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**AGREEMENT**

**BETWEEN**

**ASF - KEYSTONE, INC  
GRANITE CITY PLANT**

**AND**

**UNITED STEELWORKERS OF AMERICA  
LOCAL UNION NO. 1063**

**OCTOBER 1, 2004 —**

Sept 29, 2007



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76 pages

## REPORT OFF PROCEDURE

1. All absences must be reported to the guard office before the start of your shift at (618) 452-2111.
2. You should give the guard the following information:
  - a. Name
  - b. Department
  - c. Clock Card Number
  - d. Reason for absence
  - e. Date you expect to return
3. Obtain a call-in number from the guard.
4. If you are going to be absent five (5) or more consecutive scheduled days for any reason other than illness or injury you must call the Human Resources Department by the end of the third day.
5. In any event you must report off at least once every five consecutive scheduled days during any period of absence.



## NOTES

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## PREAMBLE

This Agreement, dated October 1, 2004, is entered into by and between AMERICAN STEEL FOUNDRIES (ASF), Granite City in Granite City, Illinois, hereinafter referred to as the "Company" and the UNITED STEELWORKERS OF AMERICA (AFL-CIO), hereinafter referred to as the "Union" of its Local Union No. 1063, hereinafter referred to as the "Local Union".

### ARTICLE 1 - PURPOSE

(a) The purpose of the Company and the Union in entering into this Labor Agreement is to promote harmony and efficiency in the Company; to set forth their agreement on rates of pay, hours of employment, or other conditions of employment; to provide for the peaceful adjustment of differences which may arise; and to ensure uninterrupted operations in the plant.

(b) It is the continuing policy of the Company and the Union that the provisions of this Agreement shall be applied to all employees without regard to race, color, religious creed, national origin, physical disability or sex. The representatives of the Union and the Company in all steps of the grievance procedure and in all dealings with the parties shall comply with this provision.

(c) It is the continuing policy of the Company and the Union that all employees shall be provided a work place free from sexual harassment. For purposes of this provision (sexual harassment) includes but is not limited to unwelcome sexual advances or propositions, demands for sexual favors and all other verbal or physical acts of an offensive sexual character, including offensive sexual comments and innuendos, unsolicited and unwelcome sexual overtures or touching, displaying cartoons or other objects of a sexual nature in the workplace, which create a hostile, intimidating or offensive work environment. The Company and Union confirm that all claims of sexual harassment shall be seriously, investigated thoroughly while maintaining the highest degree of confidentiality, and complaints may be brought to the attention of either the Company or the Union in an atmosphere free from retaliation. Sexual harassment complaints are subject to resolution through the grievance procedure set forth in Article 15 of this Agreement, and shall be initiated at Stage 2 of the grievance procedure, and shall be handled in the grievance procedure on a confidential basis and in a manner free of retaliation.



(d) A joint Committee on Civil Rights shall be established at the plant. The Union representation on the Committee shall be no more than three members of the Union, which may include the President and Chairman of the Adjustment Committee. The Union members shall be certified to the Plant Manager by the Union and the Company members shall be certified to the Union.

(e) The Company and Union members of the joint Committee shall meet at mutually agreeable times but no less than once each quarter. The joint Committee shall review matters involving Civil Rights and advise with the Company and the Union concerning them, but shall have no jurisdiction over the filing or processing of grievances. This provision shall not affect any existing right to file a grievance nor does it enlarge the time limits for filing and processing grievances.

(f) The Company and Union jointly commit to the establishment of Employee-Involvement Teams to deal with workplace issues. Teams will consist of both Union and Company representatives. Teams will be responsible for making recommendations, making decisions or resolving issues in accordance with Team Charters and by utilizing Team Principles and Guidelines. Teams shall not have authority to discuss or resolve grievances, and other than recommend changes to the parties, teams have no authority to alter or amend the contract. The Company and Union shall jointly provide training to Team members in decision making techniques and problem resolution.

## ARTICLE 2 - MANAGEMENT

(a) Subject to the provisions of this Agreement, the management of the plant and the direction of the working forces, including the right to plan, direct, and control plant operations; to hire and instruct; to attain maximum operating efficiency; to introduce new, improved or altered production methods or facilities; to promote, demote, transfer, lay off, discipline, and to suspend or discharge for proper cause, is vested exclusively in the Company.

(b) The rights herein set forth will not be exercised for the purpose of interfering with the right of employees to become members of the Union or against employees because of membership in or activity on behalf of the Union.

## **ARTICLE 3 - RECOGNITION AND UNION SECURITY**

**Section 1. Collective Bargaining Representative.** The Company recognizes that the Union as the sole and exclusive bargaining representative, during the life of this Agreement, for all of the employees at the Granite City Plant, located in Granite City, Illinois, of the Company and as defined in Section 2 of this Article, in the matter of wages, rates of pay, hours of employment or other conditions of employment.

**Section 2. Collective Bargaining Unit.** The Term "employee" as used in this Agreement applies to all employees in the Granite City Plant, located in Granite City, Illinois, except and excluding the following groups:

- (a) All supervisory, technical, clerical, and plant protection employees.
- (b) All employees in the following occupations:
  - Pattern Checkers
  - Pattern Makers and Apprentices
  - Pattern Changers
  - Patternmaker Helper
  - Machinists, Apprentices and Machinist Helpers
  - Electricians, Apprentices and Electrician Helpers

### **Section 3. Union Security.**

(a) Each employee covered by this Agreement shall, as a condition of employment, be or become a member of the Union not later than the 31st calendar day following the date of this Agreement or not later than the 31st calendar day following the beginning of his employment, whichever is later. Each such employee shall, as a condition of continued employment, remain a member of the Union in good standing to the extent of paying membership dues as certified by the International Secretary/Treasurer of the Union.

(b) The foregoing provisions shall be effective in accordance and consistent with applicable provisions of federal and state law.

### **Section 4. Check-Off.**

(a) During the term of this Agreement, the Company will continue to check off Union initiation fees, monthly Union membership dues and assessments as designated by the International Secretary/Treasurer of

the Union and as authorized by individually signed voluntary check-off authorization cards furnished by and submitted to the Company.

(b) Deductions on the basis of authorization cards submitted to the Company shall commence with dues for the month in which the Company receives such authorization card. Dues for a given month shall be deducted from the employee's first pay in the succeeding month or months.

(c) If a member of the Union, after having earned wages for 40 hours or more in a calendar month, is laid off or terminated, the Company at the time of paying wages to such employee, shall deduct dues for the preceding and the current calendar month and remit them to the International Secretary/Treasurer of the Union.

(d) The Union shall indemnify and save the Company harmless against any and all forms of liability that shall arise out of or by reason of action taken or not taken by the Company in reliance upon written information furnished the Company by the Union for the purpose of complying with any of the provisions of this Section.

(e) The Company will furnish the Union, once each month, a list of the names of employees from whom they did not deduct dues and the reason therefore.

(f) The foregoing provisions shall be effective in accordance and consistent with applicable provisions of federal law.

## ARTICLE 4 - GENERAL WAGES

### Section 1.

It is the intent of the Union, its agents and its members to assist the Company to obtain maximum productivity and efficiency from each employee during the term of this Agreement. The Company, the Union and the Unions' members subscribe to the principle of a fair days work, competently and safely performed for a fair days pay in order to secure and maintain full and efficient productivity on the part of all.

### Section 2.

(a) Effective dates for the wage changes are set forth in the applicable Appendices. Occupational hourly wage rates for non-incentive work are set forth in Appendix I. Incentive base rates and the applicable

hourly incentive adders for incentive work are set forth in Appendix II.

(b) The present occupational hourly wage rates of certain Trade and Craft occupations which on March 31, 1990 were on a rate higher than the rate established for their job class shall be changed by the cents per hour change for their evaluated job class on the specified effective dates. The "B" and "C" rates for such Trade and Craft occupations shall be changed by the cents per hour change for the job classes respectively two and four job classes below the evaluated job class of the occupation on such specified effective dates.

### Section 3.

(a) A copy of the new schedules of hourly wage rates to become effective pursuant to Section 2 of this Article shall be furnished the Union.

(b) The hourly wage rates shown on such schedules, and all hourly wage rates thereafter established or changed under Article 5, shall remain in effect for the remaining period of this Agreement after the respective effective dates specified in Appendices I and II, except as changes are permissible and accomplished under Article 5.

### Section 4.

(a) The Local Plant Joint Apprenticeship Committee shall consist of two members, plus, if required, a Journeyman of the Trade and Craft under discussion, appointed by the Union and two members, plus, if required, a Supervisor of the Trade and Craft under discussion, appointed by the Company. Such local plant committee shall develop and maintain their particular programs under and pursuant to the framework and guidelines established by the Overall Joint Apprenticeship Committee. Thereafter, such local plant committee shall study and make recommendations with regard to the administration of the Apprenticeship Programs.

(b) The following occupations are considered Trade and Craft occupations. Additives provided under prior collective bargaining agreements to the occupational hourly wage rate of these occupations will not result in changes to the Job Evaluation pointing:

1. Mason
2. Blacksmith/Tool Treater
3. Pipefitter

(c) Apprentices who have been indentured in an 8000-hour apprenticeship program shall be paid a progressively increasing schedule of wages as follows:

	Hours Worked	% of Journeyman's Occupational Hourly Rate
First	1000	72.0%
Second	1000	75.5%
Third	1000	79.0%
Fourth	1000	82.5%
Fifth	1000	86.0%
Sixth	1000	89.5%
Seventh	1000	93.0%
Eighth	1000	96.5%

Apprentices who have been indentured in a 6000-hour apprenticeship program shall be paid a progressively increasing schedule of wages as follows:

	Hours Worked	% of Journeyman's Occupational Hourly Rate
First	1000	72%
Second	1000	77%
Third	1000	82%
Fourth	1000	87%
Fifth	1000	92%
Sixth	1000	97%

Provided, however, that an indentured apprentice shall receive no less than the Occupational Hourly Rate of Laborer (Job Class 1-2).

The apprentice must have demonstrated satisfactory progress in acquiring the necessary skill in his work processes and his related training must be up to date in order to qualify for each 1000-hour increase in rate. Upon satisfactory completion of the specified number of work hours and the related training requirements, the apprentice shall be paid the Journeyman's rate of the occupation to which he has been indentured.

## **ARTICLE 5 - HOURLY WAGE RATE ESTABLISHMENT AND ADJUSTMENT**

(a) The job description and classification for each job in effect as of the date of this Agreement shall continue in effect unless (1) the Company

changes the job content (requirements of the job as to the training, skill, responsibility, effort, and working conditions) to the extent of one full job class or more; (2) the job is terminated or not occupied during a period of one year; or (3) the description and classification are changed in accordance with mutual agreement of officially designated representatives of the Company and the Union.

(b) When and if from time to time the Company, at its discretion, establishes a new job or changes the job content (requirements of the job as to training, skill, responsibility, effort, and working conditions) of an existing job, a new job description and classification for the new or changed job shall be established in accordance with the following procedure:

(1) The Company will develop a description and classification of the job in accordance with provisions of the American Steel Foundries Job Description and Classification Manual as revised February 24, 1965, hereinafter referred to as the revised Manual.

(2) The proposed description and classification will be submitted to the Union for approval, and the occupational hourly wage rate for the job class to which the job is thus assigned shall apply.

(3) If the Company and the Union are unable to agree upon the description and classification, the Company shall install the proposed classification, and the occupational hourly wage rate for the job class to which the job is thus assigned shall apply. The employee or employees affected or the Union may at any time within 30 days file a grievance in Stage 2 of the grievance procedure, alleging that the job is improperly classified under the job description and classification provisions of the revised Manual. Such grievance shall be processed under the grievance and arbitration procedures of this Agreement and settled in accordance with the job description and classification provisions of the revised Manual. If the grievance is submitted to the arbitration procedure, the decision shall be effective as of the date when the new job was established or the change or changes installed but in no event earlier than 30 days prior to the date on which the grievance was filed.

(4) In the event Management does not develop a new job description and classification, the employee or employees affected or the Union may, if filed promptly, process a grievance under the grievance and arbitration procedures of this Agreement requesting that a job description and classification be developed and installed in accordance with the provisions of the revised Manual.

(c) The Company shall not establish more than three rates, "A", "B", and "C" (not including Helpers), in any occupation. It is understood that the "C" classification will be for learners only.

(d) This Article has no application to incentive rates.

(e) The parties hereto shall each designate representatives to a joint committee to review hourly wage rate and adjustment problems with a view to achieving maximum understanding.

## ARTICLE 6 - PRODUCTION STANDARDS

(a) The Company shall be responsible for the establishment of production standards for incentive work and shall use recognized time-study principles and methods. Production standards shall:

(1) Be established for a specific set of conditions.

(2) Reflect the production requirements as related to a fair day's pay and enable the average skilled employee to earn approximately 25% above the incentive base rate for his occupation.

(3) Remain unchanged except when there is a change in product design, method, process, equipment, material used, manufacturing quality, or to correct clerical or mathematical errors in the computation of the standard.

(4) Be replaced by new standards which shall reflect only the change of conditions as stated in (3) above.

(b) Single or accumulated changes in production standards amounting to less than five per cent (5%), except for clerical or mathematical errors, shall not be used as a basis for changing production standards but shall be accumulated for anticipated future adjustments.

(c) Individual delays of one-tenth (1/10) hour or more, due to lack of service, mechanical breakdowns, machine changes, or pattern changes, will be accumulated by the Company on a daily basis and paid for to the nearest one-tenth (1/10) hour increment of time at the occupational hourly rate for the occupation. If individual delays are likely to last longer than fifteen (15) minutes, the employee may be assigned to other work in the occupation at the rate indicated above or to another occupation at the above rate or the rate of such occupation, whichever is higher.

(d) When an employee working on incentive work is assigned to another occupation, the earnings and allowances for the time on incentive work shall first be credited and then the earnings on the assigned work for the remainder of the time worked shall be added.

(e) When an employee working on incentive work is assigned during part of a work day to non-incentive work when he otherwise would have continued on incentive work in his occupation, he shall be paid for such time at 125% of the incentive base rate to which sum will be added the applicable hourly incentive adder. In all other cases he may be assigned to other work in his occupation and paid the applicable occupational hourly rate.

(f) Employees working on incentive work shall be guaranteed the occupational hourly rate of their respective occupations in the event of failure to meet standard performance.

(g) Local plant conditions agreed to by the Management and the Local Union relative to standards and not in conflict with this Article shall not be affected by this Article unless changed by mutual agreement by these parties.

(h) If any employee feels that any production standard is not in keeping with the principles of this Article, a grievance may be filed in Stage I of the grievance procedure.

(i) The Company does not guarantee to provide any employee with incentive work.

(j) No new incentive plan involving new or additional occupations will be instituted, and no existing incentive plan will be terminated before discussion and agreement with the Union. This shall not be construed to prevent the Company from adjusting a production standard under (a) (3) and (a) (4) of this Article.

(k) The parties hereto shall each designate representatives to a joint committee to review incentive problems, with a view to achieving maximum understanding. In addition, the parties hereto shall endeavor to implement the proposals generated by the joint labor-management Reward and Recognition Team with respect to utilization of a Gainsharing Plan or Plans as a replacement for, or as a supplement to, incentive plans in the plant. It is understood that the elements of an acceptable Gainsharing Plan include (1) provision of an opportunity for all production and maintenance employees and plant direct line supervisors to share with the Company in the savings made through



production and quality gains and (2) trust and confidence and a willingness to emphasize teamwork and communication.

## ARTICLE 7 - SHIFT PREMIUM

**Section 1. Premium.** The company will pay a premium of \$.30 per hour worked on the second shift and \$.45 per hour worked on the third shift.

### **Section 2. Shifts Defined.**

(a) The shift shall be classified as "Regular" or "Irregular" based upon the scheduled starting time of the shift. If an employee reports late this shall not change the classification of the shift.

(b) "Regular" Shifts shall be identified as follows:

(1) First shift includes all shifts starting between 5:00 a.m. and 8:00 a.m., inclusive.

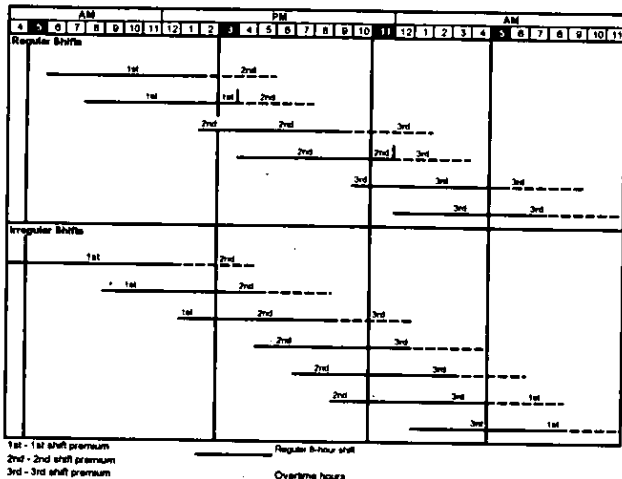
(2) Second shift includes all shifts starting between 2:00 p.m. and 4:00 p.m., inclusive.

(3) Third shift includes all shifts starting between 10:00 p.m. and 12 midnight, inclusive.

(c) Hours worked immediately after the scheduled quitting time of these "Regular" 8-hour shifts of work shall be paid at the shift premium applying to the succeeding shift, except that additional continuous hours worked on the third shift shall be paid at third shift premium.

(d) "Irregular" Shifts of work are those resulting from starting times other than those described above. These shifts shall be paid a shift premium in accordance with the following:

Chart Showing Application  
of Shift Premium (Article 7)



(1) For hours worked between 7:00 a.m. and 3:00 p.m., no shift premium.

(2) For hours worked between 3:00 p.m. and 11:00 p.m., second shift premium.

For hours worked between 11:00 p.m. and 7:00 a.m., third shift premium.

### Section 3. Application.

Shift premium shall not be included in the calculation of incentive earnings, but shall be computed separately. When hours of work are paid for at overtime premium, the shift premium for the same hours shall be paid at the applicable overtime premium rate.

## **ARTICLE 8 - HOURS OF WORK**

### **Section 1. Work Day and Work Week.**

For the purpose of this Article:

(a) The term "work day" means the period of 24 consecutive hours beginning with the time the employee starts work on such day;

(b) The term "work week" means the period of 168 consecutive hours beginning with the time the employee starts work on the first day of his work week;

(c) The term "scheduled work day" means the period of the work day during which an employee is scheduled to work, the balance of the work day representing non-scheduled time; and

(d) The term "scheduled work week" means the total scheduled work days for the work week.

### **Section 2. Schedule of Working Hours.**

(a) The regular schedule of work shall be eight hours in a work day and 40 hours in a work week. The daily hours of work shall be consecutive except for lunch and rest periods now prevailing in the plant.

(b) The regular scheduled work week shall consist of five consecutive scheduled work days. Except for emergencies or other proper cause the Company will avoid scheduling production operations on Saturdays or Sundays.

(c) The Company will post scheduled weekend overtime by 12:00 noon each Thursday with the understanding that unforeseen circumstances render these schedules subject to change.

(d) If schedules more agreeable to the parties than those developed under the preceding paragraph can be agreed upon locally, the provisions of said paragraph shall not apply.

(e) If overtime days are necessary after the weekly schedule has been prepared, the employee shall be given as much advance notice as practicable.

(f) If, due to emergencies or other proper cause, it is necessary to

disrupt an employee's schedule by having him report early or work extra hours within the established work day or work week, he shall not thereby be prevented from working the balance of his regular scheduled shift that day or his weekly schedule of days for the purpose of avoiding overtime premium.

**Section 3.** Nothing in this Article shall be construed as a guarantee by the Company of hours of work per day or per week.

## **ARTICLE 9 - REPORTING AND MINIMUM PAY**

(a) An employee who is scheduled to work and is not notified to the contrary a reasonable time before his starting time and upon reporting at the scheduled time finds no work available on the occupation for which he reported shall be paid an allowance of four hours at the occupational hourly rate of such occupation, provided he follows the established procedure for clocking in and clocking out and shall not be prevented from so doing.

(b) An employee who is scheduled to work and begins work and is provided with less than four hours of work at his reporting occupation, shall be paid for the hours worked plus an allowance equal to the unutilized portion of the four-hour minimum multiplied by the occupational hourly wage rate of the job for which he reported.

(c) In either case (a) or (b) the Company may offer the employee other work. If he accepts he shall be paid the occupational hourly rate of the occupation for which he was scheduled or notified to report, or the occupational hourly rate or the incentive base rate plus the applicable hourly incentive adder, whichever applies, of the occupation to which he is assigned, whichever is higher.

(d) The payments provided shall be at straight time or overtime rates, and include shift premium, depending upon which applies in accordance with this Agreement.

(e) When strikes, stoppages in connection with labor disputes, acts of God, acts of Government, or other causes beyond the control of the Company interfere with work being provided, the provisions of this Article shall not apply. Such other causes beyond the control of the Company shall be subject to the grievance procedure.

## ARTICLE 10 - HOLIDAYS

### Section 1.

(a) The following days shall be considered holidays:

- New Year's Day
- Floating Holiday
- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Day after Thanksgiving
- Day before Christmas
- Christmas Day
- Day before New Year's

(b) The day to be deemed the holiday is the day that is celebrated by the majority of the community in which the plant is located. Where there is a conflict between the State and Federal Government as to designated holidays the Federal Government designation shall prevail.

(c) Presidents Day will be considered a personal floating holiday. Such day is to be used in the same manner as a day of vacation as explained in Article 12, Section 5, (b).

### Section 2.

(a) An eligible employee (other than a "probationary employee", Sec. 5 Article 13), who does not work on any one of these holidays shall be paid for eight hours at the applicable straight time occupational hourly rate excluding shift premium. This includes these holidays when they fall on Saturday.

When an employee works on a holiday they will not receive holiday pay for hours worked. They will receive instead two and one-half times their applicable pay rate for all hours worked on the holiday. If the employee works less than eight (8) hours on the holiday they will be paid holiday pay (straight time hourly rate) for the difference between eight (8) hours and the hours actually worked.

(b) An eligible employee, for the purposes of this Article, is one who meets the following conditions:

(1) He must be actively employed and not in a state of lay-off or absence due to work stoppage, military service, or leave of absence. If absent due to occupational illness or injury, or non-occupational disability and paid benefits under the A&S plan, the employee shall be eligible for holiday pay, not exceeding two years.

If absent due to injury and receiving worker's compensation Temporary Total Disability benefits, the employee will receive the workman's compensation benefit in lieu of holiday pay.

(2) He must work his last scheduled day before the holiday and his next scheduled day after the holiday unless absent because of death in his immediate family (as defined in Article 20, Paragraph (c)).

Notwithstanding the provisions of (1) and (2) above, an employee who in the work week in which the holiday falls works his last scheduled day before the holiday and is then laid off prior to the holiday will be eligible for holiday pay providing the other requirements of this Section 2 are met.

(c) He shall not be paid for these holidays if the holiday falls on a day when the employee is scheduled to work and does not report for work, unless he did not report for work because of death in his immediate family as defined in paragraph (b)(2) of this Section.

(d) If the employee is entitled to holiday pay in accordance with the above, and the holiday falls during the employee's vacation, he will be paid the holiday pay in addition to his vacation allowance, but shall not be entitled to additional time off because of the holiday.

(e) If because of intermittent operations the holiday falls in a non-operating week or a short work week, this shall not be used to deprive the employee of holiday pay if he meets the requirements of this Article.

## ARTICLE 11 - OVERTIME PREMIUM

### Section 1. Premium.

(a) Overtime at rate and one-half shall be paid for:

(1) All hours worked in excess of eight hours in a work day as defined in Article 8;

(2) All hours worked on Saturday;

(b) Double time shall be paid for all hours worked on Sunday.

(c) Two and one-half times the regular rate shall be paid for all hours worked on the holidays designated in this Agreement.

(d) Saturdays, Sundays, and each designated holiday and all work days shall be considered as a twenty-four (24) hour period beginning at the employee's regularly scheduled shift start time.

(e) For purposes of computing overtime earnings, the rate to be used shall be the employee's occupational hourly rate or incentive base rate plus the applicable hourly incentive adder, whichever applies for the occupation on which he works during the overtime period, times the applicable overtime rate specified in (a), (b) and (c) of this Section.

(f) Employees who did not receive advanced notice of overtime work and who are required to work in excess of two (2) hours overtime after working their scheduled work day will receive payment for lunch for said day of overtime worked. Lunch payments will be paid in the employee's paycheck and identified in a separate field on the paycheck stub.

## **Section 2. Hours Credited.**

For the purpose of determining when overtime at time and one-half shall be paid for hours worked in excess of eight hours in a work day, the following shall be credited as hours worked:

(a) All straight time hours actually worked, and all hours worked on Saturday, Sunday and holidays;

(b) All hours in attendance at meetings with plant management within the individual's regularly scheduled work day, provided such meetings have been agreed upon with plant management;

(c) All hours spent on Union business during the individual's regularly scheduled work day;

(d) Hours absent from work within the regular eight-hour shift due to occupational injury or occupational sickness, including time spent in reporting to dispensary for treatment or to outside doctor or hospital when facilities are not located at the plant;

(e) Hours absent from work within the regular eight-hour shift because of jury service or witness duty, provided the employee shows the Company the summons for jury service or subpoena for witness duty.

### Section 3. Offsets and Pyramiding.

Overtime premium for the causes stated in Section 1 of this Article shall not be pyramided for any hours worked. If more than eight hours are worked on Saturday or on Sunday, only the premium rate provided for such days shall be paid for such excess hours. If a holiday occurs on a Saturday, only two and one-half times the regular rate shall be paid for hours worked on such holiday.

## ARTICLE 12 - VACATIONS

### Section 1. Vacation Eligibility and Allowance.

(a) All employees with continuous plant service as shown in the following table as of the December 31 immediately preceding the vacation year (the vacation year shall begin on January 1 each year) shall receive the following vacation and vacation allowance in the vacation year:

Years of Continuous Plant Service as of the December 31 Immediately Preceding Vacation Year	No. of Weeks Vacation	% of Employees Total Earnings in Calendar Year Preceding the Vacation Year	Minimum Vacation Pay Guarantee as Provided in Paragraph (c) below
1 but less than 3	1	2%	32 hour
3 but less than 10	2	4%	64 hours
10 but less than 17	3	6%	96 hours
17 but less than 25	4	8%	128 hours
25 or over	5	10%	160 hours



(b) Continuous service for the purposes of this Article 12 shall be calculated in the same manner as the calculation of continuous service set forth in Article 13 of this Agreement except that there shall be no accumulation of service in excess of the first two years of any continuous period of absence on account of layoff or physical disability (except, in the case of compensable disability as provided in Section 4(b)5 of said Article 13) in the calculation of service for vacation eligibility.

(c) The Minimum Vacation Pay Guarantee referred to in paragraph (a) above shall be applicable only to employees who have received earnings in at least thirteen (13) pay periods in the preceding calendar year and shall be computed at the occupational hourly wage rate for the last occupation held by the employee in the prior calendar year times the applicable number of hours set forth in paragraph (a) above. Either the percent of employee's total earnings or Minimum Vacation Pay Guarantee, whichever is higher, shall be paid to the employee.

(d) Any period of absence of an employee due to occupational illness or injury shall be included in determining the number of pay periods the employee worked during such year.

## **Section 2. Attaining Additional Service.**

Employees who become eligible for their first week of vacation or for an additional week of vacation during the vacation year pursuant to the schedule in Section 1 shall be eligible for vacation pay and time off accordingly subject to the terms of this Article. Employees becoming eligible for their first week of vacation during their vacation year will be eligible for five (5) days off and pay based on their earnings in the prior vacation year.

## **Section 3. Payment of Vacation Allowance.**

(a) The vacation allowance shall be payable at the beginning of the employee's vacation period.

(b) An employee who is terminated after becoming eligible for a vacation under Sections 1, 2, or 3, shall not thereby lose any vacation allowance which he has earned.

## **Section 4. Vacation Period.**

(a) Employees with two weeks or less of vacation eligibility at the beginning of the vacation year may not schedule vacation time off prior

to the vacation shutdown period or cancellation thereof. Employees with more than two weeks vacation eligibility must schedule their vacation time off no later than March 1 of the vacation year. Scheduling will be accomplished by posting of a Seniority Roster of all employees with more than two (2) weeks of vacation in seniority order along with a listing of vacation weeks available for the entire calendar year. The list will be posted each year by December 1. Employees wishing a week in January or February must schedule by December 31. All other weeks off must be scheduled by March 1. Employees will choose their week(s) in seniority order. Employees eligible to choose to use vacation on a day at a time basis rather than a full week but must declare this prior to March 1. Should a full week of scheduled vacation be cancelled by an employee during the vacation year, the week will be made available to other eligible employees on a first come first served basis. Employees becoming eligible for their first week of vacation after the vacation shutdown period may schedule the week for any week remaining available on the department roster or on a day at a time basis at their option. If the plant is shutdown for vacation purposes, such shutdown shall occur during June, July or August and a notice of such shutdown period shall be given at least thirty (30) days in advance and no later than July 15.

Vacation allotments will be determined by department and by occupation.

(b) Employees with three (3) or more weeks of vacation are permitted to take a maximum of five (5) days vacation in one (1) day increments, provided they make their request five (5) days in advance. Vacation request will be on a first come, first served basis. B&E and TEC employees are not affected by restrictions and will be allowed to schedule their vacations according to the departmental practice. The Company retains the sole right to grant vacations based on it's ability to get the work done in the most efficient and least costly manner, however the Company will not cancel an employees previously scheduled full week of vacation later than fourteen (14) days prior to the scheduled vacation.

#### **Section 5. Vacations for Those Returning From Military Service.**

(a) Any employee who makes application for and is reinstated in accordance with the provisions of Article 13-Seniority, Section 9 to the employ of the Company during the term of this Agreement, shall be given a vacation and be paid a vacation allowance for the year in which he returns, provided he works in the plant 45 days after he returns.

(b) If his earnings during the year preceding his return were such that he did not earn, on the percentage basis a full vacation as provided in Sections 1, 2, and 3, whichever applies, he will be paid a vacation allowance as follows, based on his seniority service credit as of the date of his reinstatement.

For the vacation covering the year in which the employee returns and payable in the vacation year:

1 year but less than 3 years	40 hours
3 years but less than 10 years	80 hours
10 years but less than 17 years	120 hours
17 years but less than 25 years.	160 hours
25 years or over	200 hours

The vacation allowance shall be based on the straight time hourly rate of the occupation in which he is employed at the time of his vacation.

(c) Those who return to work prior to the vacation shutdown period of the plant shall be paid their vacation allowance at the time of such vacation shutdown, or at the time of their termination, if this occurs prior to the vacation period; those who return to work after such vacation shutdown period shall be paid their vacation allowance and may be given equivalent time off at any time during such calendar year.

(d) If his earnings during the year in which he returns are such that he does not earn a full vacation for the following year, as provided in Section 1, he will be paid the vacation allowance provided in paragraph (b) above, based on his seniority service credit on the anniversary date of his reinstatement.

(e) Those employees who become eligible for the next bracket vacation as shown in Section 1, after the anniversary date of their reinstatement, shall be paid for the additional hours at the time of such completion.

(f) In no event shall an employee be entitled to both a vacation allowance on his earnings and, also, the allowance provided in (b) and (d) above.

## ARTICLE 13 - SENIORITY

### Section 1. Basis of Seniority.

(a) It is agreed that in all cases of promotion (except to supervisory, technical or clerical jobs), demotion, transfer and increases or decreases of forces seniority based on the following shall govern.

Length of continuous service and ability to perform the work.

(b) Temporary work assignments, except as otherwise provided by local agreement, for any cause other than absenteeism may be made by the Company to suit operating requirements not to exceed one day; provided, however, that consideration shall be given to the employee with the greatest seniority and he shall be so assigned if practicable. For any such assignments beyond this period, seniority shall govern.

## **Section 2. Continuous Service.**

(a) It is understood and agreed that wherever the word "seniority" is used in this Section, it refers to length of service and ability to perform the work.

(b) For the purpose of this Article, continuous service shall be designated as continuous service within the plant.

(c) The term "continuous service" shall mean an employee's total elapsed time from date of employment to date of termination and shall be calculated in accordance with Section 4 of this Article and shall include adjusted continuous service for employees who were employed on June 1, 1991 and who had been credited with prior service as of that date.

(d) When an employee accepts an occupation which comes under the jurisdiction of another recognized bargaining unit, all seniority service credit which the individual has accumulated is permanently forfeited.

## **Section 3. Application of Seniority.**

(a) It is understood and agreed that wherever the word "seniority" is used in this Section, it refers to length of service and ability to perform the work.

(b) In the application of seniority within the department in cases of promotion, demotions, layoffs, transfer and recall to employment in a department, plant seniority shall govern.

(c) Permanent vacancies (openings resulting from a quit, retirement or expansion of the work force) shall be filled on the basis of plant

seniority within the department. An employee is allowed one successful bid to a job in the same or a lower pay class each three month period. There is no limit to the number of successful bids an employee may have to higher paying jobs or from non-incentive to an incentive job. A successful bidder will be given a reasonable training period not to exceed 5 work days.

(d) An employee may request transfer as a Laborer to any other department by signing the Transfer Request Book in the Personnel Department. Transfers will be made on the basis of plant seniority and will be limited to one per three month period. A transferred employee will be given a reasonable training period not to exceed 5 work days. Employees who successfully qualify upon transfer will be given seniority within the new department equal to their total plant seniority and their seniority in their old department will be canceled.

(e) Notwithstanding (c) and (d) above, employees who fail to qualify or who disqualify themselves two times within a three month period will be returned to their old department and job with no loss of department seniority. Such employees will be permitted a third bid within the three month period and will be prevented from disqualifying themselves for a period of six months.

(f) In cases of decreases in force or lay-offs, demotions will be in reverse order departmental seniority from the higher to the lower jobs. Employees whose jobs are being eliminated may bump to any job they have performed as a permanent assignment or to any job in the lower four pay classes within their department. An employee whose departmental seniority is insufficient to retain him in his department may bump into any job in the plant which he has previously held or to any job in the lower four pay classes to which his seniority entitles him. An employee who elects to bump into another department must exercise his right immediately upon being notified that his seniority will not hold in his regular department. An employee, who bumps into another department in accordance with the above, will continue to accrue seniority in his prior department and shall be considered to be in the new department on the basis of a temporary transfer. A temporarily transferred employee will be ranked behind all permanent employees in the department for the purposes of promotion and overtime assignments (except in cases of "if the job works-the man works").

If no employee desires a particular promotion or overtime assignment the least senior qualified permanent department employee must accept the assignment.

(g) Recalls from lay-off or temporary transfer will be made in order of departmental seniority from the lower to the higher jobs. Any vacancies remaining after all employees with departmental seniority are recalled will be offered to employees who have requested transfer to that department before new employees are hired.

(h) Temporary work assignments resulting from absence of any cause, of 30 days or less may be made by management to suit operating requirements; provided, however, that consideration shall be given to the employee with the greatest seniority, and he/she shall be so assigned if practicable.

(i) Temporary vacancies of over 30 consecutive work days resulting from any cause shall be filled on the basis of plant seniority within the department from among qualified employees who have signed the "Occupational Request Register" within the department. If no employee has requested temporary assignment to the vacancy, it shall be filled in accordance with paragraph (g) above.

#### **Section 4. Calculation of Continuous Service and Termination of Seniority Rights.**

(a) Continuous service shall be calculated from date of first employment or reemployment following a break in continuous service in accordance with the following provisions; provided, however, that the effective date of employment prior to the date of this Agreement shall be the date of first employment or reemployment after any event which constituted a break in service under the practices in effect at the time the break occurred.

(b) There shall be no deduction for any time lost which does not constitute a break in continuous service, except as specified in 5, below.

The seniority service credit of an employee shall be canceled upon termination of his employment by the Company due to any one of the following causes:

1. Resignation or quit.
2. Being absent for five consecutive scheduled days without notice.
3. Being absent for five consecutive scheduled days without

satisfactory reason for being absent.

4. Discharge for proper cause.

5. An employee is absent due to layoff or physical disability for more than two years except that, subject to the provisions of Section 6 of this Article, he shall continue to accumulate continuous service during such absence for two years and for an additional period equal to (1) three years, or (2) the excess, if any, of his length of continuous service at the commencement of such absence over two years, whichever is less. Any accumulation in excess of two years during such absence shall be counted, however, only for the purposes of this Article 13 and shall not be counted for any other purpose under this or any other agreement between the Company and the International Union or local union. In order to avoid a break in service after an absence of two years, the employee must give the Company annual written notice that he intends to return to employment when called, if the Company at least 30 days prior thereto has mailed him a notice at his last address on the Company records that he must file such notice.

6. In the event of permanent shutdown of plant, department, or substantial portion thereof, an employee with ten (10) years continuous service on or before 10/1/07 will continue as an employee of the Company for the duration of this collective bargaining agreement.

7. Failure to return to work from layoff within one week after certified mail notice by the Company to the employee's last known address, except as otherwise may be provided by mutual agreement between the Union and the Company.

(c) An employee transferred to another recognized bargaining unit in the plant shall lose all seniority service credit accumulated under this Agreement.

#### **Section 5. Probationary Employees.**

(a) New employees and those hired after loss of seniority, having less than 90 actual days of work in a period of employment with the Company are probationary employees and entitled to no seniority rights. If such employee is continued in employment after such 90 days of work, his seniority service shall date from the beginning of such period of employment.

(b) A probationary employee may be terminated at any time at the discretion of the Company, and such termination shall not be subject to the Grievance and Discharge procedures. The Union may file grievances on their own behalf as regards rates of pay or working conditions in connection with probationary employees. There shall be no obligation on the part of the Company to reemploy a probationary employee who is discharged, laid off, or who resigns during such 90 day period.

#### **Section 6. Absence Due to Occupational Disease or Occupational Injuries.**

In the event any employee of the Company shall be incapacitated for work due to occupational disease or injury, the Company will return him to work when he is physically fit to resume work, provided such employee would, under conditions then prevailing, be so employed by the Company. Further, the parties agree that restricted duty personnel as defined by the Company can be assigned anywhere there is work that keeps within their restrictions. Upon returning to work the employee will be given credit for the time lost for the purpose of seniority.

#### **Section 7. Transfers.**

(a) Employees who desire to transfer to another department will be provided with an application form on which they will indicate their qualifications. The original copy of this form shall be filed with the Personnel Manager, and the duplicate retained by the employee.

(b) Employees are not permitted to have on file an application for more than two separate departments at one time. When a vacancy occurs and employees are not available in the department, the vacancy will be filled from the list of applicants provided any are qualified. First consideration will be given to the applicant with the greatest plant seniority and the ability to perform the work. The applicant will be afforded a reasonable trial period. A transferring employee may be held on his or her job until a qualified replacement is available, but in any event no longer than 60 working days provided that if the person being trained to replace the transferring employee quits, transfers, is disqualified, etc. prior to the transferring employee being transferred, the period of time held on job may be extended an additional 30 working days. This requirement does not supersede periods longer than 60 days specified in this Agreement.

This language becomes applicable effective November 1, 2005.

(c) Employees hired into the Chipper classification after October 1,



1995 will be required to remain on the Chipper job for a period of not less than 6 months before being permitted to move to another position.

(d) Employees who are employed under the provisions of Article 23, Section 8 at another plant of the Company shall be credited with their accrued continuous service at the plant from which they were transferred for purposes of the Pension Comprehensive Medical Program, SUB Plan and for Vacations. Continuous service for all other purposes shall begin as of the effective date of the transfer to the new plant. The provisions of Article 13, Section 5, Probationary Employees, shall not apply to these employees.

#### **Section 8. Leave of Absence.**

(a) Upon request of the International Union, a leave of absence not to exceed a period of two years shall be granted to at least one member of the local Union for the purpose of working for the Union. Such leave shall not constitute a break in the employee's continuous service and the time will be credited.

(b) A leave of absence may be granted by the Company to any employee for a period not in excess of one year. All requests for a leave of absence shall be made in writing on a form to be provided by the Company. The Company shall promptly notify the local Union in writing on a copy of the form of the granting of all such leaves of absence or the failure to grant a leave of absence.

(c) The Company shall provide leaves of absence to eligible employees in accordance with The Family and Medical Leave Act of 1993. Family Medical Leave Act time shall run concurrently with other forms of paid leave time excluding vacation and such time does not extend the 12 week Family Medical Leave Act period.

(d) If an employee accepts employment with another company during a leave of absence granted or provided pursuant to this Section 8 without written permission from the Company, their employment with the Company shall be terminated as having quit without notice as of the date of such employment.

#### **Section 9. Military Service.**

(a) The Company will comply with the provisions of the laws related to the reemployment of Veterans of the Armed Services of the United States.

(b) An employee with one or more years of continuous service who is required to attend an encampment of the Reserve of the Armed Forces or the National Guard shall be paid for a period not to exceed two weeks in any calendar year, the difference between the amount paid by the Government (not including travel, subsistence and quarters allowance) and the amount calculated by the Company in accordance with the following formula. Such pay shall be based on the number of days such employee would have worked had he not been attending such encampment during such two weeks (plus any holiday in such two weeks which he would not have worked), but not more than six such days of work in each week) and the pay for each such day shall be eight (8) times his straight time average hourly earnings (including applicable incentive earnings but excluding shift differential and Sunday and overtime premiums) during the last payroll period worked prior to the encampment. If the period of such encampment exceeds two weeks in any calendar year, the period on which such pay shall be based shall be the first two weeks he would have worked during such period.

#### **Section 10. Supervisory and Technical Employees, Union Officers and Union Committeemen.**

(a) The Union recognizes the importance of the Company having available a supervisory and technical staff, and the Company recognizes the importance of the Union having available certain local Union officers and committeemen familiar with plant conditions.

(b) The Company agrees to limit the length of time an employee can remain in a Temporary Foreman(s) position to a maximum of 6 months during any contract year except in cases of extenuating circumstances.

(c) A supervisory or technical employee will be credited with service in such position up to a maximum of one (1) year seniority service credit during any continuous periods on a supervisory or technical position, this service being credited to the department from which he was promoted. Application of this paragraph applies to any promotion to a supervisory or technical position of a bargaining unit employee occurring after October 1, 1999; promotions prior to October 1, 1999 will be governed by the previous agreement.

(d) When the Company decides that the work force in any department is to be reduced, the local Union President, Grievance Committee Chairman, Committeemen, shall, if the reduction in force continues to the point at which they would otherwise be laid off, be retained at work

and for such hours per week as may be scheduled in the department in which he is employed, provided he can perform the work of the job to which he must be demoted. The intent of this provision is to retain in active employment these officers and committeemen for the purpose of continuity in the administration of the labor agreement in the interest of employees so long as a work force is at work; provided that no officer or committeeman shall be retained in employment unless work which he can perform is available to him in the department in which he is working.

#### **Section 11. Discontinuance or Establishment of a Department.**

In the event of the permanent discontinuance of a department, or the establishment of a new department, the Company and the Union shall work out a satisfactory solution to the problem, irrespective of the departmental seniority application now existing in the Plant.

#### **Section 12. Seniority Service Records.**

An individual seniority service record for each employee shall be maintained showing his length of service computed in accordance with Section 2 of this Article. The Company agrees to furnish the Union within 30 days after December 31 of each year, a list showing as of such date the seniority service of all employees covered by this Agreement, and upon request will furnish one additional listing per year.

#### **Section 13. Supervisory Trainees.**

The company, at its discretion, may assign Supervisory Trainees on any occupation during any period of time when another employee is on the job. In the application of the above, it is understood that no senior employee shall be displaced or suffer the loss of any of his rights under this Agreement.

#### **Section 14. Permanent Partial Disability.**

Notwithstanding Sections 2 and 3 of this Article to the contrary, an employee (other than "probationary", Art. 13, Sect. 5), not eligible for an immediate unreduced pension, who is permanently partially disabled because of a non-occupational or occupational illness or injury and can no longer perform, with reasonable accommodation the essential functions of his permanently assigned job will be permitted to exercise his seniority to bump the least senior employee in the plant permanently assigned to a job he has the ability to perform, with or without reasonable

accommodation, in accordance with the following:

(a) To qualify, the employee must present medical certification attesting to the permanence and limitations of the disability that is acceptable to both the Company and the Union.

(b) A joint meeting between Company and Union representatives and the disabled employee will be held to determine what job, if any, is available to him in accordance with his seniority and limitations.

(c) An employee may exercise his right to bump under this provision only once for the same disability, except in the case where the disabled employee is bumped by another disabled employee. In that case, the employee being bumped may again bump under this provision. Thereafter Sections 2 and 3 of this Article govern. Declining to bump under this provision will be considered the same as having bumped.

(d) An employee bumped under this provision will in turn bump in accordance with Sections 2 and 3 of this Article, except as set out in (c) above.

(e) It is understood that the provisions of this Section shall comply with any changes in applicable Federal or State Law.

#### **ARTICLE 14 - UNION COMMITTEEMEN**

(a) The number of Union committeemen and the departments they are to represent shall be agreed upon locally by the Union and the Company based on the size of the plant and the number of employees but not to exceed 15 committeemen. The Union shall designate the committeemen, in writing, to the Company.

(b) The Union may appoint stewards, designated in writing, to the Company, to handle disputes which arise in the department or departments they represent. The number of stewards shall be agreed upon locally by the Union and the Company but not to exceed one steward to 25 employees.

(c) The committeemen and stewards, with the permission of their immediate foreman, will be afforded time off, without pay, to transact Union business. Such permission shall not be unreasonably withheld.

(d) Committeemen and stewards when not engaged in Union

business will be governed by the same working conditions as all other employees.

(e) The local Union President, at his option, will be recognized as an ex-officio member of all Union committees in meetings with management.

(f) In the event that it is necessary for any duly authorized Officer, Committeeman or International Representative currently representing the Granite City employees, to come into the plant during hours other than the normal shift hours, the Company will not unreasonably deny the request for access to the plant for said Officer, Committeeman, or International Representative of the Union so long as the request is made of the Personnel Manager far enough in advance so that appropriate arrangements can be made for the visit.

## **ARTICLE 15 - ADJUSTMENT OF GRIEVANCES**

### **Section 1. Definition of Grievances.**

A grievance is hereby defined to be any dispute or controversy between the parties to this Agreement, or between the Company and any employee covered by this Agreement, with respect to matters arising out of circumstances and conditions occurring subsequent to the date of this Agreement which is not settled by discussion between the employee (who may be accompanied by his Union Representative) and his immediate supervisor.

### **Section 2. Grievances between the Union and the Company.**

Any dispute or controversy between the Union and the Company involving the interpretation or application of any of the terms or provisions of this Agreement shall be adjusted in accordance with the grievance procedure set forth in this Article. Initial consideration of such grievances shall be heard in Stage 1 in of the grievance procedure.

### **Section 3. Medical Program Grievances.**

(a) If any difference shall arise between the Company and any employee as to the benefits payable to him pursuant to the Group Medical Program because his claim was denied in whole or in part, or between the Company and the Union as to the interpretation or application of, and such difference is not resolved by discussion, it shall, if presented in writing, become a Medical Program grievance.

(b) Medical Program grievance must, in order to be considered, be presented in writing within 30 days after the action giving rise to such difference. Notwithstanding the first sentence, a grievance relating to the Group Medical Program must be presented within thirty (30) days after the earliest date on which the grievant knew or reasonably should have known of the action on which it is based. Medical Program Grievances shall first be heard in stage 2 of the grievance procedure. At each stage of the grievance procedure, with respect to Medical Program grievance, the Company shall prepare minutes of the meeting which shall include statements of the parties positions and documentation, the Company representative shall sign the minutes and give a copy to the local representative within 10 days after the discussion is held. The local representative shall sign the minutes as agreed to or if the representative of the local Union shall disagree with the accuracy of the minutes as prepared by the Company, shall set forth and sign his reasons for such disagreement. If the grievance is not settled at Stage two, the time limits to advance the grievance to the Stage three shall be 10 days after receipt of the minutes and to Stage four shall be 20 days after receipt of the minutes.

#### **Section 4. Grievance Rules.**

(a) In any stage of the grievance procedure outlined herein, either party may produce persons who, being familiar with the facts involved, may aid in a solution of the grievance. However, these persons so produced will be heard solely as witnesses; and the discussion and final determination of the issues of the grievance shall rest upon the person or persons delegated to handle the grievance in its then current stage.

(b) Suitable identifying and numbering systems for grievances shall be adopted by mutual agreement.

(c) Awards or settlements of grievances shall in no case be made retroactive more than three weeks prior to the date on which the grievance was first presented in its initial stage of the grievance procedure, except as provided in Articles 5 and 16.

Monetary portions of the grievance award shall be paid to the employee within twenty-one (21) calendar days from the decision rendered by the Company or the Arbitrator.

(d) It is the purpose of this Section to provide a procedure for prompt, equitable adjustment of alleged grievances. Failure to file alleged grievances promptly on the occurrence thereof shall be deemed to be inconsistent with the purpose and intent of this Agreement.

## **Section 5. Grievance Procedure.**

Grievances shall be adjusted in accordance with the following procedure: Grievances shall be reduced to writing by the employee or his Union Representative on forms provided by the Company. The forms will be dated and must be signed by the employee or employees affected and the Union Representative. Copies of the form shall be delivered to the Superintendent of the department. Delivery of the forms to the Superintendent will constitute notice of the grievance in Stage 1.

### **Stage 1.**

(a) Initial consideration of a grievance, except as otherwise specifically provided in Articles 5 and 16 shall be between the Superintendent or his representative and the Committeeman of the department in which the grievance originated. The aggrieved employee, his Union Representative and his immediate supervisor shall have the right to be present and be heard.

(b) The Superintendent or his representative will enter his disposition of the grievance in the space provided for such purpose on the grievance form and will date and sign the copies.

(c) The Committeeman will sign as to his agreement or disagreement to the Superintendent's disposition.

(d) Any grievance not acted upon in this stage within five work days following the date of notification to the Superintendent shall, unless the time for disposition be extended by mutual consent of the parties involved in this stage, automatically become a Stage 2 grievance.

(e) If the Committeeman is in disagreement with the Superintendent's disposition, the Company shall, within five work days following conclusion of proceedings in Stage 1, notify the Chairman of the Union Adjustment Committee in writing of the date and time the grievance will be heard in Stage 2. If the Union Adjustment Committee is not notified within five work days the grievance shall automatically become a Stage 3 grievance.

### **Stage 2.**

(a) An Adjustment Committee consisting of up to three representatives of the Union and up to three representative of the Company shall be

appointed to hear and decide the disposition of the grievance in this stage.

(b) It shall be the duty of this Adjustment Committee to fully investigate the grievance and if necessary to hear as witnesses individuals whose knowledge of the facts of the case will be beneficial to the final disposition. However, final discussion concerning the disposition thereof will be held solely by the Adjustment Committee.

(c) Information concerning the agreement or disagreement in this stage shall be inserted on the grievance form and shall be dated and signed by each of the members of the Adjustment Committee.

(d) Any grievance not settled in this stage within five (5) work days following date of written notice of readiness to proceed by the Company shall, unless the time for disposition be extended by mutual consent of such representatives involved in this stage, automatically become a Stage 3 grievance.

(e) If a grievance is not satisfactorily settled in Stage 2, the Company shall, within five work days following conclusion of the proceedings in Stage 2, notify the District Office of the Union in writing of the date and time the grievance will be heard in Stage 3. If the Union is not notified within five work days the grievance shall automatically become a Stage 4 grievance.

### Stage 3.

(a) This stage shall be between the District Director of the Union (or a Staff Representative designated by him) and the Plant Manager (or his designated representative). In the case of a Medical Program Grievance this stage shall be between the District Director of the Union (or a Staff Representative designated by him) and the Director Human Resources (or his designated representative). Final discussion concerning the disposition thereof will be held solely by the representatives designated above.

(b) Information concerning the agreement or disagreement in this stage shall be inserted on each copy of the grievance form and shall be signed and dated by both parties.

(c) Any grievance not settled in this stage within five (5) work days following date of written notice of readiness to proceed by the Company



shall, unless the time for disposition be extended by mutual consent of such representatives involved in this stage, automatically become a Stage 4 grievance.

#### **Stage 4.**

(a) Grievances not settled in Stage 3 shall be submitted to arbitration. The parties shall, within 30 days following the final Stage 3 meeting, appoint by mutual agreement an impartial arbitrator to hear and determine the grievance.

(b) In case the parties are unable within such 30 day period to agree upon an arbitrator, the Federal Mediation and Conciliation Service shall be requested to submit five names of possible arbitrators.

(c) Within five days after receipt of the panel of arbitrators, the parties shall meet to select the arbitrator. The parties shall, by concurrent written ballot, each strike two names from the panel. If this leaves three names on the panel, the parties shall, by concurrent written ballot, each strike one additional name from the panel. When only two names remain, the parties shall, by concurrent written ballot, each strike one additional name from the panel. If the last ballot eliminates both remaining names, the parties shall choose between these two by lot. The expense and salary incident to the services of the arbitrator shall be shared equally by the Union and the Company.

(d) In the case of grievances arising out of this Agreement, the arbitrator shall have jurisdiction and authority only to interpret, apply, or determine compliance with the provisions set forth in this Agreement, and shall not have jurisdiction or authority to add to, detract from, or alter the provisions of this Agreement.

(e) The decision of the arbitrator shall be final and binding upon the parties.

#### **Section 6. Interruption or Interference with Production.**

Continuous and uninterrupted operation of the Company's plant and orderly collective bargaining relations between the Company and the Union are the essential considerations of this Agreement and, therefore, it is agreed as follows:

(a) There will be no lockouts and the settlement of all grievances will be made in accordance with this Agreement.

(b) The Union and its members will not during the term of this Agreement cause or take part in any strike, sympathy strike, sit-down, stay-in, slow-down or other curtailment or restriction of production and the grievance procedure as herein provided shall be complied with.

(c) If this procedure is not followed and as a result this Section of the Agreement is violated on the part of the employee, the Company will furnish the District Director of the Union with a list of the names, clock card numbers and addresses of employees considered by it to be involved. The Company shall have the right to discipline or suspend and later discharge in accordance with Article 16 of this Agreement any and all persons taking part in this violation who refuse to resume normal work after an appeal has been made by the District Director of the Union, or his representative.

(d) All employees not taking part in the violations, and who are prevented from working because of the violations, will be paid their occupational hourly wage rate until dismissed from their jobs by an appropriate Company representative.

(e) If this Section of the Agreement is violated on the part of the Company it will be subject to the grievance procedure of this Article starting in Stage 2.

## **ARTICLE 16 - DISCHARGE CASES**

(a) In the exercise of its functions and rights as set forth in Article 2, the Company agrees that an employee (other than a "probationary employee", Article 13, Section 5) shall not be peremptorily discharged, but in all instances which the Company concludes may justify discharge, he shall first be suspended.

(b) The Company agrees to notify the local Union President and the Chairman of the Grievance Committee of a pre-suspension hearing so that they may be in attendance.

In the event that the local Union President or the Chairman of the Grievance Committee is not available one of the local Union Officials listed below will be notified in the following order on the basis of availability in the plant.

Vice President  
Acting Chairman of the Grievance Committee

In the event that none of the four designated Union Officials are available in the plant, this memorandum does not preclude the Company from holding a pre-suspension hearing and subsequently suspending an employee for discharge.

(c) The employee will be given, in writing, at the time of suspension, the reason for the suspension and information concerning his further rights in this regard under this Agreement. The Chairman of the Grievance Committee and the local Union President shall also receive copies of the suspension and reason thereof by the end of the following work day. Such suspension shall be for not more than five work days.

(d) If the employee believes he has been unjustly suspended, he may, within five work days, file a grievance which shall first be handled in Stage 2 of the grievance procedure.

(e) If the suspension is held to have been unwarranted, the employee shall be returned to employment and receive full compensation for the time lost.

(f) If the suspension is held to have been warranted, the employee may, depending upon the seriousness of the offense or misconduct, (1) be returned to work without pay for the time lost, or (2) be discharged from the employ of the Company, effective on the date of suspension.

## ARTICLE 17 - SAFETY AND HEALTH

(a) The Company shall continue to make reasonable provisions for the safety and health of its employees during their hours of work. Proper heating and ventilating systems will be installed where needed.

(b) Protective devices, wearing apparel and other equipment necessary to properly protect employees from injury shall be provided by the Company where needed in accordance with practices now prevailing in the plant. Failure to return such Company property or make acceptable accounting shall result in a charge against the employee not to exceed cost.

(c) If an unsafe condition exists, changed from the normal hazards inherent in the operation, so that the employee is in danger of injury, the employee shall notify his foreman of such unsafe condition and the facts related thereto. If existence of such alleged unsafe condition shall be disputed, the President of the Local Union at the Plant or his designee and the Manager of the Plant or his designee shall immediately

investigate such alleged unsafe condition and determine whether it exists. If they shall not agree and if the President of the Local Union or his designee is of the opinion that such alleged unsafe condition exists, the employee shall have the right to present a grievance at Stage 2. Such grievance shall be promptly heard and decision reached no later than the next regular working day following the Stage 2 hearing.

Each party shall promptly notify the other party in writing of the party's designated representative, and any changes therein on each of the shifts for purposes of this Paragraph.

(d) The plant shall have a Plant Safety Committee appointed by the Company. On the Plant Safety Committee the Company agrees to appoint three members of the Union certified in writing to the Company by the Union. The President of the local Union is an ex officio member of this Committee.

(e) The Safety Committee shall hold meetings at times determined by the Company. Time consumed on Committee work by Committee members designated by the Union shall be considered hours worked and paid for by the Company. The functions of the Safety Committee shall be to advise plant management concerning safety and health matters, but not to handle grievances. In the discharge of its function, the Safety Committee shall consider and suggest changes in existing practices and rules relating to safety and health and recommend new practices and rules.

(f) If because of the installation of new equipment or changed production practices the now prevailing safety practice is considered to be inadequate, it will be brought to the attention of the Safety Committee by the members certified by the Union. If no satisfactory practice is established within a reasonable period of time, a grievance may be filed in State 2 of the grievance procedure.

(g) The Company will furnish the Plant Safety Committee and the Union's Workers' Compensation Representative with monthly summaries of lost time accidents at the plant.

(h) The Company will recognize the Union's Workers= Compensation representative for the purpose of working out problems relating to Workers= Compensation.

(i) It is intended that nothing contained in the foregoing functions of the Plant Safety Committee shall result in liability of the International

Union, Local Union, Union Safety Committee and its officers, employees and agents for any work-connected injuries, disabilities or diseases which may be incurred by employees.

### **ARTICLE 18 - BULLETIN BOARDS**

Bulletin Boards in the plant will be made available for the announcement of elections provided for in the Constitution of the United Steelworkers of America; and for the posting of notices of the Union relating to meetings, dues, entertainment, health, and safety. The Union will not post items beyond those indicated.

### **ARTICLE 19 - FOREMEN**

(a) It is the function of the foremen to direct the workers. They shall not do the work of employees covered by this Agreement.

(b) Foremen must train and instruct workers, and work performed in so doing shall not be in violation of this Agreement.

(c) The policy of the Company shall be to operate and maintain its plant facilities with an adequate work force.

(d) In cases of accident, absenteeism of workers, for whom replacements are not available, or other emergencies for eight hours or less, foremen shall have the right to perform work, if necessary.

### **ARTICLE 20 - JURY OR WITNESS DUTY AND FUNERAL LEAVE**

(a) An employee (other than "probationary employee") who is called and serves on jury duty or who is subpoenaed and reports as a witness shall be paid for the days actually on jury duty or the days actually served as a witness on which he otherwise would have worked the difference between the amount of pay, if any, received therefore and his regular earnings. Regular earnings shall be eight times his straight time occupational hourly rate. Such payment shall be made only if the employee (1) gives the Company advance notice of such jury duty call or subpoena as a witness, and (2) presents proper evidence of jury duty performed or service as a witness and amount paid, if any, for such service.

(b) An employee (other than "probationary employee") who is called to appear before a Jury Commission and who responds to such call

shall be paid for the necessary time involved which occurred during his regular hours of work at his occupational hourly wage rate upon furnishing satisfactory proof of such appearance.

(c) When death occurs to an employee's legal spouse, mother, father, mother-in-law, father-in-law, son, daughter, brother, sister, grandparents, or grandchildren (including stepfather, stepmother, stepchildren, stepbrother or stepsister when they have lived with the employee in an immediate family relationship), an employee, (other than probationary employee) upon request, will be excused and paid for up to three (3) consecutive scheduled work days which include the day of the funeral provided the employee was scheduled to work on such days and provided it is established that the employee attended the funeral. Payment shall be eight times his straight time occupational hourly rate. An employee will not receive funeral pay when it duplicates pay received for time not worked for any other reason. Time thus paid will not be counted as hours worked for purposes of determining overtime or premium pay liability.

#### **ARTICLE 21 - PRIOR AGREEMENTS**

(a) This Agreement supersedes the Agreement dated October 1, 1995.

(b) Unsettled grievances filed or arising from circumstances prior to the signing of this Agreement shall be processed under the grievance procedure of this Agreement but shall be settled under the terms of the Agreement dated October 1, 1995.

#### **ARTICLE 22 - LOCAL WORKING CONDITIONS**

(a) The term "local working conditions" as used herein means specific practices or customs which reflect detailed application of the subject matter within the scope of wages, hours of work, or other conditions of employment and includes local agreements, written or oral, on such matters. It is recognized that it is impracticable to set forth in this Agreement all of these working conditions or to state specifically in this Agreement which of these matters should be changed or eliminated. The following provisions provide general principles and procedures which explain the status of these matters and furnish necessary guideposts for the parties hereto and an impartial arbitrator.

(b) The provisions of this Article are not intended to prevent the Company from continuing to make progress. Any arbitration arising

hereunder shall be handled on a case by case basis on principles of reasonableness and equity.

(c) It is recognized that an employee does not have the right to have a local working condition established, in any given situation where such condition has not existed, during the term of this Agreement or to have an existing local working condition changed or eliminated, except to the extent necessary to require the application of a specific provision of this Agreement.

(d) In no case shall local working conditions be effective to deprive any employee of rights under this Agreement. Should any employee believe that a local working condition is depriving him of the benefits of this Agreement, he shall have recourse to the grievance procedure and arbitration, if necessary, to require that the local working condition be changed or eliminated to provide the benefits established by this Agreement.

(e) Should there be any local working conditions in effect which provide benefits that are in excess of or in addition to the benefits established by this Agreement they shall remain in effect for the term of this Agreement, except as they are changed or eliminated by mutual agreement or in accordance with paragraph (f) below.

(f) The Company shall have the right to change or eliminate any local working condition if, as the result of action taken by management under Article 2-Management, the basis for the existence of the local working condition is changed or eliminated, thereby making it unnecessary to continue such local working condition; provided, however, that when such a change or elimination is made by the Company any affected employee shall have recourse to the grievance procedure and arbitration, if necessary, to have the Company justify its action.

(g) No local working condition shall hereafter be established or agreed to which changes or modifies any of the provisions of this Agreement. In the event such a local working condition is established or agreed to, it shall not be enforceable to the extent that it is inconsistent with or goes beyond the provisions of the Agreement, except as it is approved by the Chief Negotiator of the Union and the Director Human Resources of the Company.

(h) The Company will provide copies of written local agreements to the Union Officers, Committeemen and Stewards. The company will

also post notices concerning local seniority agreements on a separate bulletin board.

## **ARTICLE 23 - SEVERANCE ALLOWANCE**

### **Section 1. Conditions of Allowance.**

(a) When in the sole judgment of the Company it decides to close permanently the plant, or discontinue permanently a department or a substantial portion thereof and terminate the employment of individuals thereof, an employee who is not offered other employment at the plant either pursuant to the provisions of Article 13-Seniority of this Agreement or otherwise and whose employment is terminated shall be entitled to a severance allowance subject to the following provisions.

(b) Before the Company shall finally decide to close permanently the plant or discontinue permanently a department of the plant it shall give the Union advance written notification of its intention. Such notification shall be given at least 30 days prior to the proposed closure date, and the Company will thereafter meet with appropriate Union representatives in order to provide them with an opportunity to discuss the Company's proposed course of action. Upon conclusion of such meetings, the Company shall advise the Union of its final decision. The final closure decision shall be the exclusive function of the Company. This notification provision shall not be interpreted to offset the Company's right to lay off or in any other way reduce or increase the working force in accordance with its presently existing rights as set forth in Article 2 of this Agreement.

### **Section 2. Eligibility.**

To be eligible an employee:

(a) Must be actively employed and not in a state of lay-off (,) except as provided in Section 6; absence due to work stoppage (;) military service or leave of absence (;) and shall have three or more years of continuous service as computed in accordance with Article 13-Seniority of this Agreement.

(b) Shall not be entitled under Article 13-Seniority to a job in another part of the plant whether he accepts or rejects the transfer.



### **Section 3. Scale of Allowance.**

An eligible employee shall receive severance allowance based on the following weeks for his corresponding continuous plant service:

<u>Continuous Plant Service</u>	<u>Weeks of Severance Allowance</u>
3 years but less than 5 years	4
5 years but less than 7 years	6
7 years but less than 10 years	7
10 years or over	8

### **Section 4. Calculation and Payment of Allowance.**

A week's severance allowance shall be calculated at 40 hours multiplied by the employee's straight-time hourly earnings and shall be paid in a lump sum at the time of termination. The term "straight-time hourly earnings" means the employee's earnings, exclusive of Saturday, Sunday and overtime premiums and suggestion awards, for all hours worked by him during the first three of the last six months, or equivalent payroll periods, in which he shall have worked next preceding his severance divided by such hours worked.

### **Section 5. Non-Duplication of Allowance.**

Severance allowance shall not be duplicated for the same severance, whether the other obligation arises by reason of contract, law or otherwise. In the case of an individual entitled or becoming entitled to any discharge, liquidation, severance or dismissal allowance or payment of similar kind by reason of any law of the United States of America or any of the states, districts or territories thereof subject to its jurisdiction, the total amount of such payments shall be deducted from the severance allowance to which the individual may be entitled under this Article, or any payment made by the Company under this Article may be offset against such payments. Statutory unemployment compensation payments shall be excluded from the non-duplication provision of this paragraph.

### **Section 6. Supplemental Unemployment Benefit Deduction.**

Notwithstanding any other provision of this Agreement an employee who is on layoff and receiving Supplemental Unemployment Benefits from the Company on the date of the conditions specified in Section

1 of this Article, whose employment is terminated because of such conditions and who is otherwise eligible for severance pay under the provisions of this Article shall be entitled to a severance allowance in accordance with the provisions of Sections 3 and 4 hereof less any Supplemental Unemployment Benefits received during his layoff period which was existing on the date of the permanent closing of the plant or the permanent discontinuance of the department or substantial portion thereof.

#### **Section 7.**

The continuous service of an employee entitled to severance allowance under the provisions of this Article shall be canceled upon payment of the severance allowance.

#### **Section 8.**

An employee who meets the conditions and eligibility requirements of Sections 1 and 2 of this Article may accept the severance allowance provided, or may apply within 30 days of his last day worked for employment at another plant of the Company (in cases of a plant shutdown) or may apply within 30 days of his last day worked for employment in a continuing department or at another plant of the Company (in cases of the shutdown of a department or substantial portion thereof). If such application for other employment is made, the employee will be placed in laid-off status for a period not to exceed two years from date of the employee's last day worked. During the period an employee is in such laid-off status the Company may, at its option, offer him other work in accordance with his application. The employee shall have the option of refusing such offer without jeopardizing his laid-off status. Upon termination of his laid-off status, such employee shall be paid the severance allowance to which he is entitled subject to the provisions of Sections 5 and 6 of this Article.

#### **Section 9. Reductions for Retiree Health and Pension Benefits.**

Notwithstanding any other provision of this Agreement, in the case of an employee who is eligible for and receives a pension under the terms and conditions of the pension Agreement, the amount of the severance allowance determined under Section 3 shall be reduced by the sum of (a) and (b) below:

(a) The value of any retiree health benefits provided to the employee under the group health plan maintained by the Company; provided that

at the time the severance allowance first becomes otherwise payable to the employee:

(1) the employee is eligible for an immediate (i.e., not a deferred) pension from the Pension Agreement; and

(2) as of the date of the event that gives rise to the payment of the severance allowance, the retiree health benefits comply with the minimum standards prescribed under Section 4(1)(2)(D) of the Age Discrimination in Employment Act (ADEA).

For the purposes of this subparagraph (a), the value of such retiree health benefits shall be determined in accordance with ADEA Sections 4(1)(2)(D) and 4(1)(2)(E). In addition, where an employee is eligible for an immediate pension, but that pension is subject to an actuarial reduction in the pension benefits.

(b) The value of any supplemental pension benefits made available under Sections 3.4 and 3.5 of the Pension Agreement to the employee, but only if the employee is then eligible to receive an immediate pension benefit which is not reduced because of its commencement prior to the employee's attainment of age 65.

No reductions under this Section 6 shall be applied with respect to an employee who is eligible for and receives a pension under the terms and conditions of Sections 2.8 and 3.10(c) of the Pension Agreement.

## **ARTICLE 24 – REPLACEMENT OF SUB PLAN WITH 401K**

Effective 10/01/04 the SUB Plan will be terminated. The funds currently in the trust and reserved by the Company shall be distributed equitably to employees. The trust fund will be terminated upon distribution of the funds.

The Company will implement 401(K) contributions for employees. Employees will be eligible to receive contributions to the 401(K) the first full pay period after the pay period in which they completed one year of service. Upon eligibility the Company will contribute 10 cents per hour worked to the employees' individual account. Contributions for eligible employees shall commence effective with the first full pay period after January 1, 2005.

If an employee with two or more years of service who is available for work (not on leave, workers compensation, absent, disciplinary leave,

etc.) does not receive the opportunity for 32 hours of pay in a work week when any hours are worked by the employee, the Company will pay the difference between the hours the employee was paid or had the opportunity to be paid and 32 hours. The pay rate per hour will be at the applicable straight time occupational hourly rate excluding shift premium.

This provision does not require the Company to schedule employees to work. In the event no work for an employee or employees is scheduled for a week(s) and/or no hours are worked during a week(s) the 32 hours provision does not apply.

Note: Inability to work due to acts of god, work stoppages or slow downs or events beyond the Company's control will not trigger the 32 hour requirement.

## **ARTICLE 25 - PENSION PLAN, GROUP INSURANCE AND MEDICAL PROGRAM**

The Agreement between the parties with respect to Pensions shall be as set forth in the Agreement with respect thereto effective October 1, 2004.

The Agreement between the parties with respect to Insurance and the Medical Program effective October 1, 2004 shall be as set forth in the Summary Plan Descriptions as Revised January 1, 2005 with respect thereto and shall remain in effect for the duration of this Labor Agreement. All employees hired after October 1, 2004 will be eligible for benefits effective the 1st day of the month following the month they complete ninety (90) days worked.

## **ARTICLE 26 - DURATION OF AGREEMENT**

### **Section 1.**

(a) Except as otherwise provided below, this Agreement shall terminate at the expiration of 60 days after either party shall give written notice of termination to the other party but in any event shall not terminate earlier than 12:01 a.m. on Saturday, September 29, 2007. Any notice given prior to July 31, 2007 shall be deemed to have been given on July 31, 2007.

(b) If either party gives such notice it may include therein notice of its desire to negotiate with respect to Insurance and the Medical Program,

Pensions, and Supplemental Unemployment Benefits (existing provisions or agreements as to Insurance and the Medical Program, pensions, and Supplemental Unemployment Benefits to the contrary notwithstanding), and the parties shall meet within 30 days thereafter to negotiate with respect to such matters. If the parties shall not agree with respect to such matters by the end of 60 days after the giving of such notice, either party may thereafter resort to strike or lockout as the case may be in support of its position in respect to such matters as well as any other matter in dispute (the existing agreements or provisions with respect to Insurance and the Medical Program, Pensions, and Supplemental Unemployment Benefits to the contrary notwithstanding).

## Section 2.

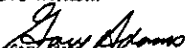
Any notice to be given under this Agreement shall be given by registered mail; be completed by and at the time of mailing; and, if by the Company, be addressed to the United Steelworkers of America, Five Gateway Center, Pittsburgh, Pa. 15222 and if by the Union, to the Company at 1700 Walnut Street, Granite City, Illinois 62040.

### AMERICAN STEEL FOUNDRIES

by Gary Adams

Director Human Resources

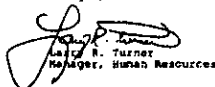
IN WITNESS WHEREOF, the parties hereto have caused this agreement to be signed by their duly authorized representative as of the day and year first above written.

  
Gary Adams  
Director, Human Resources

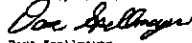
  
Jon Schumacher  
Plant Manager


  
G. H. Smith  
Manager, Human Resources

  
Chris Dockery  
Manager, Human Resources

  
Larry R. Turner  
Manager, Human Resources

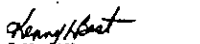
  
Kevin Smith  
Staff Representative

  
Dave Spellmeyer  
Local Union President 1963

  
Larry Watson  
Chairman of Grievance Committee

  
John Logan  
Financial Secretary

  
Lenroy Johnson  
Treasurer

  
Kenny East  
Vice President Local 1063

## APPENDIX I

### OCCUPATIONAL HOURLY WAGE RATES FOR NON-INCENTIVE WORK (a)

Job Class	<u>10/1/04</u>	<u>10/1/05</u>	<u>10/1/06</u>
01	14.49	14.99	15.49
02	14.49	14.99	15.49
03	14.63	15.13	15.63
04	14.78	15.28	15.78
05	14.93	15.43	15.93
06	15.07	15.57	16.07
07	15.22	15.72	16.22
08	15.37	15.87	16.37
09	15.51	16.01	16.51
10	15.66	16.66	16.66
11	15.81	16.31	16.81
12	15.96	16.46	16.96
13	16.10	16.60	17.10
14	16.25	16.75	17.25
15	16.40	16.90	17.40
16	16.54	17.04	17.54
17	16.69	17.19	17.69
18	16.84	17.34	17.84
19	16.98	17.48	17.98
20	17.13	17.63	17.13
21	17.28	17.78	18.28

(a) The "B" and "C" rates are two and four job classes respectively, below the evaluated job class.

(b) An initial training rate, agreed to by the parties, has been established for all new hires.

**APPENDIX II  
HOURLY WAGE RATES  
FOR INCENTIVE WORK (a)**

Job Class	10/1/04	10/1/05	10/1/06	Hourly Adder
01	9.70	10.20	10.70	4.79
02	9.70	10.20	10.70	4.79
03	9.82	10.32	10.82	4.81
04	9.94	10.44	10.94	4.84
05	10.06	10.56	11.06	4.87
06	10.18	10.68	11.18	4.89
07	10.30	10.80	11.30	4.92
08	10.42	10.92	11.42	4.95
09	10.53	11.03	11.53	4.98
10	10.65	11.65	11.65	5.01
11	10.77	11.27	11.77	5.04
12	10.89	11.39	11.89	5.07
13	11.01	11.51	12.01	5.09
14	11.13	11.63	12.13	5.12
15	11.25	11.75	12.25	5.15
16	11.37	11.87	12.37	5.17
17	11.49	11.99	12.49	5.20
18	11.61	12.11	12.61	5.23
19	11.72	12.22	12.72	5.26
20	11.84	12.34	11.84	5.29
21	11.96	12.46	12.96	5.32

(a) The "B" and "C" rates are two and four job classes, respectively, below the evaluated job class.

An initial training rate, agreed to by the parties, has been established for all new hires.

**MEMORANDA OF UNDERSTANDINGS**

**No.1  
HOT WORK**

When castings are produced, it is necessary to perform some operations while the castings are above 200 degrees F.

In view of the fact that additional compensation has been paid in the past for this type of work, the Company and the Union agree that the following jobs will receive an allowance equal to two (2) job classes:

1. Blast Machine Operator
2. Blast Machine Helper
3. Combination Rougher/Hammer Operators
4. Flame Washer
5. Chainman 1st Hot - C&F
6. Chainman 2nd Hot - C&F
7. Chainman 1st Pouring Floor
8. Chainman 2nd Pouring Floor
9. Heat Treat & Quench - Small Parts
10. Rough Casting Finisher - Small Parts #1 Floor
11. Ladleman

This method of payment is effective October 1, 1999, and cancels all previous agreements pertaining to "hot" work.

**No. 2  
Premium Overtime Days**

Overtime premium days of work on the sixth and/or seventh day of the week or holidays will be given to the senior employee regularly assigned to that particular job during the entire work week. Employees on vacation on the work day preceding the overtime assignment(s) will not be eligible. However, the Company reserves the right to require the employee to report for such assignment(s) when necessary.

**No. 3  
INSPECTORS & SAMPLE CASTING CHECKERS**

The "C" level is the entry and training level for these occupations. Individuals at this level are expected to develop an understanding of the written standards and requirements as well as the use of our gauges, measuring devices, electronic equipment, SPC, work flow and inspection practices at all of the locations associated with their occupation within the Inspection Department. It is at this level they must take and pass the Finishing Standards Course. Advancement is based upon ability and proficiency as recommended by the foreman and with approval by the Manager of Quality Assurance.

**No.4  
OCCUPATIONAL REQUEST PROCEDURE**

In order to provide a uniform method for employees to make known to the Company those jobs they are interested in for promotion within their respective departments, the following procedure will be followed.



The Human Resources Department will maintain a computer listing, by department and job title, of all jobs within the plant. In order to receive consideration on a specific job, an employee will complete an Occupational Request Form and turn it in to any Human Resources Department employee. The Human Resources Department employee will sign and date the Request and the employee will retain one copy of the verified form for his records.

When an opening occurs in a job in the employee's department, it will be awarded to the most senior employee within the department who has submitted a request for the job, provided such employee's request was received in the Human Resources Department by 7:00 a.m. on the Monday proceeding the day the schedule is filled out in the department.

In the event no employee within the department has submitted a timely request for the opening, the job will be awarded to the most senior employee who has signed a Transfer Request for that department by 7:00 a.m. on the Monday proceeding the day the schedule is filled out in the department.

If an employee is not working due to occupational or non-occupational illness or injury, or is on regular vacation and does not return to work prior to the date that an employee is awarded the opening, the employee first entitled but not available will be given no further consideration until the next permanent opening occurs. However, if the employee first entitled but not available returns to work within 30 work days he will be entitled to the promotion and the other employee removed with no credit being accumulated in his behalf.

If an employee declines to accept a job for which he has made an occupational or departmental transfer request, he shall not be allowed to again request consideration for that job or department for a three month period.

It is agreed between the Company and the Union that the only way such a system can work properly is to limit those requests to employees having a sincere desire for consideration on a job. To do otherwise would defeat the purpose of this program. Thus an employee may sign for consideration on a maximum of three permanent jobs at any given time. Both parties pledge their support to this principle.

The Company further agrees to make a good faith effort to post Expansion jobs for employee's informational purposes only. Failure to

do so will not result in a grievable offense.

## **No. 5**

### **BLACKSMITH/TOOL TREATER PROGRESSION**

It is recognized by both the Company and the Union that the job of Blacksmith/Tool Treater does not lend itself to the established apprenticeship program under the existing circumstances and it is, therefore, mutually agreed that the following procedure will apply in the progression of an employee from Learner status to Journeyman status in the job of Blacksmith/Tool Treater.

#### **Blacksmith/Tool Treater**

1. High school or G.E.D. educational requirement.
2. Satisfactorily complete trade and craft screening test.
3. Meet physical requirements.
4. Trainee may be removed from job during probationary period for failure to exhibit proper attitude or progress in acquiring needed skill for job performance.

Assignment to this job will be made only as required, not necessarily as a continuous assignment. However, time worked will be accumulated toward completion of the time required for the respective phases.

#### **Phase I-Probationary (6 months duration)**

The trainee will learn through on-the-job performance, the proper operation of forges and heat treating furnaces, preparation and usage of necessary baths, proper handling and usage of tools and equipment, and exposure to all facets of the job.

At the completion of the probationary period, the trainee must be able to read blueprints and make sketches as pertains to angles, lines and shapes of forgings and items for heat treating.

The trainee must exhibit through on-the-job proficiency demonstrations that he has acquired adequate skill and knowledge in this phase of training to advance.

#### **Phase II-Intermediate (12 months training)**

The trainee will apply the skill and knowledge learned in the previous phase to learn heat treating, normalizing, forging temperature, methods of forging, draw allowances, figuring stock, case hardening, quenching and tempering procedures, for various steels. He will learn techniques for forging, swaging, drop forging, roll threading, knurling, hardening, shaping, piercing bars, rounds and tubing.

The acquisition of skill and knowledge in these areas will be acquired through on-the-job performance.

At the completion of the Intermediate Phase, the trainee will be expected to perform all aspects of the Blacksmith/Tool Treater job with minimum guidance.

The trainee must exhibit through on-the-job proficiency demonstrations that he has acquired adequate skill and knowledge in this phase of training to advance.

### **Phase III-Advanced (18 months training)**

The advanced phase of training will concentrate on increasing proficiency in the performance of Blacksmith/Tool Treater duties.

During this phase, the trainee will be expected to increase his technical knowledge of forging and heat treating such as physical properties of metals and alloys, function and application of alloys, definitions of metallurgical terms, conversion of metals, effect of temperature changes on metal, etc.

At the completion of this phase, the trainee must exhibit through on-the-job proficiency demonstration that he has acquired the skill and knowledge required of a Journeyman Blacksmith/Tool Treater to advance to that classification.

It is agreed that the job classes to apply in the above mentioned training periods are as follows:

Probationary	Job Class 6
Intermediate	Job Class 9
Advanced	Job Class 12

It is further understood and agreed that the procedure used in the

memorandum does not establish a precedent for future consideration on any other job.

### **Accelerated Progress**

After an employee has accumulated 100 days of actual work in the Probationary Period, he may request to take a demonstration test to advance to the Intermediate level. If he successfully passes that demonstration, he will be advanced to the Intermediate level. If he fails to successfully pass that demonstration, he may apply for a future demonstration at the completion of the six-month period.

After an employee has completed 200 actual days of work in the Intermediate level, he may request a demonstration test to progress to the advanced stage. If he successfully passes this demonstration, he will be moved to the advanced stage. If he fails to successfully pass this demonstration, he may apply for a future demonstration at the completion of the twelve-month period.

After an employee has completed 300 days of actual work in the Advanced Stage, he may take a demonstration test to determine if he meets the Journeyman requirements. If he successfully passes the test, he will be advanced to a Journeyman in that particular job. If he fails to successfully pass the test, he may take the demonstration test at the completion of the eighteen-month period.

The parties agree that, when the proficiency demonstrations are given, a Union observer will be present.

It is agreed that assignments to this job will be in conformity with the existing Labor Agreement.

### **No. 6**

### **BRICK REPAIRS - ELECTRIC FURNACE**

It is agreed between the Union and the Company that the following work assignments will be made when scheduled or emergency brick repairs are made to the electric furnaces:

#### **Saturday and Sunday Work**

The assignment to Brick Repair work on the premium days of Saturday and Sunday will be in the following sequences:

A. (1) Employees working during the entire work week as a General Maintenance will be given first consideration in accordance with their plant seniority. If no General Maintenance performed this assignment during the entire week, then employees working as an R&M Helper during the entire work week will be given consideration in accordance with their plant seniority.

(2) Employees who hold seniority in the General Maintenance Occupation and working another job will be assigned in accordance with their plant seniority.

(3) Employees who hold seniority in the R&M Helper occupation and working another job will be assigned in accordance with their plant seniority.

(4) Employees actively working in the Repair Department (excluding Pipefitters) will receive consideration for assignment as R&M Helper in accordance with their plant seniority.

(5) Electric Furnace Operators, Electric Furnace Helpers and Electric Furnace Third Helpers will receive consideration for assignment as R&M Helper in accordance with their plant seniority.

Assignments will be made from the above groups starting with Group 1 and progressing through Group 4 as required, including employees temporarily assigned to those occupations. If there is an insufficient number of volunteers, the employee with the lowest plant seniority from the four categories stated above, will be required to accept the assignment, in ascending order.

The company reserves the right to require the employee who has been working on a specific job related to the electric furnace repair to work the overtime on the job where continuity and familiarity with the task are essential to the proper and rapid return of the furnace to service.

#### **Scheduled or Emergency Teardown during Work Week**

A. (1) Available General Maintenance and R&M Helpers actively working in that job will be assigned to this emergency work.

(2) Electric Furnace Operators, Electric Furnace Helpers, or Electric Furnace Third Helpers will be assigned to assist the General Maintenance or R&M Helpers as required.

B. (1) If a major emergency repair is required on a shift when General Maintenance or R&M Helpers are working, the Electric Furnace Operator, Electric Furnace Helper and Electric Furnace Third Helper may begin the emergency repairs immediately. R&M Helpers will be called in to perform the work involved. The Electric Furnace Operator, Electric Furnace Helper and Electric Furnace Third Helper will assist the Mason gang if required.

**No. 7**

**DAILY OVERTIME ASSIGNMENT**

It is agreed that the concept of "if the job works, the employee works" will be followed in the assignment of daily overtime. The daily overtime hours worked in a day (before or after the shift) will be assigned to those employees working that particular job during that shift and the day involved in order of their departmental seniority. If the overtime occurs at the end of the employees' shift those employees working on that job when the overtime commenced will be assigned in order of their departmental seniority.

Should the employee(s) entitled to the overtime work in accordance with the above be unable to work because of an emergency or other acceptable reason, then the employee(s) with the greatest departmental seniority qualified to perform the work will be given the opportunity to work the overtime. If no employee volunteers to perform the work the least senior qualified employee(s) must accept the assignment.

Such an agreement does not dilute or diminish the Company's right to assign overtime work when required.

**No. 8**

**CHIPPER VACANCIES**

The parties recognize the desirability of adding "A" or "B" Chippers whenever Chippers are being added to the C&F Department work force. Accordingly, the Company will fill permanent vacancies for Chippers in the following sequence:

- (1) on the basis of plant seniority within the C&F Department from among qualified "A" Chippers;
- (2) on the basis of plant seniority from among qualified "A" Chippers who have signed the Transfer Request Book in Human Resources Department;

(3) on the basis of plant seniority within the C&F Department from among qualified "B" Chippers;

(4) on the basis of plant seniority from among qualified "B" Chippers who have signed the Transfer Request book in the Human Resources Department.

The "C" Chipper is the entry - training level where the employee must become proficient at chipping and grinding as well as taking and passing the Finishing Standards Course. A chipper "C" will not be promoted to a "B" Chipper without first passing the Finishing Standards Test. Advancement is based upon ability and seniority as recommended by the Foreman and approved by the superintendent.

Advancement to "A" Chipper is based upon the "B" chipper learning to combination chip, working with all of the gauges for both side frames and bolsters. The "B" chipper must maintain standard for five (5) consecutive attempts on side frames and five (5) consecutive attempts on bolsters. The "B" Chipper must be capable of advancing to an "A" Chipper within 30 days of combination chipping or return to the bottom of the rotation.

No. 9

## **SCHEDULING AGREEMENT**

Notwithstanding the provisions of Article 13 of the current Labor Agreement between American Steel Foundries and the United Steelworkers of America, Local 1063, the work assignments in each of the departments of the Granite City Plant shall be made in accordance with the following:

### **A. REGULAR ASSIGNMENTS DURING THE WORK DAY**

1. The jobs and the number of employees assigned to each department shall be determined by the Company to suit operating requirements, provided, however, that once a job is put in existence, it shall not be eliminated during the life of this agreement unless a change in operations results in a discontinuance of a job in accordance with the provisions of Article 5 of the current Labor Agreement.
2. All employees shall report to their permanent assigned job in their respective departments at the start of each work day. After reporting for work, if there is no work available in an employee's

permanent assigned job, there shall be no bumping and the Company may assign employees to any job in their department in which work is available. In making such assignments where no work is available on the employee's permanent assigned job, the Company shall give consideration to employee requests for work assignments to other jobs on the basis of seniority, provided that employee has the ability to perform the work. An employee so assigned shall be paid the higher of the rate of his or her permanent assigned job or the job to which assigned.

3. During the work day, employees shall not be permitted to bump and the Company may assign employees to any job in their department to meet production requirements. In making such assignments during the work day, ability to perform the work shall control with respect to assignment from a higher job class to a lower job class. With respect to assignments from a lower job class to a higher job class, seniority and ability to perform the work shall control. An employee so assigned shall be paid the higher of the rate of his or her permanent assigned job or the job to which assigned.

#### **B. OVERTIME WITHIN A WORK DAY**

The principle of "If the job works, the man works" shall prevail.

#### **C. WHEN A FULL DEPARTMENT IS NOT SCHEDULED AND ONLY A LIMITED NUMBER OF OCCUPATIONS ARE REQUIRED ON ANY DAY OF THE WEEK (MONDAY THROUGH FRIDAY)**

The jobs in class 5 and above will be filled by the senior employees permanently assigned to the jobs within the department. Any vacancies not filled shall be filled by following departmental seniority providing the employee possesses the ability to perform the work. Employees not offered work in accordance with the above, shall be permitted to bump into any job in the lower 4 job classes within the department. Employees who exercise the option of crossing shifts for assignment in accordance with seniority, if such action would otherwise result in the payment of overtime premium, the employee shall be paid straight time only.

#### **D. WHEN A FULL DEPARTMENT IS NOT SCHEDULED AND ONLY A LIMITED NUMBER OF OCCUPATIONS ARE REQUIRED ON THE 6TH OR 7TH DAY**



The jobs will be filled by the senior employees regularly assigned during the entire work week to the jobs within the department. Any vacancies not filled shall be filled by asking the most senior employee who has the ability to perform the work. (The less senior employees who have the ability to perform the work shall be required to work to satisfy the Company requirements.)

## **No. 10 SPECIAL TRAINING JOBS**

The jobs of Electric Furnace Operator, Electric Furnace Helper, Craneman-Charger, Spectrographic-Chemist Craneman-Heat, Automatic Sand Slinger Operator, Ladelman, Mold Closer, Sand Tester, EMI Blower Operator, Core Stocker, Gishold Lathe Operator, Drake Machine Operator, Carbon Arc Operator, Inspector, Sample Casting Checker, Test Puller, Locomotive Engineer, Locomotive Conductor, Locomotive Crane Operator, and Test Operator are recognized as jobs requiring special training before permanent assignment.

Vacancies for advance training on these jobs will be filled on the basis of plant seniority within the department from among employees who have signed a "Special" Training Job Request Book within their respective departments for all departments except Inspection, Test Engineering, Melted Metals and Chem Lab. Employees of the aforementioned departments will sign the "Special" Transfer Request Book maintained in the Human Resources Department. An employee from any department is eligible to sign this Special Transfer Book and assignments will be made in accordance with plant seniority.

An employee who is a successful bidder on a special training job will be assigned to the job on the basis of a temporary transfer and will continue to accrue seniority in his regular department during such training period and during periods of temporary assignments to fill the job because of the absence of the regular operator. The employee will be returned to his regular department and job following each period of temporary assignment.

An employee accepting one of the special training jobs must upon completion of the initial training period, accept all temporary assignments to the job during the next twelve month period and/or permanent assignment for a twelve month period, if a permanent vacancy occurs, unless his obligation is specifically waived by the Company. An employee who fails to honor this obligation will not be permitted to bid on any other permanent vacancy during the twelve-month period.

The initial training period mentioned above will not necessarily be in continuous time blocks but will be as time permits. The employee's immediate supervisor in the special training department will notify the employee when the initial training is completed.

However, because of the safety sensitive nature of a few of the special training occupations, an employee accepting assignment in accordance with this memorandum to one of these jobs will be afforded an initial training period of thirty (30) workdays. The Company will endeavor to train employees in blocks of five consecutive days at a time where practicable. Those jobs are:

Craneman Charger  
Locomotive Engineer  
Craneman Heat

Although the employee's obligation upon accepting a special training job is twelve months, an employee may continue in a special training job for an unlimited period of time.

An employee may have up to three requests at any given time in the Special Training Job Request Book and two requests at any given time in the Special Transfer Request Book. However, an employee may hold a special training job for only one job at any given time.

#### No. 11

#### WELDER VACANCIES

The Parties recognize the desirability of adding properly trained Welders whenever Welders are being added to the C&F Department work force. Accordingly, the Company will fill permanent vacancies for Welders in the following sequence:

- (1) on the basis of plant seniority within the C&F Department from among qualified "A" Welders.
- (2) on the basis of plant seniority from among qualified "A" Welders who have signed the Transfer Request Book in the Personnel Department.
- (3) on the basis of plant seniority from among qualified "B" Welders who have signed the Occupation Request Register.
- (4) on the basis of plant seniority from among qualified "B"

Welders who have signed the Transfer Request Book in the Personnel Department.

(5) by hiring as new employees, individuals who are qualified "B" Welders. Employees who wish to be considered for the Welder's occupation must show evidence of certification and a year's prior experience as an Arc Welder elsewhere, or take the SMAW/FCAW Welder training course at an approved training center (BAC or St. Louis Tech. High School).

Upon fulfilling the above requirements, the employee will be given and must pass the required Welder qualification test in accordance with AAR specification M-210, latest issue. Upon passing the test, he/she will be allowed to sign the Occupational Request Register and will be carried as a "B" Welder.

When a job opening occurs, the candidate(s) with the greatest length of continuous service and the ability to perform the work will be awarded the job.

After being awarded the position, and upon presentation of a receipt and certificate of satisfactory completion of the SMAW/FCAW Welder training course, the Company will reimburse the employee for the training course tuition.

## **No. 12**

### **JOB DESCRIPTION AND CLASSIFICATION MANUAL**

This is to confirm our understanding reached during the 1995 contract negotiations that the Union and Company agreed to establish a Joint Labor Management Task Force to study and make recommendations to change and revise, where appropriate, the American Steel Foundries Job Description and Classification Manual as last revised on February 24, 1965. This Task Force will consist of an equal number of Union and Company representatives, the Union representatives to be designated by you or your designated representative, and the Company representatives to be designated by the undersigned or his designated representative. The parties also agree that, to the extent practicable, one representative of the Union and one representative of the Company on the Task Force will be an industrial engineer or an individual otherwise knowledgeable in the description and classification of jobs. This Task Force will be established no later than December 1, 1995 and will present its recommendations to the Company and the Union no later than July 1, 1996.

The parties agree that if and when the Manual is changed or revised, the changed or revised Manual will apply to all new or changed jobs after July 1, 1996 but that any revisions in the classifications of existing or changed jobs shall not become effective before January 2, 1997.

**No. 13**

**SPECIAL DEPARTMENT SCHEDULING AND OVERTIME PREMIUM**

The following paragraph will be activated only under specific conditions mutually agreed to and set forth in writing between the Parties.

Notwithstanding the provisions of Article 11, Section 1(a), (2) and (b) any employee whose regular scheduled work week of five consecutive scheduled work days which includes being scheduled on Saturday or Sunday shall not receive premium pay for the first eight hours worked on Saturday or Sunday but shall be paid at time and one half for all hours worked on what would otherwise be their sixth work day and double time for all hours worked on what would otherwise be their seventh work day in the employee's scheduled work week.

**No. 14**

**SPECIAL CONDITIONS**

In those situations where circumstances beyond the Company's control (i.e. power outage, mechanical breakdown, etc.) necessitate sending employees home before completion of their regular work day, they will not be scheduled to return to work before their next regularly scheduled shift without the express approval of the Plant Manager and/or Production Manager. Other measures of meeting production will be explored before scheduling such employees back in to complete their work day.

The Union President and/or Chairman-Grievance Committee will be advised of the decision.

**No. 15**

**ALCOHOL & DRUG POLICY**

American Steel Foundries is committed to and required to provide a drug and alcohol free workplace for its employees. The Company agrees to give full support by its management to promote and enforce the policy at all levels of the organization. Promotion will include drug and

alcohol awareness programs for employees including information which may be obtained in the Human Resources Department on approved local in-patient and out-patient treatment programs.

Pursuant to this policy the use of illegal drugs and/or alcohol by employees which impacts our work environment will be handled as follows.

Employees who are alcohol or drug dependent who voluntarily enter an approved rehabilitation program will have such program covered under the terms of the Health Benefit Program or CIGNA Plan, whichever is applicable, if the employee successfully completes the program and returns to work. In any case, enrollment under this policy is limited to two confinements in a lifetime for effective treatment.

Any employee who is involved in the use, consumption, possession, sale, distribution or transfer of an alcoholic beverage and/or illegal drug while on the Company property may be immediately suspended subject to discharge.

Excessive absenteeism, impaired or declining work performance, abnormal behavior, or sustaining an OSHA recordable injury or contributing to such an accident by ones actions will be considered a reasonable basis for requiring an employee to submit to an alcohol/drug test. Such employee shall thereby be required to submit to a blood test, urinalysis or other alcohol/drug screen and shall be returned to work after trained personnel administer the Horizontal Gaze Nystagma test, the Walk and Turn test and the Stand on One Foot test and determine the employee is fit for duty. An employee who refuses to submit a sample for testing may be immediately suspended subject to discharge. If an employee's test result is positive based upon the confirmation amounts set out in this agreement, he or she will be subject to the following procedure:

First Offense

Under Influence

-5 Day Penalty Layoff  
without pay

Second Offense

Under Influence

Within 2 Year Period

-Immediate suspension  
subject to discharge

-Mandatory Completion of  
Rehabilitation Program

-Unlimited Testing At Will  
For Two Years

Notwithstanding the above, employees hired on or after October 1, 1995, will be subject to random/drug tests throughout their employment. If such an employee is found as a result of random testing to be under the influence of illegal drugs/alcohol based on the confirmation amounts set out in this agreement within one year from date of hire, he/she will be immediately suspended subject to discharge. Otherwise, employee will be subject to the first offense procedures outlined above.

All tests will be performed by a NIDA certified Laboratory to insure consistency of results and reports. All specimens will be collected, transported to the laboratory, and tested in accordance with NIDA specifications. All samples testing positive shall be retained for at least thirty (30) days.

The initial drug screening will be performed by the EMIT immunoassay test and all positive results will then be confirmed by a gas chromatography-mass spectrometry (GS-MS) test.

The initial alcohol test will be a breathalyzer test. If the breathalyzer test indicates the need, additional screening will be performed by a Blood Alcohol Test and all positive results will then be confirmed by a gas chromatography (GC) test.

An "illegal drug" includes any and all controlled substances including those listed below. This program does not prohibit the use or possession of any medication prescribed by the employee's physician, or any over-the-counter medication used in accordance with the prescription or recommended dosage. An employee will be considered under the influence if the confirming test indicates a drug at or above the confirmation amount.

#### Confirmation Amount

Amphetamine	500 ng/ml
Barbiturates	150 ng/ml
Benzodiazepines	150 ng/ml
Cocaine	150 ng/ml
Marijuana	100 ng/ml
Methadone	150 ng/ml
Opiates	2000 ng/ml
Phencyclidine (PCP)	25 ng/ml

An employee will be considered under the influence of alcohol in accordance with the following:

<u>Elapsed Time Since Employee Has Begun His workday to Time The Employee Gives The Blood Sample</u>	<u>Alcohol Reading</u>
From 0 Hours to 1 Hour	.08 or More
From 1 Hour to 2 Hours	.07 or More
From 2 Hours to 3 Hours	.06 or More
From 3 Hours to 4 Hours	.05 or More
From 4 Hours to 5 Hours	.04 or More
From 5 hours to 9 Hours	.03 or More

An employee who is tested for reasonable cause will be sent home until the drug result is reported. Should the drug test result indicate the employee was not under the influence of alcohol/drugs, he/she will be returned to work and made whole with regard to wages.

The Company recognizes that some employees may be alcohol and/or drug dependent. Such employees are encouraged to seek professional assistance before their dependence leads to an incident requiring disciplinary action.

A voluntary admission to an approved alcohol/drug rehabilitation program will be strictly confidential and will not be used against the employee nor made a matter of record in the employee's personnel file. Approved alcohol/drug rehabilitation programs are covered under the terms of the company's health benefit plans provided the employee successfully completes the program and returns to work. Details may be obtained on a confidential basis from the Human Resources Manager.

An employee whose next offense, for a non-alcohol and/or non-drug related violation of Company policy would subject him/her to discharge, and who claims a handicap due to alcohol/drug use, must make this claim prior to committing the rule offense which would result in the employee being suspended subject to discharge.

If this claim is made timely (i.e. prior to the commission of the offense which would subject the employee to suspension subject to discharge) the employee will be referred to a company approved alcohol/drug rehabilitation program. If the employee enters and successfully completes the program he/she will be re-instated in accordance with the terms of a Last Chance Agreement and the cost of the rehabilitation

program will be covered as a provided for under the Health Benefit Program or CIGNA Plan, which is applicable. An employee will be limited to two opportunities under this provision.

All employees returning from an extended absence, other than absence due to sickness or injury, (six (6) months or more) may be required to submit to an alcohol/drug screening test. A positive test will require entry into a Company approved rehabilitation program under the same terms and conditions as stated in the previous paragraph. An employee testing positive who does not enter an approved rehabilitation program within five working days, or who does not complete the program will be terminated.

The Company shall provide training to supervisors and EAP representatives. Outside professionals in the field of substance abuse will be utilized in the development of the training. Such training will include awareness of the dangers of substance abuse, recognition skills of the early symptoms, characteristics of impaired behavior and suggested techniques for pointing impaired employees to treatment.

#### **No. 16**

#### **Entry Into The General Maintenance Occupation**

It is recognized that employees who desire entry into the General Maintenance occupation must have certain basic skills plus the aptitude to be successful. When an opening develops, candidates who have signed the Job Register for this occupation must pass an aptitude and skill battery of tests. Those passing will be considered by seniority.

The make up of the test battery is to be developed by a joint Union and Company Committee and submitted to the Plant Manager for approval. The committee may utilize testing/consulting firms to help with this task. The tests developed whether oral, written or in the form of an actual work demonstration, are to measure whether an employee can satisfactorily meet the specific requirements of the occupation, including the ability to absorb any training that may be provided. They must be job-related. Any tests developed shall be fair in their makeup and in their administration; and be free of cultural, racial or ethnic bias. The tests, once developed shall be administered by Human Resources.

#### **No. 17**

#### **DEFINITION FOR "LEADPERSON"**

The term "Leadperson" refers to a job on which the employee has the combined responsibility of directing the work of a group of employees



on other hourly rated jobs and performing some of the same work as that of the group directed. The direction generally consists of activities such as required to:

- (a) plan work to be performed by the group;
- (b) determine "on-the-job" working procedure in the case of repair and maintenance work;
- (c) arrange for necessary tools, supplies, and facilities;
- (d) assign and instruct members of the group;
- (e) inspect, coordinate, and record the work performed by the group;
- (f) assure that group has proper personal protective equipment and other necessary safety equipment to do the job;

Such direction does not include activities such as required to:

- (a) hire, promote, demote, suspend, or discharge members of the group; or effectively recommend such action.
- (b) represent the Company in handling employee grievances;
- (c) determine the schedules of hours, days, and weeks during which members of the group shall work;
- (d) perform other general supervisory or Management functions.

After a determination is made by the Company that a "leadperson" is necessary, the Company will consult with the Union leadership to solicit names of employees that may be considered for the position. Individuals interested in becoming leadpersons shall file an application for lead positions in Human Resources. Candidates for the position will be interviewed by a joint Union and Company Team. The recommendation of the team to add or remove a leadperson shall be submitted to the Plant Manager for final approval.

**No. 18**  
**USWA PAC**

This is to confirm our understanding that the Company will check off and transmit to the Secretary/Treasurer of the United Steelworkers

of America Political Action Committee (USWA PAC) voluntary contributions to the USWA Political Action Fund from earnings of those employees who voluntarily authorize such contributions on forms provided for that purpose by the USWA PAC. The amount and timing of such check off deductions and the transmittal of such voluntary contributions shall be as specified on such forms and in conformance with applicable Federal and State Laws.

The signing of such USWA PAC check off form and the making of such voluntary contributions are not conditions of membership in the Union or of employment with the Company.

The Union shall indemnify and save the Company harmless against any and all claims, demands, suits or other forms of liability that shall arise out of or by reason of action taken or not taken by the Company for the purpose of complying with any of the provisions of this letter.

#### **No. 19**

#### **SMALL PARTS**

This Memorandum of Understanding is entered into between AMERICAN STEEL FOUNDRIES, GRANITE CITY PLANT, hereinafter referred to as the "Company", and the UNITED STEEL WORKERS OF AMERICA, LOCAL 1063, hereinafter referred to as the "Union".

The purpose of this Memorandum is to recognize the separation of the side frame and bolster operation from the small parts (i.e., couplers, yokes, low profile centerplates, knuckles, connectors, etc.) operation at the Granite City Plant. The side frame, bolster and draft sill operation will be known as "Large Parts" and the small part operation will be known as "ASF Small Parts".

#### **ASF Small Parts**

Small Parts shall consist of all finishing operations of small parts currently performed in what is called the side frame building, #1 floor Molding and associated small parts finishing done on one floor or 19 track. Should the work be performed elsewhere within the facility, the union will be notified.

#### **Transfer to or from ASF Small Parts**

The following provisions are agreed upon between the parties to enable employees to make known their preference for working in small parts.

Anyone employed as of the date of this memorandum and thereafter who is a member of the United Steelworkers of America, Local 1063 and who has completed their probationary period, may request a transfer to ASF Small Parts by obtaining a form in the Human Resources Department and returning same to Human Resources.

Employees transferring to ASF Small Parts will be subject to the wages and work rules that have been established for Small Parts. Employees transferring will retain their current seniority date, benefits and pension vesting rights. However, such employees will be unable to exercise their transfer rights to return to the Large Part operation for a minimum of one year from the effective date of each transfer in. The event of a downturn in business of the ASF Small Parts Plant, any current employee who has transferred there from Large Parts will be permitted to use their present seniority to bump back into Large Part production and finishing.

An employee hired as a Small Parts employee may not request a transfer to Large Parts until completion of 1 year of service. The maximum number of transfers or eligible employees from small parts to large parts per month shall be one (1) employee from 1 floor and two (2) from finishing.

Should Large Part production fall below 120 pieces per day, bargaining unit employees in the employment of the Company as of January 1, 1997, may exercise his plant seniority to bump into ASF Small Parts provided the following criteria is met:

- 1) Employee must be actively working at the time big parts production falls below
- 2) Employee must hold bumping rights on occupation(s) where the main function of the occupation is essentially the same as the one to which he is bumping.

However, if an employee gains seniority on a job by working in Small Parts for one year he may use that seniority for bumping purposes in accordance with the current contract language.

Large Part employees who transfer to Small Parts under the above provisions will be considered as "temporary" employees and, as such, will acquire no seniority in Small Parts. Such employees must return to Large Parts in the event they are recalled.

### ASF Small Parts Wage Rate

The base wages of ASF Small Parts employees will be \$3.00 per hour less than the occupations' CWS evaluated job class rates as set out in the 10/1/95 USWA Labor Agreement between the parties. Their total earnings will be a combination of a base wage plus group incentive.

A Small Parts incentive plan is agreed to and attached to this memorandum of understanding.

### Ad Hoc Incentive Team

The Company and Union will maintain a team to evaluate incentive plan results and needed actions to improve efficiency.

### New Hire Wage Rates - Large Part Operation

Employees hired into the Large Part operation after the effective date of the Memorandum will be paid an entry wage \$3/hr less than the contractual full rate of the occupation. They will receive periodic increases to full rate as follows:

Completion of 90 Days of Work (Union Member)	+60 cents
Completion of 12 Months	+48 cents
Completion of 18 Months	+48 cents
Completion of 24 Months	+48 cents
Completion of 30 Months	+48 cents
Completion of 36 Months	+48 cents

Employees in the 36 month entry period will also receive negotiated general wage increases.

Employees may bid to higher rated jobs in accordance with their seniority; however, their occupational hourly rate will continue to reflect the above incremental wage until completion of the 36 month training period. In other words, they may not bypass any specified timeframe. They will, however, receive the difference between the CWS evaluation of the job they are moving from and the job they are moving to.

Employees in the 36 month entry period who bid to incentive jobs will be eligible for incentive pay.

At the completion of 36 months of service, new employees of the Large Part operation will be at parity with their CWS evaluated job class rate.

Bargaining unit employees on the payroll as of January 1, 1977, will at no time while accruing seniority service credit be subject to said new hire wage for the Large Parts operation. Nor will employees on the payroll as of January 1, 1997, who are no longer accruing seniority service credit by reason of Article 13, Section 4(b), 5 and 6 who are subsequently rehired by subject to this rate.

### **Utilization of Lead Person**

It is intended that the Small Piece operation workforce will be self-directed by utilizing lead persons rather than salaried supervisors. Obviously, a limited number of salaried supervisors will be required to serve as a resource and support to the work teams.

Lead persons will undergo a rigorous selection process by a joint labor/management committee and those selected will be given training.

The rate for Small Parts lead person shall be equivalent to the lead person rates in Large Parts.

### **Safety Dividend**

All employees will participate in a safety dividend program.

If at the end of the calendar year, workers compensation costs are less than \$1 per man hour worked, the amount of money less than \$1 per hour worked will be paid to employees proportionate to their total hours worked during the year.

The safety dividend will be paid in a lump sum check after the end of each calendar year.

(Example: Costs are \$.50/hour worked. Employee worked 2,000 hours - employee receive  $2000 \times \$.50 = \$1,000$ ).

To be eligible, an employee must be on the payroll as of December of the calendar year for which the dividend is being paid.

### **No. 20**

### **STUDY TEAM - SWING VS FIXED SHIFTS**

The Company and Union will create a team for the purpose of developing an agreement to convert some or all of the current rotating shifts to fixed shifts operations. Affected shifts and departments must be mutually agreed upon by the Company and the Union and will be on a for trial

basis. The Company and the Union will meet after three (3) months of any fixed shift trial to evaluate results. Continuance of the arrangement, modifications or returning to a rotating shift will be decided at that time. Both parties must agree to fixed shifts on an ongoing basis at that time.

### Holiday Calendar

<b>Holidays</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
New Years Day	Jan 3	Jan 2	Jan 1
Floating Holiday			
Good Friday	Mar 25	Apr 14	Apr 6
Memorial Day	May 30	May 29	May 28
Independence Day	July 4	July 4	July 4
Labor Day	Sept 5	Sept 4	Sept 3
Thanksgiving Day	Nov 24	Nov 23	Nov 22
Day after Thanksgiving Day	Nov 25	Nov 24	Nov 23
Day before Christmas	Dec 23	Dec 22	Dec 24
Christmas Day	Dec 26	Dec 25	Dec 25
Day before New Years Day	Dec 30	Dec 29	Dec 31

# 2005

## January

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## February

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## March

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## April

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## June

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## July

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## November

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## December

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Holidays: January 3 New Years Day; March 25 Good Friday; May 30 Memorial Day; July 4 Independence Day; September 5 Labor Day; November 24 Thanksgiving Day; November 25 Day after Thanksgiving Day; December 23 Day before Christmas Day; December 26 Christmas Day; December 30 Day before New Years Day.

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# 2006

January

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February

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March

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April

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July

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October

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November

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December

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# 2007

January

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February

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March

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April

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June

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July

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August

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September

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October

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