$250 are subject to deductible and coinsurance; a Company-funded health reimbursement account (HRA) with an annual allocation of \$500 employee only, \$1,000 employee plus spouse or employee plus children, and \$1,500 family, unused HRA account balances can be rolled over up to a maximum account balance of two times the annual allocation. The HRA will not reimburse prescription drug expenses, emergency room

and/or urgent care co-pays, or dental or vision expenses. Under this plan option, the Company will provide a special "safety net" benefit under which the Company will reimburse an employee to the extent that his or her individual and/or family covered, in-network out-of-pocket medical expenses for any plan year exceeds 7% of the employee's base compensation for that year. For purposes of this CDHP safety net reimbursement, an employee's base compensation will be determined as of January 1 of the applicable plan year and does not include overtime, shift differential, senior merit, variable pay or any other type of special pay or compensation. Voluntary part-time employees will have their part-time base compensation annualized to a full-time basis. The complete details of the Consumer Driven Medical Plan shall be set forth in a Summary Plan Description to be provided to OPEIU, Local 35.

- 4 Prescription Drug Benefit: The Company will offer a prescription drug benefit to employees electing coverage under one of the medical plan options. An overview of the prescription drug benefit is as follows: retail pharmacy in-network (up to 31-day supply) -- tier 1 -- \$5 co-pay, tier 2 -- 15% coinsurance (\$40 maximum per prescription or refill), and tier 3 -- 25% coinsurance (\$60 maximum per prescription or refill); mail order (up to 90-day supply) -- tier 1 -- \$10 co-pay, tier 2 -- \$30 co-pay, and tier 3 -- \$60 co-pay; out-of-pocket maximums -- \$1,500 per person, and \$3,000 per family. The tiers are established by the pharmacy benefit manager for the applicable medical plan. Under this prescription drug benefit, the Company will provide a special "safety net" benefit under which the Company will reimburse an employee to the extent that his or her individual and/or family out-of-pocket prescription drug expenses exceed 5% of the employee's base compensation for the plan year beginning January 1, 2006 and/or exceed 7% of the employee's base compensation for the plan year beginning January 1, 2007. For purposes of this prescription drug safety net reimbursement, an employee's base compensation will be determined as of January 1 of the applicable plan year and does not include overtime, shift differential, senior merit, variable pay or any other type of special pay or compensation. Voluntary part-time employees will have their part-time base compensation annualized to a full-time basis.

- 5 The Company reserves the right to select and/or change any third-party administrators, insurers, networks, pharmacy benefit managers, other health care service providers, HMOs, or alternative medical plan organizations that meet the best interest of providing these benefits to employees.
- 6 Effective January 1, 2006, coverage for same-sex domestic partners and/or qualifying dependent children of domestic partners will be offered.
- 7 Effective April 1, 2005, for employees retiring during the term of this Agreement, the benefits provided under the retiree Medical Plan Options will be the same as the benefits provided under the comprehensive plan and exclusive provider organization plan options available to active employees. This provision does not impact the Company's authority to change or end any retiree medical coverage for retirees and/or former employees not covered by this Agreement.

Medical Plan Employee Costs

- 1 Effective April 1, 2005, the employee cost for each of the Medical Plan Options available at that time will be determined as follows: the Company will pay 86% of the premium cost for the medical plan option selected by the employee as calculated by a third party actuary chosen by the Company and the employee shall pay 14% of such cost.
- 2 Effective January 1, 2006, the employee cost for each of the Medical Plan Options will be determined as follows: the Company will pay the same contribution amount for each of the medical plan options which will be set at 85% of the comprehensive medical plan total premium cost as calculated by a third party actuary chosen by the Company; and each employee will pay the remaining share of the total premium cost as calculated by a third party actuary chosen by the Company for the medical plan option selected by the employee over the amount paid by the Company. This does not include any spousal adjustment as outlined below. It is intended by this pricing methodology that the comprehensive medical plan will be the core plan option, with the employee being able to elect up to the exclusive provider

organization medical plan and elect down to the consumer driven medical plan, based on plan values. The third party actuary whose pricing methodology is used to calculate premiums for the medical plans advises that the premiums of the PPO and EPO plan options are primarily based upon each plans' benefits. As such, without plan design changes it is not anticipated that the relative values of these plan options or the ratio between the two plans should change significantly.

- 3 Effective January 1, 2006, an adjustment will be made to the medical premium contribution for any employee electing a plan option that includes coverage for a spouse (or domestic partner). The amount of the adjustment is an amount equal to 10% of the total premium cost for the comprehensive medical plan of the spousal coverage as calculated by a third party actuary chosen by the Company and will be applied to each plan option. This adjustment will not apply if both spouses are employed by the Company. This adjustment will also not apply for any employee whose base compensation does not exceed \$30,000 (as of the beginning of the applicable plan year) and whose spouse does not have any medical insurance or coverage available under an employer, government or other group plan. For purposes of the waiver of this spousal adjustment, an employee's base compensation will be determined as of January 1 of the applicable plan year and does not include overtime, shift differential, senior merit, variable pay or any other type of special pay or compensation. Voluntary part-time employees will have their part-time base compensation annualized to a full-time basis.
- 4 Effective January 1, 2006, employees who are not tobacco-free (as defined by the Company) or who have elected medical plan coverage for a dependent who is not tobacco-free will pay a \$25 monthly surcharge on their medical plan premiums. The employees and their covered dependents must be tobacco-free by July 1, 2005 in order for this surcharge not to apply. This surcharge will also apply to employee's retiring during the term of this Agreement.
- 5 Effective January 1, 2006, the Company may require employees seeking mental health care/substance abuse benefits to first contact a specified mental

health care provider. Failure to contact this provider may result in future expenses for treatment not being covered under the medical plans.

- 6 The Company may provide for health assessments and/or wellness programs, including incentives for participation, during the term of this agreement. These programs will be voluntary, and can be established and ended by the Company in its sole discretion.
- 7 For purposes of determining medical plan premiums the claims of all Company employees will be aggregated across all medical plan options. This means that the claims experience of all Company employees will be combined to determine expected medical costs as determined by the third party actuary selected by the Company.

Company Benefit Allowance

- 1 Effective January 1, 2006, the Company Benefit Allowance for employees who elect no medical coverage shall be \$1,000 per calendar year. This amount will be paid pro-rata to employees as taxable income for each pay period throughout the year for the time they have elected no medical coverage. The Company Benefit Allowance will be paid only to an employee if that employee is not enrolled as an employee or as a dependent of an employee under any of the Company's medical plan options.

Dental Plan Options:

- 1 Indemnity Plan: The Company will offer at least one indemnity dental plan.
- 2 Alternative Dental Plans: The Company will offer at least one alternative dental plan, which would include either an insured dental maintenance organization (DMO) or self-insured DMO.
- 3 The Company reserves the right to select any third-party administrators, insurers, or alternative dental plan organization that meet the best interest of providing these benefits to employees.

Dental Plan Employee Costs:

- 1 Effective April 1, 2005, the Company will continue to pay 85% of any self-insured Dental Plan Option total premium cost as calculated by a third party actuary chosen by the Company.
- 2 Effective April 1, 2005, the Company will continue to pay 85% of any insured Dental Plan Option total premium cost as provided by the insurer of the dental plan option.

Vision Plan Options:

- 1 Indemnity Plan: The Company will offer at least one indemnity vision plan.
- 2 Other Alternative Vision Plans: The Company will offer at least one Alternative Vision Plan, which would include either an insured vision plan option or self-insured vision plan option.
- 3 The Company reserves the right to select any third-party administrators or alternative vision plan organization that meet the best interest of providing these benefits to employees.

Vision Plan Employee Costs:

- 1 Effective April 1, 2005, the Company will continue to pay 85% of any self-insured Vision Plan Option total premium cost as calculated by a third party actuary chosen by the Company.
- 2 Effective April 1, 2005, the Company will continue to pay 85% of any insured Vision Plan Option total premium cost as provided by the insurer of the vision plan option.

Changes in Service Providers

- 1 In the event that the Company changes third-party administrators, insurers, networks, pharmacy benefit managers, other health care service providers and/or alternative plan organizations, the Company will maintain reasonably equal benefits for the affected plan(s). Any such changes in co-pays or deductibles under the plans resulting from such a change shall be negotiated with the Union. Any other change(s) will be communicated to the Union prior to the change.

Health Maintenance Organizations (HMOs)

- 1 Effective with the date of this agreement, any benefit changes to the Health Maintenance Organization (HMO) and/or Dental Maintenance Organizations (DMO) contracts which are not directed by the Company and which are being made at the discretion of the HMO and/or DMO, or changes which are legally mandated, shall take effect pursuant to the terms of the HMO and/or DMO contract. Only changes which are being made by the HMO and/or DMO to like contracts for other employers in the state of Wisconsin will be subject to this clause. The Company will use its best efforts to negotiate with the HMO and/or DMO to delay the effective date of these changes until they can be collectively bargained. If the HMO and/or DMO does not agree with the delayed effective date, such changes will take effect pursuant to the HMO and/or DMO contract. The Union will be informed of any changes. All HMO and/or DMO contracts are an agreement between the Company and the HMO and/or DMO.

EXHIBIT B

The Northwestern Mutual Employee Tuition Refund Program

Qualification Criteria

To qualify for tuition refund, an employee must meet the following qualifications:

1. Be employed by the Company as a regular full-time, regular part-time or voluntary part-time employee for at least one full year. (Long-term and/or short-term temporary employees are not eligible.)
2. Have a performance rating of "*requires improvement*," "*meets requirements*," "*exceeds requirements*," or "*significantly exceeds requirements*" for specific job related courses, and "*meets requirements*," "*exceeds requirements*," or "*significantly exceeds requirements*" for degree programs.
3. Be employed at the Company at the time the course is completed.
4. For graduate level courses be a management level employee or NR on track to a management position.
5. Attain a grade of "C" (2.0/4.0) or above or pass.

Under special circumstances, exceptions to the above qualifications can be made only with Department Head approval.

Reimbursement Limits

If the above qualification criteria are met and the employee's application is approved, the employee is then eligible to receive reimbursement for eligible expenses, subject to the following limits:

1. A maximum of \$5,250 per calendar year, if a full-time employee, and a maximum of \$2,625 per calendar year, if a regular part time employee.
2. Eligible expenses shall be deemed to be tuition and textbooks for courses.

Under special circumstances, exceptions can be made only with Department Head Approval.