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AGREEMENT

between

STANDARD STEEL, LLC

and the

**UNITED STEELWORKERS
OF AMERICA**

Local No. 1940 (P. & M.)

July 23, 2002

BURNHAM, PENNSYLVANIA

94 pages

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AGREEMENT

This Agreement, dated as of July 23, 2002, is entered into between Standard Steel, LLC, (hereinafter called the "Company") and the United Steelworkers of America on behalf of itself and Local Union No. 1940 (P. & M.) (hereinafter called the "Union").

SECTION 1

Purpose, Employees Covered

A. Purpose

- 1.0 It is the intent and purpose of the parties hereto to promote and improve cooperative industrial and economic relationships between the employees covered hereby and the Company; and to set forth herein the basic agreement covering rates of pay, hours of work and conditions of employment to be observed between the parties hereto.

B. Employees Covered

- 1.1 The term "employees" as used in and covered by this Agreement is limited to and applies only to the hourly rated shop employees and janitors of the Company at Burnham, Pennsylvania, excluding all managers, foremen, assistant foremen, and other supervisory employees, time and rate setters, and timekeepers and other office and clerical employees whose working stations are in, or who perform a substantial part of their work in the shop offices or in the main offices of the Company, and excluding plant guards and watchmen, all employees of the Finance Department, Production Control Department, Engineering Departments, Industrial Relations Department, Purchasing Department, Traffic Department, Marketing Department, and Metallurgical Department, but not excluding Stores Receiver, Inspectors and employees of the Test Preparation Section.

SECTION 2

Recognition, Union Membership and Check-off, Transaction of Union Business

A. Recognition

- 2.0 1. The Company recognizes the Union as the exclusive collective bargaining agency for all of the employees of the Company covered by this Agreement as defined in Section 1 hereof.

- 2.1 2. The Union agrees that neither it nor any of its officers or members will engage in any Union activity on Company time or Company property except as hereinafter provided.

B. Union Membership

- 2.2 1. Each employee who, on the date of this Agreement, is a member of the Union in good standing and each employee who becomes a member after that date shall, as a condition of employment, maintain his membership in the Union. Each employee hired on or after the date of this Agreement shall, as a condition of employment, commencing on the 30th day following the beginning of such employment or the date of this Agreement, whichever is the later, acquire and maintain membership in the Union. The foregoing provisions shall be effective in accordance and consistent with applicable provisions of federal and state law.
- 2.3 2. On or before the twenty-fourth (24th) day of each month, the Company shall furnish the Union a list showing the name, department and payroll number of each employee who shall have become a member in good standing of the Union since the last previous list of members in good standing was furnished to the Union.
- 2.4 3. For the purposes of this Section, an employee shall not be deemed to have lost his membership in the Union in good standing until the International Treasurer of the Union shall have determined that the membership of such employee in the Union is not in good standing and shall have given the Company a notice in writing of that fact.

C. Check-off

- 2.5 1. Upon receipt by the Company of a voluntary written assignment (in a form agreed to in writing by the Company and the Union) by an employee, the Company will deduct from the pay of such employee each month thereafter during the existence of such assignment his periodic Union dues for the preceding month and the Company shall also deduct any assessment against him which shall be general and uniform among employees who shall at the time be members of the Union, and, if owing by him, an initiation fee, all as payable to the Union in accordance with its constitution and bylaws. The Company shall promptly remit any and all amounts so deducted to the International Treasurer of the Union, who shall notify the Company in writing of the respective amounts of the dues, initiation fees and assessments which shall be so deducted. No deduction

shall be made, however, from the pay of any employee who has not received at least forty (40) hours pay in the month for which dues would otherwise have been deducted. The Company will continue its present practice of submitting monthly dues reports to the local Union.

- 2.6 2. The Union shall indemnify the Company and hold it harmless against any and all suits, claims, demands and liabilities that shall arise out of or by reason of any action that shall be taken by the Company for the purpose of complying with the foregoing provisions of this Section or in reliance on any list, notice or assignment which shall have been furnished to the Company under any of such provisions.

D. Transaction of Union Business

- 2.7 An employee who is a Subcommitteeman of the Union may transact Union Business during working hours with individual employees who are members of the Union in the department or the section of department over which he has jurisdiction so long as such activities do not interfere with the operation of the workshops. An employee who is a member of the Union General Plant Grievance Committee may transact such business under like conditions in any shop or department over which he has jurisdiction, and an employee who is the Chairman of the General Plant Grievance Committee may transact such business under like conditions in any department or shop. Union members shall not, however, hold meetings of any kind for the transaction of Union business or otherwise on Company property at any time without the specific consent of the Company with the exception that meetings of the General Plant Grievance Committee may be held during working hours on Company property for the handling of grievances at the times specified in Section 5 hereof, or for the preparation of matters for consideration with the Management of the Company as occasion may require, so long as such meetings do not interfere with the operation of the workshops. Employees will not be paid by the Company for any time spent on Union business, except that hours lost from the employee's scheduled shift in pursuit of such activities on Company property shall be counted as hours worked for the purpose of overtime computation under this Agreement. The President of the Union or the Chairman of the General Plant Grievance Committee shall report to the Director of Human Resources any time lost from scheduled shifts by employees for Union business on Company property.

E. Performance of Work by Supervisors

- 2.8 Supervisors not covered by this Agreement shall not perform work on a job normally performed by an employee in

the bargaining unit; provided, however, this provision shall not be construed to prohibit supervisors from performing the following types of work:

- 2.8a (a) experimental work;
- 2.8b (b) demonstration work for the purpose of instructing and training employees;
- 2.8c (c) Work required of the supervisors by emergency conditions which if not performed might result in interference with operations, bodily injury, or loss or damage to material or equipment; and
- 2.9 Work which is incidental to supervisory duties on a job traditionally performed by a supervisor, even though similar to duties found in jobs in the bargaining unit, shall not be affected by this provision.

F. Work Preference for Covered Employees

- 2.10 The parties having existing rights and obligations with respect to various types of contracting out. In addition, the following supplements protections for bargaining unit Employees or affirms existing Management rights, whichever the case may be, as to those types of contracting out specified below.
- 2.11 Employees covered by this Agreement shall be given preference for any work performed in or about the plant except that work may be contracted out if any or all of the following conditions exist. The President of the Local Union shall be notified prior to the date the Company contracts out such work and provided with information regarding the location and type of work (i.e., service, maintenance, major rebuilds or new construction), a detailed description of the work and occupations involved, an estimation of the work's duration, anticipated utilization of bargaining unit forces during the period and the effect, if any, on operations if the work is not completed in a timely fashion.
 - 2.11a (a) Work not traditionally performed by employees in the bargaining unit.
 - 2.11b (b) Where equipment, special skills and supervisory know-how are not in the possession of the Company.
 - 2.11c (c) Where qualified employees in the bargaining unit are not available to do the work.

2.11d (d) Where manufacturers' or suppliers' warranties dictate otherwise.

2.12a The Company does not intend to subcontract work normally performed by Maintenance employees if such work can be practicably performed by utilizing Maintenance employees who might be on layoff at the time such work is necessary. The Company agrees that before such work is subcontracted, the Company will notify the President of the Local Union who may request that the Company discuss its intentions with the President of the Local Union and such Committee as he may designate. In such discussions, the Company will explain its reasons for its tentative decision to subcontract such work and give the Union the opportunity to suggest ways in which the work might otherwise be performed in a practical manner. The Union will be given five (5) days to respond to the Company's desire to use an outside contractor. The five (5) days will not apply if an emergency situation exists. The Company will give due consideration to the suggestions of the Union before making its final decision as to whether or not such work will be subcontracted.

2.12b In addition to complying this Subsection F, the Company will provide advanced notification in writing to the President of the Local or designee of the Company's intent to use outside contractor(s). The Company will not use outside contractors if employees from the affected departments are laid off, provided those laid off are qualified and capable of performing the work.

G. Contracting Out Disputes

- 2.13a 1. Contracting out grievances shall be filed directly to the Third Step of the grievance procedure as outlined in Paragraph 5.14 of this Agreement.
- 2.13b 2. The Third Step Meeting shall be held within five (5) days, exclusive of Saturdays, Sundays and holidays, of the filing.
- 2.13c 3. The Company's written decision in the matter shall be given within five (5) days, exclusive of Saturdays, Sundays and holidays, after the meeting between the Company and Union.
- 2.13d 4. If the Union wishes to appeal the Company's Third Step decision to arbitration, such appeal must be made within ten (10) days, exclusive of Saturdays, Sundays and holidays, after the Company's written decision on the matter. Such appeal shall follow the procedures outlined in Section 6 of this Agreement.

2.13e 5. Paragraphs 5.18 and 5.19 of the grievance procedure in Section 5 of this Agreement, as modified by the time limits above, shall apply to contracting out grievances.

2.14 H. The Union and the Company shall each designate three (3) representatives to a joint committee which shall meet monthly to review matters of interest to either party relating to; performance of bargaining unit work by supervisors; work preference for covered employees; work jurisdiction among employees in the various departments in the Plant; productivity; and other matters of joint concern. The committee shall strive to resolve any problems relating to the aforesaid matters with a view to achieving maximum cooperation and understanding between the parties and toward furthering the objectives of this Agreement.

2.15 I. **Application of Agreement**

The parties to this Agreement agree that they will continue to observe all applicable laws on the subject of equal employment opportunities, including regulations duly issued thereunder. Any use of the male gender, herein, shall be deemed to refer to both male and female. The Company and Union agree that it shall be policy not to discriminate against any employee because of race, color, creed, sex, national origin, religion, age, disability status, or military status.

SECTION 3

Wages

A. Standard Hourly Wage Scales

3.0a The standard hourly wage scales of rates for the respective job classes shall be that set forth in Appendix "A" of this Agreement.

3.0b The "Alternative Wage Scale", as set forth in Appendix "A", pertains to employees hired as of July 1, 2002.

B. Wage Increase

3.1 Each hourly wage rate established under the foregoing Subsection "A" of Section 3 and as set forth in Appendix "A" of this Agreement is recognized as the established rate of pay for applicable labor grades for all hours of work on non-incentive jobs.

3.2 An employee paid on an incentive, tonnage, or piecework basis shall, effective on the dates set forth in Appendix "A-1" of this Agreement, receive for each hour worked, in addition to earnings resulting from incentive tonnage or piecework rates of pay and allowances existing on March 9, 1989, the amount of increase shown in Appendix "A-1" and applicable to the labor grade for the classification under which the work is performed.

3.3 As of the effective date of any increase made in the job class increments in the standard hourly wage scales (Appendix "A"), the out-of-line differentials of all incumbents shall be adjusted or eliminated by applying that part of the increase in the standard hourly wage scale rate for the job which is attributable to the increase in the increments between the job classes to reduce or eliminate such out-of-line differentials.

C. Minimum Basic Wage Rate

3.4 1. The minimum basic wage rate shall be that shown for the Labor Grade A in Appendix "A" hereto, except as provided for under the Alternative Wage Scale for employees hired after July 1, 2002.

3.5 2. Employees in the following occupations which are not covered by job descriptions shall be paid not less than the minimum basic wage rate:

3.5a (a) Learners. A Learner is a person who has previously done little or no similar work and who is placed for a period of time under the supervision of another for the purpose of being taught a specific line of work.

3.5b (b) Laborers. A Laborer is a workman assigned to unskilled work such as laboring activities, the manual handling of materials, janitor service, and other unskilled duties.

D. Continuation of Wage Rates

3.6 1. The standard hourly wage scales indicated in Appendix "A" and Appendix "A-1" shall remain in effect for the duration of this Agreement. Existing tonnage, incentive and piece work shall remain in effect for the duration of this Agreement except as changes may be permissible and accomplished under Subsection H of this Section 3 and/or may be made as a result of negotiations or revisions of the incentive wage structure in accordance with the Wage Rate Inequities Agreements dated August 21, 1946, and March 26, 1947.

- 3.7 2. It is hereby agreed that the Wage Rate Inequities Agreements dated August 21, 1946, and March 26, 1947, as amended in accordance with Appendix "A" hereto, shall continue in effect for the duration of this Agreement. All references in such Wage Rate Inequities Agreements to basic agreements shall be understood to refer to applicable provisions of this Agreement.
- 3.8 3. No grievance relating to wage rate inequities shall be filed or processed under the grievance procedure of this Agreement except pursuant to the express provisions of the Wage Rate Inequities Agreements above referred to or as otherwise herein provided.
- 3.9 4. The Union and the Company shall each designate three (3) representatives to a Joint Committee which shall meet at least monthly to review the Manual and Job Classifications with a view to achieving maximum understanding between the parties.

E. Minimum Daily Guarantee

- 3.10 The Company agrees that each employee shall be guaranteed and shall receive for each day's work a minimum daily wage which shall be equivalent of the established hourly rate for the occupation at which he works (except as a higher hourly rate may be provided for in Section 3 of the Wage Rate Inequities Agreement dated March 26, 1947) multiplied by the number of hours actually worked by him on that day.

F. Reporting Time

- 3.11 A minimum of four (4) hours' work shall be given, or a minimum of four (4) hours' pay, based on not less than the day rate payable on the respective job, shall be paid all employees reporting for work unless such employees are notified not later than the previous day, not to report for work. This provision, however, shall not apply where an employee after reporting to work, is prevented from working a minimum of four (4) hours because of breakdowns, stoppage of production, or other physical emergencies beyond the control of the Company, in which case such employees shall be paid only for the time actually worked by him, if any. The Company will make every reasonable effort, in instances of work not being available due to breakdowns, to so notify the employee involved at least eight (8) hours prior to his regular starting time. At the Management's discretion, the employees scheduled or notified to report may be assigned to other substantially similar work for which they may be qualified and physically able to perform in lieu of their being released. Substantially similar work shall be defined as a job carrying the hourly rate of the employee affected.

If employees refuse such assignment they shall not receive four (4) hours' reporting pay.

G. Shift Differentials

- 3.12 1. For hours worked on the afternoon shift there shall be paid a premium rate of twenty cents (20¢) per hour. For hours worked on the night shift there shall be paid a premium rate of twenty-five cents (25¢) per hour.
- 3.13 2. For purposes of applying the aforesaid shift differentials, all hours worked by an employee during the workday shall be considered as worked on the shift on which he is regularly scheduled to start work, as follows:
- 3.13a (a) Day Shift (any regularly scheduled shift starting between 6:30 a.m. and 8:30 a.m.)
- 3.13b (b) Afternoon Shift (any regularly scheduled shift starting between 2:30 p.m. and 4:30 p.m.)
- 3.13c (c) Night Shift (any regularly scheduled shift starting between 10:30 p.m. and 12:30 a.m.).
- 3.13d (d) All Other Shifts including Call-in-Shifts (any regularly scheduled shift starting at times other than those outlined in (a), (b), and (c) above).
- 3.13e (e) Employees working on the Day Shift will be paid shift differentials only when they have worked in excess of 12 continuous hours, the appropriate shift differential for the shift on which the overtime hours occur will be paid, except that an employee required to work beyond the end of a shift as a substitute for an absent employee, shall be paid the appropriate shift differential for all hours worked in the shift on which the absent employee was scheduled.
- 3.14 Employees working shifts other than Day Shift, Afternoon Shift or Night Shift, and employees working Call-in-Shifts will be paid the appropriate shift differential for the hours worked on the Afternoon Shift or the Night Shift.
- 3.15 3. In paragraphs (a), (b), and (c) of Subsection 2, Section G above, the beginning hours of shifts are subject to change in accordance with changes in regularly scheduled shifts for the plant.
- 3.16 4. Shift differential shall be included in the calculation of overtime compensation. Shift differential shall not

be added to the base hourly rate for the purpose of calculating incentive earnings but shall be computed by multiplying the hours worked by the applicable differential and the amount so determined added to earnings.

- 3.17 5. The Shift differential which applies to the shift on which time is made up shall be paid for make-up time.
- 3.18 6. Shift differential shall be paid for reporting time when the hours for which payment is made would have called for a shift differential if worked.

H. Rate Establishment and Adjustment

- 3.19 It is recognized that changing conditions and circumstances may from time to time require the installation of new wage rates, or modification of wage rate plans because of the creation of new jobs, development of new manufacturing processes, changes in equipment, changes in the content of jobs, or improvements brought about by the Company in the interest of improved methods and products. Under such circumstances the following procedure shall apply:

1. New Wage Rates for New Jobs

- 3.20 When a bona fide new job or position is to be established:
 - 3.20a a. Management will, within 90 days, develop an appropriate hourly, tonnage, incentive or piecework rate, or pay average earnings of the employee's prior permanent rate. However, the 90-day time limitation may be extended by mutual agreement at the request of either party to provide time for further study or development of the rate.
 - 3.20b b. The proposed rate will be explained to the General Plant Grievance Committee with the objective of obtaining its agreement to the installation of the proposed rates, or, to the installation of the proposed rate for an agreed upon period which will serve as a trial period. Management may thereupon install such rate and at the same time shall submit copies of the rate to the Chairman of the General Plant Grievance Committee. If the rate is installed without agreement, it subsequently shall be subject to adjustment as provided below.

- 3.20c c. When a wage rate for a new job is installed, the employee or employees affected may, at any time within ninety (90) days (except where the parties otherwise mutually agree) file a grievance alleging that such new rate does not bear a fair relationship to other jobs in the plant. Such grievances shall be adjusted under the grievance machinery of this Agreement. If, as a result of such grievance, the wage rate be adjusted, the adjustment shall be effective as of the date when the employee was assigned to the new job.

2. New Wage Rates for Changed Jobs

- 3.21 When changes are made in equipment, method of processing, material processed, or quality or production standards which would result in a substantial change in job duties or requirements; or where over a period of time an accumulation of minor changes of this type have occurred which, in total, have resulted in a substantial change in job duties or requirements, adjustments of hourly, incentive, piecework and tonnage rates may be required. In reviewing changes for hourly, incentive, piecework and tonnage rates, only changes from the original study shall be considered. In such cases new wage rates shall be installed in the following manner:
- 3.21a a. Negotiations may be instituted by the General Plant Grievance Committee representing affected employees or by Management. Management will develop an appropriate hourly, tonnage, incentive or piecework rate. In addition, the proposed rate will be explained to the General Plant Grievance Committee with the objective of obtaining its agreement to the installation of the proposed rate.
- 3.21b b. If Management and the General Plant Grievance Committee are unable to agree upon the new rate for the changed job, Management shall, within 30 days, have the alternative of (1) establishing the new rate; (2) setting a temporary rate for a reasonable trial period. In either event, Management shall submit copies of the new rate to the Chairman of the General Plant Grievance Committee. If Management elects to set the new rate for the changed job, the employee may file a grievance at any time within ninety (90) days (except where the parties otherwise mutually agree) from the installation of the new rate, and any change in the rate so determined shall be retroactive to the date of the assignment of the employee to changed job. If Management adopts the

alternative of a trial period, the employee, during such trial period, shall be guaranteed his straight time average hourly earnings for the three months immediately preceding the change in the job content. After the expiration of the trial period, the employee or employees affected may, at any time within thirty (30) days, file a grievance and any change in the rate so determined shall be retroactive to a date no earlier than the date of the assignment of the employee to the changed job but no later than the date immediately following the expiration of the trial period. Such grievance shall be adjusted under the grievance procedure of this Agreement and the decision shall be governed by the principle that the new rate shall be in line with other rates in the plant.

- 3.21c c. The details of applying this provision to cases in which an employee has worked at more than one job during the three months and to other exceptional situations shall be left to negotiations between the General Plant Grievance Committee and Management. The General Plant Grievance Committee and Management may agree to the computation of guaranteed earnings on a group or departmental rather than on individual basis.

3. Settlement of Grievances

- 3.22 In the processing of grievances under paragraphs H-1-c and H-2-b of this Section, insofar as the comparison of incentive earnings may be necessary, it is agreed that among other things the following factors will be considered: (a) The evaluated hourly rate; (b) Incentive earnings opportunities; (c) Out-of-line incentive earnings shall not be considered in such comparisons.

I. Cost of Living

- 3.23 The language of this Subsection I providing for cost-of-living adjustments is suspended and deemed inoperable during the term of this Agreement.
- 3.24 The BLS Consumer Price Index (1967-100) following the formula used in the Labor Agreement dated January 1, 1984, that is each employee will receive a 1¢ per hour increase for each .3 point increase in said index, was frozen at 293.6 with the effective roll in on January 1, 1983.
- 3.25 No further Cost-of-Living Adjustment will be made under the terms of this Agreement.

SECTION 4

Work Schedules, Overtime and Holidays

4.0 This Section defines the normal hours of work, provides the basis for calculation of overtime, and defines holidays. Nothing in this Section is to be construed as a guarantee of hours of work per day or per week or a guarantee of days of work per week.

A. Hours of Work

4.1 Eight (8) continuous hours (except as the same may be interrupted by such lunch periods as may be provided in accordance with the present practices of the Company) shall constitute a day's work and forty (40) hours shall constitute a week's work. However, work in excess of eight (8) hours per day or forty (40) hours per week is permitted upon the payment of overtime as hereinafter provided.

4.2 A day for any employee shall be defined as a consecutive twenty-four (24) hour period beginning with the time the employee begins work, except that a tardy employee's work day shall begin at the time it would have begun had he not been tardy.

B. Operating Week, Work Schedule and Reporting On and Off

1. Regular Operating Week

4.3a a. The regular operating week shall be confined to five (5) days per week worked between Monday and Friday, inclusive, except, however, in the case of continuous operations departments - Steam & Power Plant & Substation personnel, and Maintenance and Repair employees - in which cases the regular operation week shall be confined to five (5) days per week worked in any seven (7) consecutive day period as scheduled by the Company. Notwithstanding the foregoing, the Company may in its discretion operate the workshops on the basis of six (6) or seven (7) days per week where essential either to effect deliveries or otherwise. However, except as may be required for emergency maintenance and emergency repair work involving breakdowns or protection of life or property or for carrying on highly skilled operations which cannot be reasonably cared for by the employment of additional personnel, or where essential to effect deliveries, no employee shall be requested to work more than sixteen (16) hours overtime in any payroll week of seven (7) days and furthermore, no employee shall be discriminated against or disciplined for his inability to work overtime. It is agreed that inability to work scheduled overtime or on Saturdays and/or Sundays for

reasons other than physical or advanced age, shall be of equal validity to any reason for not working non-overtime hours.

- 4.3b b. If the regular operating week schedule of an employee or a group of employees is changed to less than five days per week as defined in B-1-a hereof for more than five weeks, the Company wherever it is reasonably possible shall put into effect the following:
- 4.3b1 1. Lay off employees to such a level that the remaining employees will be required to work a five-day week schedule, or
- 4.3b2 2. Discuss with the General Plant Grievance Committee the extent of the reduced work and inform the committee of the expected duration of such a condition so that the General Plant Grievance Committee may consider the question of working a short workweek or reducing the force.
- 4.3b3 3. The Company may continue short workweek operations for a period of ten weeks in any calendar year. Following such ten weeks, the Company will be required to reduce the forces so that a normal five-day schedule may be established.
- 4.3b4 4. None of the foregoing shall serve to prevent an employee from using his seniority in accordance with the provisions of Section 7 to claim another job at a similar or a lower classification.

2. Determination of Starting Time and Work Schedules

- 4.4 The Company may operate the workshops as may be required by the volume of work on hand, at its discretion, on the basis of one or more shifts. Furthermore, determination of starting times and work schedules shall be made by the Company and may be changed by the Company from time to time to suit varying conditions of the business, provided, however, that indiscriminate changes shall not be made in such starting times or schedules and provided further that changes deemed necessary by the Company shall be made known to the General Plant Grievance Committee of the Union as far in advance of such changes as possible.
- 4.5 Schedules of the employees' regular work days shall be posted or otherwise made known to employees in accordance with prevailing practice not later than the end of the day shift Thursday of the week preceding the calendar week in which they shall be effective, provided, however, that in the case of breakdowns or other conditions beyond the control of the Management or because of the requirement of

the business the Management may change such schedules. An employee required to work a sixth or seventh day in his payroll week shall be advised a minimum of forty-eight (48) hours prior to the sixth or seventh day.

3. Reporting On and Off

- 4.6 In recognition of the difficulties imposed upon the Company through failure of employees to comply with working schedules, an employee reporting late for or absenting himself from work without just cause may be subject to discipline. Employees shall, whenever practicable, give prior notice to the Company whenever they expect to report late for or to absent themselves from work. Such notice shall be given by telephoning to the location designated by Management or, in event telephone facilities are not available, by such other practical means as may be at the employee's disposal. An employee reporting expected absence from work shall state at the time of notification, if possible, when he will return to work. If this is indeterminate at the time, the employee shall notify the Company when he will return to work as soon as such information is available and in no case less than the minimum interval to be established jointly by Management and Union.

C. Conditions for Payment of Overtime Rates

- 4.7 1. Time and one-half shall be paid for all hours or parts of hours worked in excess of eight (8) hours in any one day or for all hours or parts of hours worked in excess of forty (40) hours in any payroll week, whichever be greater. Time and one-half time shall also be paid for all hours or parts of hours worked between the start of the night shift on Friday and the end of the afternoon shift on Sunday. A payroll week shall consist of any seven (7) consecutive days used by the Company for computing the pay of employees.
- 4.8 2. For all hours worked by an employee on any of the holidays specified in Subsection D of this Section 4, such employees shall be paid double time and three-fourths.
- 4.9 Holidays shall be recognized as beginning at the end of the afternoon shift on the day preceding the holiday and terminating at the end of the afternoon shift on the holiday.
- 4.10 3. Overtime and premium payments shall not be duplicated for the same hours worked under any of the provisions of this Agreement, and, to the extent that hours are compensated for at overtime or premium rates under one

provision, they shall not be counted as hours worked in determining overtime under the same or any other provision, except that hours actually worked on a holiday shall be counted for the purpose of computing overtime liability for hours worked in excess of forty hours in a payroll week.

- 4.11 4. Overtime opportunities will be shared equally by employees in the same job classification. When an employee is bypassed for an overtime assignment in his job classification, he shall be offered the next overtime assignment in the classification. However, such compensating overtime work shall only be offered to an employee when he has been wrongfully overlooked in favor of another employee in the same job classification. Otherwise, a wrongful downgrade shall prompt a settlement under Section 5 of this Agreement. Overtime downgrading shall not take place until all incumbents in the affected job classification have refused or are not available. For purposes of comparing equal distribution of overtime opportunities at year-end among eligible employees in a job classification, the amount of overtime opportunities in the prior calendar year shall be used.
- 4.12 5. Overtime and premium time for an hourly rated employee and for an employee employed on a piece rate or tonnage basis or under an incentive plan, shall be computed on the basis of his average earnings for the payroll period. Reporting time as provided in Section 3, Subsection F, designated "Reporting Time" shall not be included in the calculation of overtime except to the extent that the same may have actually been worked. Payment for holidays not worked shall not be included in the calculation of overtime nor shall an unworked holiday be recognized as hours worked.

D. Holidays

- 4.13 1. Holidays are defined for the purpose of this Agreement as the following: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving, the first, second and third days of Pennsylvania Antlered Deer Season, the day before Christmas, and Christmas Day. When the first of January, Memorial Day, the fourth of July, or the twenty-fifth day of December, respectively fall on Sunday, and the following day is declared to be a legal holiday, such legal holiday will be recognized as such for the purpose for this Agreement.
- 4.14 2. Where work schedules permit, the shops shall be closed down for Christmas holidays at the end of the first

shift on the day preceding; and similarly where work schedules permit, the shops will be closed down for the fourth of July at the end of the second shift on the day preceding.

4.15 3. An eligible employee who does not work on a holiday shall be paid eight times the applicable hourly rate of the job to which he is regularly assigned exclusive of shift and overtime premiums (in the case of an employee who is paid on an incentive, tonnage or piecework basis, the employee's average hourly earnings exclusive of shift and overtime premiums for the pay period in which the holiday is observed shall be used); provided, however, that if an eligible employee is scheduled to work on any such holiday but fails to report and perform his schedule or assigned work, he shall become ineligible to be paid for the unworked holiday unless he has failed to perform such work because of sickness or because of death in the immediate family (Refer to M.P. 4.21) or because of similar good cause. Inclusion of a step or foster parent or a step or foster child as a member of the immediate family shall be considered on the basis of the individual case and the relationship which existed between the employee and the deceased. As used in this Section, an eligible employee is one who:

- 4.15a a. Has worked thirty turns since his last hire, and
- 4.15b b. Performs work in the payroll period in which the holiday is observed, or in at least one (1) of the two (2) payroll periods immediately preceding the holiday week.
- 4.15c. c. Works as scheduled or assigned both on his last scheduled workday prior to and his first scheduled workday following the day on which the holiday is observed, unless he has failed so to work because of sickness or because of death in the immediate family or because of similar good cause.

4.16 4. An eligible employee who would otherwise be entitled to pay for an unworked holiday and who shall be scheduled pursuant to the provisions of Section 9 to take a vacation during a period when a holiday occurs shall be paid for the unworked holiday in addition to his vacation pay.

E. Non-Compensable Time

4.17 1. The Company shall not be obligated to compensate for any travel or walking time or time spent in preparatory

and closing activities on the employer's premises for which compensation is not paid under present practices.

- 4.18 2. No claim involving payment for portal-to-portal time shall be processable under the grievance procedure provided in this Agreement.
- 4.19 3. The Union will neither make any claims nor aid or support any existing or future claims or actions against the Company for portal-to-portal time.

F. Allowance for Jury Service

- 4.20 An employee who is called for jury service shall be excused from work for the days on which he serves and he shall receive for each such day of jury service on which he otherwise would have worked, the difference between eight times his average straight-time hourly earnings (as computed for holiday allowance) and the payment he receives for jury service. The employee must present proof of service and of the amount of pay received therefor. No employee will be paid allowance for jury service in excess of 240 hours in any calendar year. Days of jury service on which an employee would otherwise have been scheduled to work shall be counted as days worked for holiday pay eligibility. Time thus paid will not be counted as hours worked for purposes of determining overtime or premium pay liability.

G. Funeral Leave

- 4.21 When death occurs in an employee's immediate family (i.e., mother, mother-in-law, father, father-in-law, children, brother, sister, husband, wife, grandchildren and grandparents), an employee, upon request, will be excused for up to three consecutive scheduled days which fall within the period beginning on the day the death occurs and ending twenty-four (24) hours following the day of the funeral (or for such fewer days as the employee may be absent). Employee, upon request, will receive up to two (2) scheduled days off for the death of a brother-in-law, sister-in-law, son-in-law or daughter-in-law. Inclusion of a step or foster parent or a step or foster child as a member of the immediate family shall be considered on the basis of the individual case and the relationship which existed between the employee and the deceased. The employee shall receive pay for any such excused scheduled shift provided it is established that he attended the funeral. Payment shall be eight times his average straight time hourly earnings (as computed for jury pay). 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.

SECTION 5
Adjustment of Grievances

A. Scope of Grievance Procedure

- 5.0 The procedure under this Section and/or Section 6, "Arbitration", is available to the Union or the Company for the presentation and settlement of grievances arising under the terms of this Agreement.
- 5.1 It is recognized that certain alleged grievances may relate to matters of policy or affect employees in more than one department, in which event the first step in the grievance procedure may be waived and either the Company or the Union institute the grievance in the second step of the grievance procedure.

B. General Plant Grievance Committee

- 5.2 The General Plant Grievance Committee of the Union shall consist of not more than seven (7) employees to be designated by the Union who will be afforded such time off as may be required:
- 5.3 1. To attend the regularly scheduled meetings with the designated representative of Management, which shall be held as the occasion may require, but not more frequently than twice each month.
- 5.4 2. To attend meetings pertaining to discharge or other matters which cannot reasonably be delayed until the time of the next regular meeting; and,
- 5.5 3. To visit departments other than their own at reasonable time for the purpose of transacting the legitimate business of the General Plant Grievance Committee after notice to and permission from the head of the department to be visited and permission from their own department head, or his designated representative.
- 5.6 The duties of each Subcommitteeman shall be limited to the handling of grievances within the geographical boundaries of the department from which he is selected and in which he is appointed to serve. He shall be limited in the handling of grievances to taking the matter up with the immediate foreman as hereinafter provided except that upon reasonable notice to and permission from his immediate foreman, a Subcommitteeman will be afforded such time off as may be required for the purpose of investigating the facts essential to the settlement of any grievance and the disposition thereof.

C. Operation of Grievance Procedure

- 5.7 Should any differences arise between the Company and the Union as to the meaning and application of this Agreement or as to any question relating to the wages, hours or work or other conditions of employment of any employee, there shall not be any suspension of work on account of such differences but an earnest effort shall be made to settle them promptly in accordance with the following procedure in the manner and order hereinafter set forth.
- 5.8 If an employee shall believe that he has a justifiable request or complaint and desires to pursue the matter, he shall discuss such request or complaint with his Foreman, with or without the Subcommitteeman of the Union representing his department being present, as he may elect, in an attempt to settle the matter. Any such request or complaint which shall not be satisfactorily disposed of by the Foreman through notification to the employee and his Subcommitteeman within forty-eight (48) hours, exclusive of Saturdays, Sundays and holidays, shall then be discussed with the Shop Manager by the employee, with or without his Subcommitteeman. If the request or complaint to the Shop Manager is not disposed of in a manner satisfactory to the employee within seventy-two (72) hours, exclusive of Saturdays, Sundays and holidays, and which shall be presented in writing as hereinafter provided shall constitute a grievance and shall be handled as follows:
- 5.9 1. Such a grievance, identifying the specific violation of the Agreement, shall be reduced to writing on appropriate forms provided for that purpose which shall be dated and signed by the aggrieved employee, his Subcommitteeman and the Chairman of the General Plant Grievance Committee and submitted in triplicate to the Staff Manager of the department involved within seven (7) days, exclusive of Saturdays, Sundays and holidays following the date of the decision of the Shop Manager in the matter. The Staff Manager shall dispose of the matter within seven (7) days, exclusive of Saturdays, Sundays and holidays, from the date of the appeal to him and within the same period of time shall note his decision on the three copies of the grievance given to him and shall deliver two copies to the Subcommitteeman.
- 5.10 In the event the dispute shall not have been satisfactorily settled by the Staff Manager of the Department involved within the period stated, the matter may then proceed to the next step of the grievance procedure.
- 5.11 2. Between the General Plant Grievance Committee of the Union and the Director - Human Resources of the plant

and/or his representatives, who shall meet at specified periods to be agreed upon between the General Plant Grievance Committee and the Director - Human Resources for the consideration of grievances, which meetings shall be held as the occasion may require but not, however, more frequently than twice each month.

- 5.12 Any grievance to be considered in this step must be appealed to the Director - Human Resources by notice in writing delivered to him within seven (7) days, exclusive of Saturdays, Sundays and holidays, following the date of the written disposition of the matter by the Staff Manager of the department involved in step one.
- 5.13 The matter shall be acted upon by the General Plant Grievance Committee and the Director - Human Resources not later than the second regular meeting following the date of appeal to the Director - Human Resources and an answer thereto shall be made to the Chairman of the General Plant Grievance Committee in writing not later than seven (7) days, exclusive of Saturdays, Sundays and holidays, following the date of the meeting between the General Plant Grievance Committee and the Director - Human Resources at which the grievance was acted upon.
- 5.14 3. Between the representatives of the International Union and the executives of the Company, who shall meet for the consideration of grievances as occasion may require, but not more frequently than once each month.
- 5.15 Any grievance to be considered in this step must be appealed by the Union by notice in writing of its desire to take such appeal which must be served on the Director - Human Resources not later than seven (7) days, exclusive of Saturdays, Sundays and holidays, from the date of the written decision of the Director - Human Resources.
- 5.16 The executives of the Company shall reach a decision in the matter within ten (10) days, exclusive of Saturdays, Sundays and holidays, after the meeting between them and the representatives of the International Union and shall notify the representatives of the International Union in writing within such period of their decision.
- 5.17 4. In the event the dispute shall not have been satisfactorily settled by the representatives of the International Union and the executives of the Company as provided above, and if the dispute related either to the meaning and application of or compliance with the provisions of the Agreement, the matter may then be appealed to arbitration as provided in Section 6 of this Agreement designated "Arbitration".

- 5.18 Grievances not appealed by the Union in the manner and within the periods above provided unless an extension shall have been mutually agreed upon by the parties hereto, shall be considered settled on the basis of the decision last made and the employee or employees covered or affected by such grievances shall not have any further right or remedy with respect to any claim or matter covered by such grievances.
- 5.19 Grievances not answered in writing by the Company in the manner and within the period above provided, unless an extension shall have been mutually agreed upon in writing by the parties hereto, shall be considered settled in favor of the grievant according to the appropriate provisions of this Agreement.
- 5.20 It is understood and agreed that grievances to be considered must be taken up promptly and in no event later than thirty (30) days after the occurrence which prompted the grievance unless a greater period within which such grievance may be taken up is specifically provided elsewhere in this Agreement, except, however, that where the discharge of an employee is considered to be unjust by either the employee or the Union, the grievance must be initiated in writing within five (5) days, exclusive of Saturdays, Sundays and holidays, from the date such employee has been discharged. In the event it is decided, by the parties hereto, that said employee has been unjustly discharged, such employee shall be reinstated and receive such pay for time lost as may be agreed upon under this grievance procedure.
- 5.21 Any grievance which has not been settled on the date of this Agreement shall be processed under the terms of the prior Agreement.
- 5.22 Any pay adjustments arising out of the settlement of grievances either jointly by the parties or by arbitration shall not be retroactive beyond the time the grievance is first submitted in writing, except as otherwise expressly provided in this Agreement.
- 5.23 Any grievance settlement not paid during the first full pay period or any arbitration award not paid within thirty (30) days from the date of the ruling will be assessed a ten percent (10%) interest penalty, compounded weekly.

SECTION 6 Arbitration

- 6.0 Any grievance which is arbitrable as provided in Section 5 of this Agreement, designated "Adjustment of Grievances", and not settled under the provision of Section

5, may be appealed by either party to an impartial arbitrator. The parties hereby agree that they shall name five (5) impartial arbitrators mutually acceptable to the parties who shall serve as the Panel of Arbitrators for the life of this Agreement. Selection from the panel shall be made on a rotating basis as established by mutual agreement of the parties. If a member of the panel declines his turn, such action shall be recognized as a turn taken for purposes of rotation.

6.1 The party deciding to take such an appeal to the impartial arbitrator as above provided, must initiate the appeal by written notice thereof which shall be served upon the other party within twenty (20) days following the date of the written decision of the executives of the Company in the third step of the grievance procedure. The issue or issues submitted must be clearly defined in writing and confined to the grievance as it was processed through the grievance procedure.

6.2 In matters of suspension/discharge, the grievance will be submitted to expedited arbitration if the Union determines the grievance merits arbitration. Each Party will submit, in writing, one (1) name of an Arbitrator from the FMCS Arbitrators. The chosen Arbitrators will then select a third Arbitrator to complete the panel of three (3). The Parties will agree on an order of selection of the Arbitrators and the Arbitrators will hear cases on a rotating basis as grievances under this provision may arise. The Parties also agree that the fees, salary or expenses incurred by the Arbitrator for such services will be paid equally by the Company and Union.

The Arbitrator will schedule and hear such grievances within ten (10) calendar days from the final decision of the Company. The Arbitrator will render and issue his/her decision within five (5) calendar days from the date of such hearing. The decision of the Arbitrator will be final and binding.

By mutual agreement, the Parties may elect to waive this procedure and submit the grievance to the regular arbitration procedure. By mutual agreement, the Parties may elect to submit matters other than suspension/discharge to this expedited procedure.

6.3 The Company in arbitration proceedings will not make use of any personnel records of previous disciplinary action against the employee involved where such disciplinary action occurred two or more years prior to the event which is the subject of such arbitration, provided, however, that the Company may present evidence of disciplinary action taken

beyond such two (2) year limitation to show progressive discipline up to a maximum of four (4) years.

- 6.4 No such grievance may be moved to arbitration by either party unless it has been considered in the various preceding steps of the grievance procedure except by mutual consent of the parties in writing or as expressly set forth in Section 5.
- 6.5 The impartial arbitrator shall only have jurisdiction and authority to determine the meaning and application of or compliance with the provisions of this Agreement and shall not have jurisdiction or authority to add to, detract from, or alter in any way such provisions. The decision of the impartial arbitrator on any matter within his jurisdiction shall be final and binding upon the Company, the Union and all employees concerned.
- 6.6 The payment of fees, expenses and/or any other charges made by the impartial arbitrator for services rendered in arbitrating a dispute between the Company and the Union, shall be shared equally by the Company and the Union.

SECTION 6A

Short Week Benefit and Insurance Grievances

- 6A.0 The following procedure shall apply only to disputes concerning the Short Week Benefit Program and the Program of Insurance Benefits, but it shall not apply to a claim for life insurance.
- 6A.1 If any difference shall arise between the Company and any employee as to the benefits payable to him, and
- 6A.1a (a) Pursuant to the Short Week Benefit Program or
- 6A.1b (b) Pursuant to the Program of Insurance Benefits (P.I.B.) because his claim was denied in whole or in part,
- 6A.2 or between the Company and Union as to the interpretation of or compliance with the provisions of the Short Week Benefit Program or the P.I.B. and an agreement cannot be reached with respect to such differences between the representatives of the Company and of the Union designated for this purpose, then the question shall be referred to the impartial arbitrator indicated in Section 6 preceding. An award of the impartial arbitrator in respect of any such question shall be made retroactive to the date of the occurrence or non-occurrence of the event upon which such question is based, but in no case prior to a date 30 days before such questions shall have been presented in

writing to the Company. The impartial arbitrator shall have authority only to decide the question in accordance with the applicable provisions of the Short Week Benefit Program or the Program of Insurance Benefits whichever is applicable, but he shall not have authority in any way to alter, add to, or subtract from any of the provisions of the Short Week Benefit Program or the Program of Insurance Benefits P.I.B.

- 6A.3 The decision of the impartial arbitrator on any such question shall be binding on the Company, the Union, and all persons concerned therewith. The fees and expenses of the impartial arbitrator shall be shared equally by the Company and the Union.

SECTION 7 Seniority

A. Definition of Seniority

- 7.0a. a. Seniority is defined as the length of an employee's continuous service with the Company ("plant seniority"). The calculation of such continuous service is subject to the mutual understanding and agreement that the personnel records of the Company are accepted as being correct and further subject to the provisions of this Section.

B. Termination of Seniority

- 7.1 An employee's continuous service with the Company shall be broken so that no prior period or periods of employment shall be counted and his seniority shall cease upon:
- 7.1a a. Justifiable discharge.
- 7.1b b. Voluntary quitting.
- 7.1c c. Absence five (5) working days unless excused by the Company due to employee's illness or other disability or other reasonable cause.
- 7.1d d. Leave of absence for a period of more than six (6) months, except that any employee(s) elected to the office of President of the Local Union shall be given a leave of absence during such time for the conduct of the Local Union activities or for a period not to exceed three years to work for the International Union.
- 7.1e e. Failure of an employee to return to work upon recall within five (5) working days after written notice, copy of which is forwarded to the Union at the same time, is

sent to him by the Company at his last known address appearing on its records, provided, however, that an employee working elsewhere when receiving such notice may have an additional period of one week within which to report for work, in order that he may, if he so elects, serve a week's quit notice upon such other employer; further providing he gives the Company written notice within the first five (5) days period of his intention to return.

7.1f f. Absence due to layoff or disability beyond the period specified in paragraphs "1" and "2" immediately following:

- 7.1f1 1. An employee having two (2) or more years of continuous service who is absent because of layoff or physical disability (nonwork-related) shall continue to accumulate continuous service during such absence up to a maximum of two years, and shall retain his accumulated continuous service for an additional period equal to (1) three years, or (2) the excess, if any, of his length of continuous service at commencement of such absence over two years, whichever is less, provided however, that 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 thirty (30) days prior thereto has mailed him a notice at the most recent address furnished by him to the Company that he must file such notice.
- 7.1f2 2. Effective with employees hired after January 1, 1978, an employee having less than two (2) years of continuous service who is absent because of layoff or physical disability (nonwork-related) shall continue to accumulate continuous service during such absence up to a period equal to the length of his continuous service prior to the absence for layoff or physical disability, or one year, whichever is greater.

C. New Employees

- 7.2 When an employee whose continuous service has been broken by any of the above causes, is hired again, he shall begin as a new employee and his seniority shall date from the date of such rehiring. Such employees, as well as those who have not previously been employed by the Company, shall be regarded as probationary employees for the first ninety [90] working days. During such periods of probationary employment, employees may be laid off or discharged as

exclusively determined by the Company. Upon completion of such periods, if retained in the employ of the Company, seniority shall date from the original date of employment.

D. Application of Seniority

- 7.3 The application of seniority shall be on an employee's continuous service with the Company, as well as, in accordance with the following principles:

E. Demotion, Layoff and Recall

- 7.4a. a. Whenever it becomes necessary to reduce the number of employees in any department, employees shall be reduced in their department by reverse promotional sequence on the basis of plant seniority provided the senior employee is qualified to do the available work, those having the most seniority being displaced last from the department and returned first to the department. In evaluating an employee's qualification to displace a junior employee, Management will consider, among other factors, a comparison of the job classification rates (i.e., "A" "B" or "C" rate) achieved by both employees in the job classification to which the senior employee seeks to bump. If an employee disagrees with the Company's determination that the employee is not qualified to perform a particular job, and so indicates his or her disagreement to Management, Management may provide the employee with an opportunity to perform the job for a trial period. The length of such trial period shall be at the discretion of Management; but, in no event, shall such trial period be more than five (5) working days.
- 7.4b. b. If no bump is available within the department, the employee may displace a less senior employee as provided below within the plant by plant seniority, if the more senior employee is qualified to do the available work.
- 7.4b.1 Bumping procedures when laid off from Home Department:
- a. Permanent Layoff:
1. Permanent closure of a Department.
 2. Layoff due to permanent job elimination.
 3. Layoff in excess of one (1) year from Home Department. "First Option" only may be selected after six (6) months of layoff from Home Department.

The permanently laid-off employee will establish a new Home Department and job incumbency by exercising options one through four:

- First Option -- Bump to job previously held in another Department on a permanent basis. If more than one job was held on a permanent basis, bump in reverse order of job sequence.
- Second Option -- Enter a new Department of choice at the entry-level position, displacing most junior incumbent. See "Entry-Level Jobs" listed below.
- Third Option -- Bump, in accordance with the designated bumping procedure, a more junior incumbent in a job listed on the "Bumpable Job List" (Jobs requiring experience and qualifications are identified). Permanently laid-off employees may select any job on the Bumpable Job List including one from his/her Home Department.
- Fourth Option -- Employees who believe they have the experience and qualifications to perform a job they have not held on a permanent basis in other than their Home Department, may request a review of their case. If the Company and Union mutually agree, the employee(s) will be permitted to displace the most junior employees in the job, regardless of Department. Employees permitted to bump under this provision will be given up to five (5) days to demonstrate their ability to perform the job.
- Fifth Option -- Bump to the Labor Pool. Selection of this Option will not establish incumbency. Incumbency may only be established by successfully

bidding on a job which is posted on a plantwide basis.

b. Long-Term Layoffs of Five (5) Weeks or More:

First Option -- Bump, in accordance with the designated bumping procedure, a more junior incumbent in a job listed on the "Bumpable Job List" (Jobs requiring experience and qualifications are identified).

Second Option -- Bump to Labor Pool.

c. Short-Term Layoffs of Four (4) Weeks or Less:

Bump to Labor Pool (L.G. "A" - "B" - "C" level jobs).

d. Bumpable Job List:

1. Crane Operator (experience and qualifications required):

Charging C.O. - Ring Mill
C.O. - S.P.C.#2
C.O./Laborer - M.S.#2
C.O. - Sandhouse
C.O. - Stock Yard/Melt Shop
C.O. - S.P.C.#1
R.C.O./C.O. - Heat Treating
C.O. - Shipping Floor - A.F.M.
C.O. - Alley - M.S.#1

2. Lift Truck Operator (experience and qualifications required):

L.T.O. - M.S.#1 (Wheels)
L.T.O. - A.F.M.
L.T.O./Laborer - M.S.#2
L.T.O./Stocker - Melt Shop

3. K. & T. Gauger - M.S.#1

4. Press Helper - Ring Mill

5. Conveyor Attendant - C.D.F.S.

6. Shop Pool Jobs - M.S.#1

7. Swing Grinder - S.P.C.

8. Machine Operator Test - A.F.M.
 9. Pelletizer Operator - Internal Transportation
 10. Utility - Melt Shop
 11. Janitor - Maintenance
 12. Laborer/Equipment Operator - Maintenance
 13. Machine Hand "C" - C.D.F.S.
 14. Shot Blast Operator - S.P.C.
 15. Drill Press Operator - M.S.#1 (Experience and qualifications required)
 16. Hardness Systems Operator - M.S.#1
 17. Utility (one assignment) - M.S.#1
- e. Entry-Level Jobs (must meet minimum qualifications):

M.S.#1 - Shop Pool Jobs
 Ring Mill - Selas Helper
 Melt Shop - Utility
 Heat Treating - R.C.O./C.O.
 S.P.C. - Swing Grinder
 C.D.F.S. - Machine Hand C
 A.F.M. - Machine Operator Test
 Internal Transportation - Payloader Operator
 Stores - Stockman
 M.S.#2 - L.T.O./Laborer
 Inspection - Inspector Trainee

Maintenance:

Bricklayer Assistant
 Laborer/Equipment Operator
 Carpenter "C" Rate
 Garage Attendant
 Machinist Trainee - R.M.S.
 Maintenance Trainee

- f. The jobs in the "Bumpable Job List" and "Entry-Level Jobs" may change as new jobs are added and existing jobs are deleted. The President of Local 1940 will receive advanced notice of any changes.

- 7.4b.2 c. The Company reserves the right to hold affected employees in a Labor Pool assignment for a maximum

of two (2) weeks while all affected bumping alternatives are reviewed.

F. Special Transfers

- 7.5a 1. Any employee, exclusive of a Melter who is transferred to a non-bargaining unit position after November 1, 1993, and within one hundred twenty (120) days of such transfer is not returned to the bargaining unit by Management or chooses to return to the bargaining unit on his or her own shall lose all seniority rights in the bargaining unit.
- 7.5b 2. Any non-bargaining unit employee who retains seniority rights under subparagraphs "a" and "b" below, shall continue to retain such rights after November 1, 1993, unless such employee returns to the bargaining unit and then after November 1, 1993 is transferred to a non-bargaining unit position at which point paragraph "1" above shall apply.
- 7.5b1 a. Employees who are transferred to non-bargaining unit positions after January 3, 1983, shall cease to accumulate seniority at the date of transfer and, if later are demoted to their former status, shall retain their accumulated seniority.
- 7.5b2 b. Employees who are transferred to non-bargaining unit positions exclusive of Melter and Pit Foreman after November 1, 1986, will continue to accumulate seniority for a period of ninety (90) days and, if they are returned to the Bargaining Unit within six (6) months from the date of transfer, shall retain the ninety (90) days of accumulated seniority. Employees who are transferred to non-bargaining unit positions and remain in that status for more than six (6) months from the date of transfer shall forfeit the ninety (90) days of seniority accumulated, if returned to the Bargaining Unit, and shall retain accumulated seniority as of the date of transfer.
- 7.5c 3. When it is felt that continued employment in any department may endanger the health of an employee, such employee may be transferred to a job for which he is qualified. The Company agrees to discuss the transfer with the Union prior to making the transfer. Every effort will be made to transfer such employee to a job of his choice but the final determination of whether to transfer and if so to what job shall rest with the Company. It is also agreed that any employee displaced by reason of such a transfer may displace a less senior employee, provided he is qualified to perform the work.

- 7.5d If it should become necessary for the Company to transfer an employee or a group of employees from one Department to another, because of changes in methods or products or to facilitate production, such employee or employees shall maintain seniority rights to their original Department for a period of one (1) year; at the end of which time, the employee may choose to permanently transfer to the new Department.
- 7.5f In the event an employee is transferred, at the option of the Company, to another job while his regular job is in operation, said employee shall receive, during such period of transfer, the higher of either the regular rate applicable to his regular job or the regular rate of the job to which he was thus transferred when and so long as his regular job is in operation or work would be available to him at such job but for such transfer. Said employee shall be returned to his regular job as soon as reasonably possible.

G. Temporary Vacancies

- 7.6 When it is necessary to fill a temporary vacancy known to be of three (3) or more weeks duration, the employee with more plant seniority who is qualified and desirous to do the work will fill the vacancy. If such temporary vacancy is due to the incumbent's inability to perform the job due to disability, then the vacancy will be posted on a permanent basis upon the Company's receipt of medical verification that the Employee will not return to the occupation. Such medical verification will be reviewed with the President of the Union.

H. Relief Vacancies

- 7.7 To ensure an efficient and safe operation, management may from time to time, post notice of relief vacancies on a departmental basis. Successful bidders, shall be given a "relief classification", in the job. Such classification shall be valid only for the highest relief vacancy for which an employee is the successful bidder. Employees so classified may be assigned for training and relief purposes, including instances where the absence of a permanent incumbent is known to be of three or more weeks duration, but they shall not exercise seniority to displace otherwise qualified permanent incumbents, except at point of demotion to entry-level job.

I. Additional Vacancies

- 7.8 To provide for continuity of operations, the Company may, from time to time as needed, post notice of additional vacancies on a departmental basis. Employees for whom the

vacancy would be a promotion, may bid on such vacancies. Effective November 1, 1980, an employee may bid from any classification for the purposes of obtaining one additional classification for bumping purposes. Any bid for an additional classification which is not a promotion for the successful bidder shall be limited to once each year. Successful bidders so classified may be assigned, as needed, for training, absenteeism replacement and schedule fulfillment purposes, but they shall not exercise seniority to displace otherwise qualified permanent incumbents, except at point of demotion to entry-level job.

J. Posting of Job Openings

- 7.9 When a vacancy develops or is expected to develop (other than a temporary vacancy) in any department, Management shall post notice of such vacancy on a departmental basis. Entry level jobs or other openings which are not successfully filled through departmental bidding shall be posted on a plantwide basis.
- 7.10 Notice of such vacancies shall be posted from 9:00 a.m., Thursday, through 4:00 p.m. the following Wednesday. Qualified employees may submit signed bids to the applicable foreman on forms designated by the Company, and each bidding employee shall retain a receipted copy.
- 7.11 If an employee bids into another department, such bid shall not be considered a down bid. Employees who do not have a permanent incumbent job or a prior permanent job to which they retain recall rights, will be considered to be bidding for promotion on permanent openings. Employees are permitted one (1) down bid within their own department during a twelve (12) month period. The Company shall notify all bidders of its decision as soon as possible and shall post notice with copy to the Union as to the disposition of the bids; during the period of posting and review of applications, the Company may fill the vacancy as it sees fit. Where more than one employee is qualified, the senior qualified bidder shall be assigned to the vacancy within thirty (30) days following the date the vacancy was posted.
- 7.12 To promote efficient and economical operations, the parties agree that successive bidding must be limited. Therefore, the following limitations shall apply to bidding on new jobs or vacancies.
- 7.13a (a) If an employee is the successful bidder on two new jobs or vacancies within a twelve (12) month period and turns the bids down, then he or she must accept the next successful bid he or she is given or the

employee forfeits all bidding rights for an additional twelve (12) month period.

7.13b (b) Bidding requests will be posted from Thursday at 9:00 a.m. to Wednesday at 4:00 p.m. The bidding request form shall contain a job description of the position, applicable shift information, rate and other pertinent information regarding the position. During this period of bidding eligibility, it will be the responsibility of the employee to gather data or information about the position. Beginning with Wednesday, after the bid comes down, the qualified bidders will be contacted and, immediately, will have to accept or reject the bid.

7.13c (c) For those employees who wish to notify the Company of their desire to bid for a particular position on an ongoing basis for up to one (1) calendar year, the Company will allow such employees to file with the Human Resources department a yearly bid form for no more than two (2) positions, which will remain effective as an active bid form until December 31st of the year in which the employee completes the bid form.

7.14 Bids for posted vacancies shall remain valid for a period of ninety (90) days following the date bidding is closed and job vacancies occurring during this period shall be filled by assigning senior qualified bidders without re-posting the job, unless during the first thirty (30) working days following the date bidding is closed, the Company declares invalid the bids of unsuccessful bidders and notifies them accordingly.

7.15 If there are no successful bidders, the Company may fill the vacancy in any manner, and by the hiring or assignment of any person provided that person is desirous of filling the vacancy.

K. Seniority Agreements on Bidding for Promotion and related Issues

7.16 Seniority will be used in instances of promotional opportunity where the employees are relatively equally qualified to do the work. Except as provided in the list of jobs attached hereto, whenever it is necessary to fill a vacancy, other than a temporary vacancy, such vacancy shall be filled in the following order:

- 7.16a (a) Employees working in the classification in which the vacancy exists shall be assigned on the basis of plant seniority to preferred shifts and/or equipment (if there exists a choice of equipment in the vacancy), not later than the second full payroll week after the resulting vacancy has been given to the employee with the most seniority who retains incumbency in the vacant classification and for whom the classification would be a promotion.
- 7.16b (b) If there are no employees with incumbency in the vacant classification, the vacancy shall be posted and filled in accordance with provisions of Section 7 of the Basic Agreement.
- 7.16c (c) Thereafter, employees working in the classification in which the vacancy existed shall be assigned on the basis of plant seniority to preferred shifts and/or equipment (if there exists a choice of equipment in the vacancy) not later than the second full payroll week after the successful bidder has been trained and certified by the Company as being capable of satisfactorily performing the job. Employees in Seniority Units utilizing a fixed shift work schedule will be given the opportunity to realign for shift a minimum of once every 52 weeks.
- 7.17 2. Whenever it is necessary to fill a vacancy, other than a temporary vacancy, in job classifications in the Job List in paragraph 7.25 below, such vacancy shall be filled in the following order:
- 7.17a (a) Employees working in the classification in which the vacancy exists shall be assigned on the basis of plant seniority to preferred shifts and/or equipment (if there exists a choice of equipment in the vacancy) not later than the second full payroll week after the resulting vacancy has been given to the employee with the most seniority in the next preceding classification on the Job List.
- 7.17b (b) When a vacancy, other than a temporary vacancy, occurs in any classification on the Job List, such vacancy shall be filled by the qualified employee with the most plant seniority in the promotional line. Such procedure shall be followed until all

vacancies in the line have been filled. The remaining vacancy shall then be filled in accordance with Subsection L of Section 7. (Refer to Letter Of Understanding on Job Line Freezing.)

- 7.17c (c) Thereafter, employees working on the job in which the remaining vacancy existed shall be assigned to preferred shifts not later than the second full payroll week after the successful bidder has been trained and certified by the Company as being capable of satisfactorily performing the job. Employees in Seniority Units utilizing a fixed shift work schedule will be given the opportunity to realign for shift a minimum of once every 52 weeks.
- 7.18 3. In non-rotating classifications affected by employee demotions, employees shall be assigned by seniority to preferred shifts not later than Monday of the second full payroll week after the demotions occur.
- 7.19 4. An employee shall retain incumbency in the highest classification in which he has worked (other than to fill a temporary vacancy) unless he relinquishes such incumbency by:
- 7.19a (a) Successfully bidding and certifying his acceptance of another job for other than a temporary vacancy.
- 7.19b (b) Is removed for cause.
- 7.19c (c) Being demoted by his own request for physical reasons.
- 7.20 5. An employee shall not establish incumbency in a classification through filling a temporary, additional, or relief vacancy.
- 7.21 6. If an employee successfully bids and works on a job, he cannot relinquish his right and obligation to that job except through the exercise of seniority under the provisions of the Basic Agreement.
- 7.22 7. A better paying job shall be determined by comparing labor grades in effect at the time such comparisons are made, except that for jobs covered in the Job List of this Appendix "A-2", better paying jobs shall be determined by comparing the highest labor grade of the bidder's actual job classification with the highest labor grade in effect at the time for the promotional

line into which he seeks to bid for a permanent vacancy; the highest labor grade in the promotional line to which an employee could normally advance shall be recognized as the better paying job. However, a better paying job involving jobs paid on an incentive basis shall be determined by comparing the average straight time hourly earnings of the bidder in the two (2) payroll weeks worked immediately preceding the date of the vacancy being bid, with the average straight time earnings of the employees who worked in the vacancy classification during the same period. If the average straight time earnings on the vacant job during the period is less than twenty-five percent (25%) of the standard hourly wage rate for the job, then it shall be assumed for the purpose of comparison that the earnings are twenty-five percent (25%).

- 7.23 Future changes in equipment, processes, etc. may require additions or deletions to this Job List. Such changes shall be by mutual agreement between the parties.

JOB LIST

Melt Shop

Acid & Basic

Furnaces
First Helper
Second Helper
Third Helper

Cranes

Molten Metal
A.O.D. Crane Operator
Foundry/Gantry Crane Operator
Crane Operator-B.P.
Floor Crane
Annex
Stock Yard

Pit

Working Leader-B.P.
Pitman-B.P. "A"

Stock Yard

Leader Stock Yard
Scrap Inspector

Ladles

First Ladleman
Second Ladleman

Vacuum Remelt

Vacuum Remelt Leader
Vacuum Remelt Helper-Operator

Closed Die Forge Shop

Rolling Mill

Roller
Rolling Mill Operator

Die Fitter

Die Fitter
Machine Hand-AA
Machine Hand

Ring Mill

#8 Mill

Rolling Mill Operator
Rolling Mill Helper
Stamper/Hook-Up/
Conveyor

#14 Press

Press Operator
Equipment Expeditor
Press Helper

Auxiliary

Manipulator Operator
Furnace Discharge/
Hook-Up
Crane Operator-
Cooling Area
Shipping Crane
Operator

Heat Treat #1

Working Leader
Furnace Operator
Checker - R.C.O.
R.C.O.

Machine Shop No. 1

Furnace-Bay 30

Fireman Leader
Fireman

K & T

K & T Operator
K & T Helper
Lift Truck Operator

Steel Preparation Center

Steel Sawyer
Sawyer Helper

- 7.24 8. It is the objective of the parties to strengthen the job security of longer service employees and to provide promotional opportunities for employees in the various departments. The following objectives will be followed:

L. Labor Pool

- 7.25a (a) Labor Pool Jobs are identified as those jobs with labor grade A, B and C.
- 7.25b (b) An employee who, at the time he is or otherwise would be laid off, has sixty (60) or more days worked for purposes of plant continuous service, shall be assigned to a Labor pool job for which he is qualified in the department in which he works, provided the employee has sufficient plant seniority to bump to the labor pool. However, the Company shall not be required to assign him to any such job prior to the next payroll week following the payroll week in which he last worked.

- 7.25c (c) If, under the conditions provided in (b) preceding, there are no labor pool jobs in the department where an employee works or if there are no employees with less plant continuous service assigned to the labor pool job in the department, he, under the conditions stipulated in (b) preceding, shall be assigned to a labor pool job, in another department within the same time period as in (b) preceding.
- 7.25d (d) When an employee is assigned to a job in his department he shall displace the employee with the least plant continuous service working on a job, for which he is qualified.
- 7.25e (e) When an employee is assigned to a job in another department, he shall displace the employee with the least plant continuous service working on a job for which he is qualified.
- 7.25f (f) Temporary vacancies in the labor pool shall be filled in accordance with this Section 7.

7.26	<u>Labor Pool Jobs</u>	<u>Labor Grade</u>
	All Shop Laborers	A
	Yard Laborers	A
	Janitors	A
	<u>Melt Shop</u>	
	Burner - S.Y.	C
	<u>Machine Shop No. 1</u>	
	Assembler - Mounted Products	B
	Material Handler	C
	<u>Bricklayers</u>	
	Bricklayer Helper	B
	<u>Advanced Forging & Machining</u>	
	Material Handler	C

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It is agreed that any new or revised jobs shall be added to the above list, unless otherwise mutually agreed by the parties, if the standard hourly wage rate for any such job is no higher than Labor Grade "C". It is further agreed that if the standard hourly wage rate of any job listed above is revised to exceed that of Labor Grade "C", such job shall be deleted and removed from the seniority pool.

M. EXCEPTIONS FROM SENIORITY RULES

- 7.28 The President of the Local Union shall be notified when the Company invokes any of the provisions of this Subsection M.
- 7.29 1. An employee holding an elective position in the Union as President, Chairman of General Plant Grievance Committee, member of General Plant Grievance Committee (limited to three), or Subcommitteeman (limited to eighteen (18) and to not more than one for each department unless otherwise mutually agreed to), shall during his term of office be given preferential seniority at the point of layoff to avoid layoff. He shall be placed on any job which he is qualified to perform in order to avoid layoff. Upon reaching an employment level of 1500 within the Union's bargaining unit, the Union can increase its number of Subcommitteemen from 18 to 20.
- 7.30 2. In the event that a new department is established, the Union shall have the right to provide Sub Committeemen for such department where there are twenty-five or more employees in the new department.

N. Military or Naval Service

- 7.31 The Company and the Union shall comply with the requirements of federal law with respect to former employees returning from military or naval service.
- 7.32 An employee with one or more years of continuous service who is required to attend a summer encampment of the Reserve of the Armed Forces of 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 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) and the pay for each such day shall be eight (8) times his average straight-time hourly rate of earnings (including applicable incentive earnings but excluding shift differentials and Saturday, Sunday and overtime premiums) during the last payroll period worked prior to 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. Employees eligible for such allowance shall apply at the employment office and produce evidence of the amount of pay received from the Government when making application.

O. Seniority Rosters

7.33.1 The Company shall prepare and maintain Seniority Rosters based on plant service. The Company shall prepare such rosters and post same on the bulletin boards in each department as outlined in marginal paragraph 7.33.2 as of January 15th, and such lists shall remain so posted for a period of thirty (30) days. The Company shall submit duplicate copies to the President of the Union. During said thirty (30) day period any employee shall have the right, through the grievance procedure to question errors in the roster which he feels may affect his own standing, this provision being limited, however, only to errors which have occurred since the last previous posting of rosters. At the expiration of said thirty (30) day period, and after all questions or grievances which may have arisen during that period have been settled, the rosters, as then revised, shall be the basis on which seniority is based. Such rosters shall indicate the plant seniority of the employees. After the rosters are completed and agreed on as aforesaid, two copies of each will be delivered by the Company to the President of the Local Union. During the period the rosters are posted in the shops the cover or first page of each shall carry the identical wording of this paragraph which deals specifically with Seniority Rosters.

7.33.2 Department Units

Closed Die Forge Shop

All employees on Closed Die Forge Shop payroll

Advanced Forging & Machining Shop

All employees on Advanced Forging & Machining Shop payroll

Melt Shop

All employees on Melt Shop payroll

Inspectors

All employees on Inspectors payroll

Machine Shop No. 2

All employees on Machine Shop No. 2 payroll

Ring Mill

All employees on Ring Mill payroll

Heat Treating Department

All employees on Heat Treating Dept. payroll

Internal Transport

All employees on Internal Transport payroll

Stores

All employees on Stores payroll

Machine Shop No. 1

All employees on Machine Shop No. 1 payroll

Office Janitors

All janitors working in the Main
Office Service & Metallurgical
Dept.

Steel Preparation Center

All employees on Steel Preparation
Center payroll

Test Preparation Center

All employees on Test Preparation Center payroll

New Hire Department

Yard Laborers (Plant Maintenance)

All employees on Yard Laborers payroll

Utility Operators (Power Plants)

All employees on Power Plants payroll

Repair Machine Shop

All employees on Repair Machine Shop payroll

Carpenters

All employees on Carpenters payroll

Motor Repair

All employees on Motor Repair payroll

Bricklayers

All employees on Bricklayers payroll

Garage

All employees on Garage payroll

Mechanics

All employees on Mechanics payroll

Hydraulic Mechanics

All employees on Hydraulic Mechanics payroll

Sheet Metal Fabrication

All employees on Sheet Metal Fabrication payroll

Electricians

All employees on Electricians payroll

Riggers

All employees on Riggers payroll

Instrument and Controls

All employees on Instrument and Controls payroll

Millwrights

All employees on Millwrights payroll

Pipefitters

All employees on Pipefitters payroll

- 7.34 The Company shall submit to the President of the Local Union by the fifteenth of each month, a list, in duplicate, showing additions or changes to such roster made during the previous month.

P. Changes in Policy

- 7.35 Any deviation from the seniority policy as herein set forth shall be by mutual agreement of the parties hereto.

**SECTION 8
Safety and Health**

- 8.0 The parties to this Agreement recognize that it is the exclusive responsibility of the Employer to ensure the safety and health of its employees. Nothing in this Agreement is intended to diminish the Employer's exclusive responsibility in this regard, or to make the Union and/or its officers, agents or representatives liable for any employee's job-related injury, illness or death.
- 8.1 The Company shall continue to make reasonable provisions for the safety and health of its employees at the plant during the hours of their employment. Protective devices, wearing apparel and other equipment necessary to properly protect employees from injury shall be provided by the Company in accordance with the practices now prevailing in the plant. Insofar as reasonably practicable considering the nature and requirements of the respective operations, suitable heating and ventilating systems shall be provided.

8.2

If an employee shall believe that there exists an unsafe condition, changes from the normal hazards inherent in the operation, so that the employee is in danger of injury, he shall notify his foreman of such danger and of the facts relating thereto. Thereafter, unless there shall be a dispute as to the existence of such unsafe condition, he shall have the right, subject to reasonable steps for protecting other employees and the equipment from injury, to be relieved from duty on the job in respect of which he has complained and to return to such job when such unsafe condition shall be remedied. The Company shall assign such employee to other available work at the plant. If the existence of such alleged unsafe condition shall be disputed, the Chairman of the Central Safety Committee and the Company's representative or his designee shall immediately investigate such alleged unsafe condition and determine whether it exists. If they shall not agree and the Chairman of the Central Safety Committee is of the opinion that such alleged unsafe condition exists, the employee shall have the right to present a grievance in writing to the Company's representative or his designee and thereafter to be relieved from duty on the job as stated above. Such grievance shall be presented without delay directly to an impartial umpire under the provisions of Section 6 of this Agreement, who shall determine whether such employee was justified in leaving the job because of the existence of such an unsafe condition.

8.2

The Chairman of the Union members of the Central Safety Committee as designated by the Union, will be afforded such time off without pay as may be required to transact legitimate business of the Central Safety Committee in his own or other departments after permission from his department head or his designated representative and after notice to and permission from the head of the department to be visited or his designated representative.

8.3

The Union and the Company shall each designate up to four (4) representatives to a joint committee which shall meet periodically, but not more frequently than once a month for the purpose of discussing matters of mutual concern relating to Worker's Compensation matters.

8.4

The Union agrees that it shall indemnify the Company and hold it harmless against any and all suits, claims, demands, liabilities that shall arise out of or by reason of any action or commission that its Committee or individuals cause to be brought about.

SECTION 9
Vacations

A. Eligibility

- 9.0 1. Each employee who has been continuously in the employ of the Company for one or more years shall receive in each calendar year during the continuance of this Agreement, vacation pay in accordance with the following table:

Years of Continuous Service	Vacation Time Off	Amount of Vacation Pay
1 or more	1 week	1 week's pay
3 or more	2 weeks	2 week's pay
6 or more	3 weeks	3 week's pay
15 or more	4 weeks	4 week's pay
23 or more	5 weeks	5 week's pay

- 9.1 Said length of service must be completed before the end of the calendar year in which the vacation is granted. Employees may be granted their vacation prior to the completion of such service but in such event shall not receive vacation pay until the pay period following the completion of the required length of service.

- 9.2 2. For the purpose of vacations, continuous service shall be defined as and shall be the sum of:

- 9.2a a. The aggregate of the time prior to September 1, 1956, during which an employee actually worked for the Company and received wages for his services commencing from the time an employee is first employed by the Company or reemployed by the Company after continuous service has been broken pursuant to the provisions of Subsection B of Section 7 hereof, plus

- 9.2b b. The amount of seniority accumulated and retained on and after September 1, 1956.

- 9.3 3. a. It is agreed that the intent of this section is to provide vacations to eligible employees who have been consistently employed. An employee shall be deemed to have been consistently employed for vacation purposes if he worked at least 920 hours within the twelve (12) calendar months immediately preceding January 1 of the year in which the vacation is to be taken. However an employee having worked less than 920 hours, but at least 750 hours, will receive fifty percent (50%) of his

vacation, based on years of service. An employee who completes one year of service after December 31st of the preceding calendar year shall have such computation based on the 12 months following the date of his employment. An employee with more than one year of continuous service, who in any year shall be ineligible for a vacation by reason of not having been consistently employed within the meaning of the foregoing provisions of this paragraph as a result of an absence on account of layoff or illness, shall receive one week's vacation with pay in such year if he shall not have been absent from work for six consecutive months in the 12 consecutive calendar months next preceding September 1,

- 9.4 b. An employee who fails to qualify as having been consistently employed in accordance with the terms of Paragraph 3-a, Subsection A, of this Section 9 because of absence due to compensable injury shall nevertheless be considered to have been consistently employed provided that compensation was paid to such employee and provided further that the employee actually had worked and drawn wages in some part of the base year for vacation computation. The base year for an employee who completes one year of service after December 31st of the preceding calendar year is the 12 months period following the date of his employment. An employee reinstated to employment following military service in a base year shall have such time of military service considered as time worked in considering his eligibility for a vacation in his vacation year.
- 9.5 c. Notwithstanding the employee's accumulation of one or more years of continuous service, the payment of accident compensation during the period of absence shall be in addition to such service eligibility.

B. Length of Vacation

- 9.6 Each week of vacation shall consist of seven (7) consecutive calendar days and employees shall take their vacations in one continuous period, provided, however, that in the event the orderly operations of the plant permit, vacation weeks to which an employee is entitled may by mutual agreement be scattered.

C. Scheduling of Vacation

- 9.7 1. Time off will be granted for vacations between January

1st and December 31st of each calendar year. The Company may shut down the plant or any department for a period of one (1) week or two (2) weeks (a two (2) week period may or may not be consecutive) to grant time off for vacations or it may schedule time off on an individual employee basis. In case the plant or a department is shut down for vacations, such shutdown shall occur between June 15 and the weekend preceding Labor Day. The Company will furnish to the Union and will post a ninety (90) day prior notice of a one or two week shutdown of the plant or a department for vacation purposes. The foregoing requirements of notice and time limitation may be waived by mutual agreement between the Company and the General Plant Grievance Committee for a one-week period of vacation for the employees of a department or a group at some time other than the period between June 15 and the weekend preceding Labor Day.

- 9.8 2. In the event vacations are scheduled on an individual employee basis, each eligible employee will be requested prior to January 1st of each calendar year, to designate the vacation period which he desires. If this plan is followed, vacations will so far as possible be granted at times most desired by employees, (by Plant Seniority within the Department), but the final right to change such allotments is exclusively reserved to the Company in order to insure the orderly operation of the plant.
- 9.8a In the scheduling of vacations on an individual basis, an employee who works 51% of his time in the Labor Pool in the base year shall select vacation in the Labor Pool. If an employee works 51% of his time in his Department, he will select his vacation in the Department.

D. Vacation Pay

- 9.9 Each employee granted a vacation will be paid at his average rate of straight time earnings per hour paid during the calendar year preceding the year in which the vacation is taken. Hours of vacation pay for each vacation week shall be the average hours per week worked by the employee during the calendar year preceding the year in which the vacation is taken, but not less than (a) forty (40) hours per week, or (b) the scheduled workweek of the plant, whichever is larger, nor more than (c) forty-eight (48) hours per week, or (d) the scheduled workweek of the plant, whichever is larger. Calculation of average hours per week and the average rate of straight time earnings per hour shall include the allowed hours for holidays not worked and holiday pay.

- 9.10 Vacation pay shall be paid to employees at the time vacation is taken after February 15th and only in the amount due for the vacation being taken at the time. Employees who take vacation between January 1st and February 15th shall be paid an estimated allowance at the time the vacation is taken and for the number of weeks taken. The difference, if any, is the allowance paid and the actual amount calculated according to the preceding paragraph, shall be paid with the pay received for the first full pay period worked following February 15th.

E. Special Vacation Benefit

- 9.11 In addition to any vacation benefit payable in accordance with other provisions of this Section 9 and to any benefits payable in accordance with the Pension Plan of the Company, each employee who retires under the terms of the Pension Plan and is entitled to receive either normal retirement benefits or a benefit applicable to early retirement as set forth in Article 3 of Pension Plan, shall receive at the time of retirement additional vacation benefit in accordance with the following table:

<u>Years of Service for Pension Purposes</u>	<u>Weeks of Pay</u>
15 or more	3
20 or more	4
25 or more	5

- 9.12 The amount of additional pay for each week of special vacation benefit shall be calculated in the same manner as set forth in Subsection D of this Section 9 for regular vacation pay.

F. Vacation Allowance in Lieu of Vacation

- 9.13 The Company may, with the consent of the employee, pay his vacation allowance in lieu of time off. The vacation allowance due such employee shall be calculated in the same way that vacation pay is calculated for an employee to whom a vacation is granted and shall be paid to such employee not later than the thirty-first day of December.

G. Quits and Discharges

- 9.14 No employee shall be eligible to receive any benefits under this Section 9 if he quits or is discharged prior to January 1st of the vacation year.

SECTION 10
Accrued Wages and other Benefits

- 10.0 Upon the death of an employee, any wages, vacation pay, or other benefit accrued to the employee but unpaid as of the date of his death shall be paid by the Company to the person or persons to whom payment shall be made of the proceeds of the employee's group life insurance policy; such payment shall be made in complete discharge of any and all liability of the Company for such accrued amounts.

SECTION 11
Management

- 11.0 The management of the shops and the direction of the working forces, including the right to hire, suspend or discharge for proper cause, or to transfer, and the right to relieve employees from duty because of lack of work, or for other legitimate reasons, shall be vested exclusively in the Company; provided that this will not be used contrary to the terms of this Agreement.

SECTION 12
Governmental Regulations

- 12.0 Any Federal or State legislation or governmental regulation which is or may be contrary to and supersede any provision of this Agreement shall automatically cancel such provision in conflict therewith but shall not affect the other provisions of this Agreement.

SECTION 13
Strikes and Lock-Outs

- 13.0 It is the intent of the parties to secure and sustain maximum productivity per employee during the term of this Agreement consistent with the principle of a fair day's work for a fair day's pay, and the objective of achieving the highest level of employee performance and efficiency consistent with safety, good health and sustained effort. The Union agrees that there shall be no strikes, work stoppage or interruption or impeding of work, and that neither it nor any of its agents or members will authorize, instigate, aid, engage in, or condone any such activities.
- 13.1 The Company agrees that during the same period there shall be no lockouts and that it will not permit or condone any action by any of the employees covered hereby which contribute to undue friction or which may provoke incidents which interfere with the attainment of such objectives.

Violators of this Section shall be dealt with by the Company by imposing such discipline or penalty as may be warranted by the offense.

SECTION 14

Posting of Notices on Bulletin Boards

- 14.0 The present bulletin boards may be used by the Union for posting notices of meetings of the Union, or elections, and for such other purpose as may be of mutual interest to the Company and the Union, provided, however, all such notices shall first be submitted by the Union to the Company and the Management's consent given for the posting of said notices.

SECTION 15

Prior Agreements

- 15.0 This Agreement terminates the Agreement of November 12, 2001. No grievance alleged because of conditions existing while any prior Agreement between the parties was in effect shall be presented for adjustment except insofar as the conditions upon which said grievance is based continue in effect and are the proper subject of a grievance under this Agreement. All grievances arising under the Agreement of November 12, 2002, are hereby automatically cancelled (except those which are now filed in writing in the second step) and may be reinstated only under the terms of this Agreement.

SECTION 16

Successorship

- 17.0 The Company agrees that it will not sell, convey, assign or otherwise transfer any plant or significant part thereof covered by the then existing Basic Labor Agreement between the Company and the Union to any other party (a "Buyer"), unless the following conditions have been satisfied prior to the closing date of the sale:
1. the Buyer shall have entered into an agreement with the Union recognizing it as the bargaining representative for the employees within the then existing Bargaining Units,
 2. the Buyer shall have
 - a. entered into an agreement with the Union establishing the terms and conditions of employment to be effective as of the closing date,

or

- b. agreed to assume the then existing Basic Labor Agreement, and
3. if requested by the Company, the Union will enter into negotiations with the Company on the subject of releasing and discharging the Company from any obligations, responsibilities and liabilities to the Union and the Employees and/or applicable individuals, except as the parties otherwise mutually agree.

This Section 16 is not intended to apply to (i) any transactions solely between the Company and any of its subsidiaries or affiliates, or between the Company and its Parent Company; (ii) transactions involving the sale of stock of the Company or its Parent or a merger of the Company or its Parent or (iii) a public offering of registered securities.

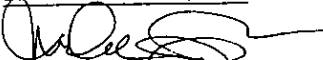
SECTION 17 Termination Date

- 17.0 1. The agreements of the parties contained in this Basic Agreement shall become effective as of July 23, 2002, and shall expire at 11:59 p.m., July 22, 2007.
- 17.1 2. Either party may on or before April 1, 2007, give notice to the other party of the desire of the party giving such notice to negotiate new agreements, provided, however, that the terms and conditions of said new agreements with respect to Insurance, and Pensions shall not be made effective before July 23, 2007. If such notice is given, the parties shall meet within thirty (30) days after April 1, 2007, to negotiate with respect to such matters. If the parties shall not agree with respect to matters negotiated by 11:59 p.m., July 22, 2007, either party may thereafter resort to strike or lockout as the case may be in support of its position.
- 17.2 3. 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, 5 Gateway Center, Pittsburgh, Pennsylvania 15222, and if by the Union to the Company at Burnham, Pennsylvania. Either party may, by like written notice change the address to which registered mail notice to it shall be given.

SECTION 18
Authorized Execution

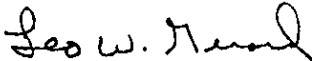
- 18.0 In witness whereof, the Company has caused these presents to be executed and delivered by its duly authorized officers, and the Union has caused this Agreement to be executed and delivered by its duly authorized officers and representatives.

STANDARD STEEL, LLC



Michael J. Farrell
President & CEO

UNITED STEELWORKERS OF AMERICA -- AFL-CIO-CLC



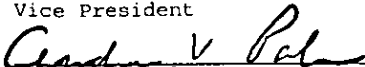
Leo W. Gerard
President



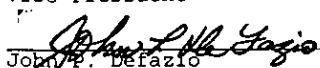
Jim English
Secretary/Treasurer



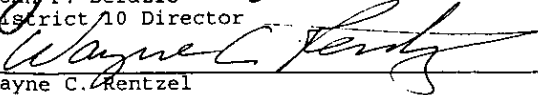
Leon Lynch
Vice President



Andrew V. Palm
Vice President



John P. DeFazio
District 10 Director



Wayne C. Rentzel
Staff Representative

LOCAL UNION 1940 (P. & M.) NEGOTIATING COMMITTEE

Wayne S. Hackett

Wayne S. Hackett
President - Local Union 1940

Fred E. Solt

Fred E. Solt
Negotiating Committeeman

Jeffrey P. Sulouff

Jeffrey P. Sulouff
Negotiating Committeeman

Warren H. Wray

Warren H. Wray
Negotiating Committeeman

Larry B. Cowan

Larry B. Cowan
Negotiating Committeeman

APPENDIX "A"

ALTERNATIVE WAGE SCALE

	Wage Reduction From The Standard Hourly Wage Scale	Restoration
Date Of Hire	\$2.00/hr.	\$.00/hr.
Completion Of Probationary Period	\$1.50/hr.	\$.50/hr.
Conclusion Of First Six Months (From Completion Of Probationary Period)	\$1.25/hr.	\$.75/hr.
Conclusion Of Second Six Months	\$1.00/hr.	\$1.00/hr.
Conclusion Of Third Six Months	\$.75/hr.	\$1.25/hr.
Conclusion Of Fourth Six Months	\$.50/hr.	\$1.50/hr.
Conclusion Of Fifth Six Months	\$.25/hr.	\$1.75/hr.
Conclusion Of Sixth Six Months	\$.00/hr.	\$2.00/hr.

On June 1, 2007, all employees receiving a reduced wage based on this Alternative Wage Agreement will be fully restored to the Standard Hourly Wage Scale.

This Agreement does not preclude employees from receiving progression increases within their job classification nor general increases agreed through Contract Negotiations.

APPENDIX "A"

The Standard Hourly Wage Scale for Production and Maintenance Employees shall be as follows:

Labor Grade	Rates Effective				
	<u>07/01/02</u>	<u>07/01/03</u>	<u>07/01/04</u>	<u>07/01/05</u>	<u>07/01/06</u>
A	\$11.835	\$11.835	\$12.585	\$13.335	\$14.002
B	11.972	11.972	12.722	13.472	14.146
C	12.108	12.108	12.858	13.608	14.288
D	12.244	12.244	12.994	13.744	14.431
E	12.380	12.380	13.130	13.880	14.574
F	12.517	12.517	13.267	14.017	14.718
G	12.653	12.653	13.403	14.153	14.861
H	12.789	12.789	13.539	14.289	15.003
I	12.925	12.925	13.675	14.425	15.146
J	13.062	13.062	13.812	14.562	15.290
K	13.198	13.198	13.948	14.698	15.433
L	13.334	13.334	14.048	14.834	15.576
M	13.470	13.470	14.220	14.970	15.719
N	13.607	13.607	14.357	15.107	15.862
O	13.743	13.743	14.493	15.243	16.005
P	13.879	13.879	14.629	15.379	16.148
Q	14.015	14.015	14.765	15.515	16.291
R	14.151	14.151	14.901	15.651	16.434
S	14.288	14.288	15.038	15.788	16.577
T	14.424	14.424	15.174	15.924	16.720
U	14.560	14.560	15.310	16.060	16.863
V	14.696	14.696	15.446	16.196	17.006

APPENDIX "A-1"

The Hourly Wage Scale of Rates for Employees Paid on an Incentive, Tonnage or Piecework Basis shall be as follows:

Labor Grade	Incentive	Rates Effective Hourly Additive				
		<u>07/01/02</u>	<u>07/01/03</u>	<u>07/01/04</u>	<u>07/01/05</u>	<u>07/01/06</u>
A-1	\$2.650	<u>\$9.185</u>	<u>\$9.185</u>	<u>\$9.935</u>	<u>\$10.685</u>	<u>\$11.352</u>
A-2	2.650	<u>9.185</u>	<u>9.185</u>	<u>9.935</u>	<u>10.685</u>	<u>11.352</u>
B-3	2.660	<u>9.312</u>	<u>9.312</u>	<u>10.062</u>	<u>10.812</u>	<u>11.486</u>
B-4	2.660	<u>9.312</u>	<u>9.312</u>	<u>10.062</u>	<u>10.812</u>	<u>11.486</u>
B-5	2.660	<u>9.312</u>	<u>9.312</u>	<u>10.062</u>	<u>10.812</u>	<u>11.486</u>
C-6	2.690	<u>9.418</u>	<u>9.418</u>	<u>10.168</u>	<u>10.918</u>	<u>11.598</u>
C-7	2.710	<u>9.398</u>	<u>9.398</u>	<u>10.148</u>	<u>10.898</u>	<u>11.578</u>
C-8	2.725	<u>9.383</u>	<u>9.383</u>	<u>10.133</u>	<u>10.883</u>	<u>11.563</u>
D-9	2.755	<u>9.489</u>	<u>9.489</u>	<u>10.239</u>	<u>10.989</u>	<u>11.676</u>
D-10	2.775	<u>9.469</u>	<u>9.469</u>	<u>10.219</u>	<u>10.969</u>	<u>11.656</u>
D-11	2.790	<u>9.454</u>	<u>9.454</u>	<u>10.204</u>	<u>10.954</u>	<u>11.641</u>
E-12	2.820	<u>9.560</u>	<u>9.560</u>	<u>10.310</u>	<u>11.060</u>	<u>11.754</u>
E-13	2.840	<u>9.540</u>	<u>9.540</u>	<u>10.290</u>	<u>11.040</u>	<u>11.734</u>
E-14	2.855	<u>9.525</u>	<u>9.525</u>	<u>10.275</u>	<u>11.025</u>	<u>11.719</u>
F-15	2.885	<u>9.632</u>	<u>9.632</u>	<u>10.382</u>	<u>11.132</u>	<u>11.833</u>
F-16	2.905	<u>9.612</u>	<u>9.612</u>	<u>10.362</u>	<u>11.112</u>	<u>11.813</u>
F-17	2.920	<u>9.597</u>	<u>9.597</u>	<u>10.347</u>	<u>11.097</u>	<u>11.798</u>
G-18	2.950	<u>9.703</u>	<u>9.703</u>	<u>10.453</u>	<u>11.203</u>	<u>11.911</u>
G-19	2.970	<u>9.683</u>	<u>9.683</u>	<u>10.433</u>	<u>11.183</u>	<u>11.891</u>
G-20	2.985	<u>9.668</u>	<u>9.668</u>	<u>10.418</u>	<u>11.168</u>	<u>11.876</u>
H-21	3.015	<u>9.774</u>	<u>9.774</u>	<u>10.524</u>	<u>11.274</u>	<u>11.988</u>
H-22	3.035	<u>9.754</u>	<u>9.754</u>	<u>10.504</u>	<u>11.254</u>	<u>11.968</u>
H-23	3.050	<u>9.739</u>	<u>9.739</u>	<u>10.489</u>	<u>11.239</u>	<u>11.953</u>
I-24	3.080	<u>9.845</u>	<u>9.845</u>	<u>10.595</u>	<u>11.345</u>	<u>12.066</u>
I-25	3.100	<u>9.825</u>	<u>9.825</u>	<u>10.575</u>	<u>11.325</u>	<u>12.046</u>

Labor Grade	Incentive	Rates Effective Hourly Additive				
		07/01/02	07/01/03	07/01/04	07/01/05	07/01/06
I-26	3.115	9.810	9.810	10.560	11.310	12.031
J-27	3.145	9.917	9.917	10.667	11.417	12.145
J-28	3.165	9.897	9.897	10.647	11.397	12.125
J-29	3.180	9.882	9.882	10.632	11.382	12.110
K-30	3.210	9.988	9.988	10.738	11.488	12.223
K-31	3.230	9.968	9.968	10.718	11.468	12.203
K-32	3.245	9.953	9.953	10.703	11.453	12.188
L-33	3.275	10.059	10.059	10.809	11.559	12.301
L-34	3.295	10.039	10.039	10.789	11.539	12.281
L-35	3.310	10.024	10.024	10.774	11.524	12.266
M-36	3.340	10.130	10.130	10.880	11.630	12.379
M-37	3.360	10.110	10.110	10.860	11.610	12.359
M-38	3.375	10.095	10.095	10.845	11.595	12.344
N-39	3.405	10.202	10.202	10.952	11.702	12.457
N-40	3.425	10.182	10.182	10.932	11.682	12.437
N-41	3.440	10.167	10.167	10.917	11.667	12.422
O-42	3.470	10.273	10.273	11.023	11.773	12.535
O-43	3.490	10.253	10.253	11.003	11.753	12.515
O-44	3.505	10.238	10.238	10.988	11.738	12.500
P-45	3.535	10.344	10.344	11.094	11.844	12.613
P-46	3.555	10.324	10.324	11.074	11.824	12.593
P-47	3.570	10.309	10.309	11.059	11.809	12.578
Q-48	3.600	10.415	10.415	11.165	11.915	12.691
Q-49	3.620	10.395	10.395	11.145	11.895	12.671
Q-50	3.635	10.380	10.380	11.130	11.880	12.656
R-51	3.665	10.486	10.486	11.236	11.986	12.769
R-52	3.685	10.466	10.466	11.216	11.966	12.749
R-53	3.700	10.451	10.451	11.201	11.951	12.734
S-54	3.730	10.558	10.558	11.308	12.058	12.847

Labor Grade	Incentive	Rates Effective Hourly Additive				
		<u>07/01/02</u>	<u>07/01/03</u>	<u>07/01/04</u>	<u>07/01/05</u>	<u>07/01/06</u>
S-55	3.750	10.538	<u>10.538</u>	<u>11.288</u>	<u>12.038</u>	<u>12.827</u>
S-56	3.765	10.523	<u>10.523</u>	<u>11.273</u>	<u>12.023</u>	<u>12.812</u>
T-57	3.795	10.629	<u>10.629</u>	<u>11.379</u>	<u>12.129</u>	<u>12.925</u>
T-58	3.815	10.609	<u>10.609</u>	<u>11.359</u>	<u>12.109</u>	<u>12.905</u>
T-59	3.830	10.594	<u>10.594</u>	<u>11.344</u>	<u>12.094</u>	<u>12.890</u>
U-60	3.860	10.700	<u>10.700</u>	<u>11.450</u>	<u>12.200</u>	<u>13.003</u>
U-61	3.880	10.680	<u>10.680</u>	<u>11.430</u>	<u>12.180</u>	<u>12.983</u>
U-62	3.895	10.665	<u>10.665</u>	<u>11.415</u>	<u>12.165</u>	<u>12.968</u>
V-63	3.925	10.771	<u>10.771</u>	<u>11.521</u>	<u>12.271</u>	<u>13.081</u>
V-64	3.945	10.751	<u>10.751</u>	<u>11.501</u>	<u>12.251</u>	<u>13.061</u>
V-65	3.960	10.736	<u>10.736</u>	<u>11.486</u>	<u>12.236</u>	<u>13.046</u>

In conjunction with the parties' commitments outlined in Section I - Purpose and Objections of this Agreement, the parties further agree to embrace the following concepts:

CONTINUOUS IMPROVEMENT

It is mutually recognized that the long-term success of the business depends upon continuous improvement and that all employees must be involved in the improvement process. The Union and the Company will cooperate in the continuous implementation of projects, practices, and procedures that improve productivity and quality.

TOTAL QUALITY MANAGEMENT

It is mutually recognized that the long-term success of the business depends upon the successful implementation of the principles of Total Quality Management. The Union and the Company will cooperate to build the organization culture to a quality way of operation and management to improve competitiveness and to prosper.

- *Integrate and promote quality management.
- *Build an organization responsive to customer needs and wants.
- *Consistently provide value to the customer.
- *Achieve continuous improvement.

TOTAL PRODUCTIVE MAINTENANCE

The Union and the Company are committed to the implementation of Total Productive Maintenance. It is not the intent of this provision to develop production operators into maintenance craftsmen or for maintenance craftsmen to function as production operators. The basic principles of TPM are:

1. Operators perform basic functions of inspection, cleaning, lubrication, bolting, etc.
2. Operators and maintenance working as a team.
3. Requires an expanded skill base - operator & maintenance training is a key element for implementation.
4. Work planning and predictive and preventative maintenance programs are very important.
5. Equipment must be designed for ease of operation/maintenance. Utilize total life cycle cost approach to equipment management.
6. Need to restore existing equipment to normal operating conditions and design away maintenance problems.
7. Need management systems to monitor and support program. Visible displays of performance vs. goals is important.
8. Good housekeeping.
9. Must be a joint effort - management, union & employees. Employee involvement is the key to success.
10. Utilizes autonomous small group activities.

APPENDIX A-3

Letters Of Understanding

The Letters Of Understanding listed below were considered active as of July 1, 2002. During the life of this Labor Agreement, some of these letters may be replaced with new understandings or eliminated without being replaced. The letters are available in the Human Resources Department and the Union Hall:

06/18/02 -- Voluntary Layoff -- Short Term
03/18/02 -- Preferential Seniority -- Subcommitteemen
02/01/02 -- Modified Grievance Procedure
01/15/02 -- Holiday Pay Eligibility
11/19/01 -- Job Elimination - Permanent Layoff
11/19/01 -- Voluntary Layoff
11/07/01 -- Millwright Seniority Unit
11/07/01 -- Overtime Equalization
10/25/01 -- Job Line Freezing
10/25/01 -- Plant Bidding -- Limitations
10/25/01 -- Three-Week Rule - M.S.#1
04/28/98 -- Drug and Alcohol Testing
10/30/96 -- Spendiff -- Investment in Plant
10/29/96 -- Decision-making input
10/29/96 -- Legal stoppage -- Hiring Permanent replacement workers
10/29/96 -- Replacement of Piece Rate Incentive Plans with Bonus Type Plans
10/29/96 -- Sale of Plant
10/29/96 -- Vacation pay in lieu of time off
10/22/96 -- Alternative Wage Scale -- Hired after 11/01/96
10/22/96 -- New Job Evaluation Program
10/21/96 -- Leave of Absence for second Union Officer
09/30/96 -- Contracting out -- Work seven days
09/18/96 -- Special transfer (Letter May 7)
06/27/96 -- Maximum number of consecutive days employees may be required to work
06/14/96 -- Voluntary elimination of "Additional" and "Relief" classifications
06/12/96 -- Bumpable Job List -- Eliminations
06/12/96 -- Withdraw of acceptance bids
06/10/96 -- Combining Product Inspection and N.D.T. Units
06/06/96 -- Waiving of rights to jobs on the Bumpable Job List
06/05/96 -- Realignment for shift
06/05/96 -- Reorganizing Machine Groups in M.S.#1 - Ring Section
05/14/96 -- Conditions under which freezing in Job Lines may be accomplished
05/07/96 -- Special transfers
04/12/96 -- Worker's Comp. disability -- Life insurance
02/28/96 -- Job Line freezing

Letters Of Understanding

- 02/14/96 -- Guidelines on Repair Technician classification
- 02/09/96 -- Work Rule Policy
- 02/01/96 -- Melter/Pit Foreman Agreement
- 01/12/96 -- Cancellation of operations
- 01/03/96 -- Alcohol Policy
- 12/13/95 -- Work Leader classification
- 10/09/95 -- Movement of parts -- Maintenance or Internal Transportation
- 07/21/95 -- Funeral leave -- Step or foster parent
- 04/26/95 -- Funeral leave
- 03/08/95 -- Vacation benefit for retiree -- Disability pension
- 02/15/95 -- Clarification of Job Lines
- 02/08/95 -- Contracting out
- 02/08/95 -- Job postings to include copy of Job Descriptions
- 09/26/94 -- Special transfers
- 07/01/94 -- Layoff in excess of one year
- 06/15/94 -- Leave of absence proposal
- 05/05/94 -- Vacation pay paid to beneficiary of deceased employee
- 04/28/94 -- Absent for physical reasons
- 04/15/94 -- Attendance Policy
- 02/28/96 -- Demotion for medical reason -- Guidelines
- 02/09/94 -- Utilization of Additional or Relief classifications to avoid layoff
- 01/24/94 -- Additional/Relief
- 12/27/93 -- Attendance/recognition letter
- 10/28/93 -- FMLA -- Comply with
- 10/28/93 -- Union part of interviewing process
- 10/26/93 -- Agreement voided on bumping between V.A.R. and Melt Shop classifications
- 10/26/93 -- Employees may waive rights to work in Labor Pool -- including Home Department
- 10/26/93 -- Vacation in days -- Hours worked
- 10/26/93 -- Vacation pay for Union business
- 10/22/93 -- New hires -- Meet with Union
- 12/23/92 -- Three-week rule
- 10/02/91 -- Gambling policy
- 08/15/91 -- Noneconomics:
 - ADA Guidelines
 - Compare average wages
 - Discussed 60-15 retirement
 - Finalized Multi-Craft Agreement
 - Joint investigations
 - No temporary Permanent classification
 - One-day vacations
 - Profit Sharing language changes
 - Recall/return rights
 - Safety Chairperson -- Accident reports
 - State Grant for training
 - Travel Policy

Letters Of Understanding

- 03/14/91 -- Health care -- Lifetime maximum
- 11/20/89 -- Funeral leave
- 02/17/89 -- Contracting out -- Setting standards
 - Copies of all Agreement letters to Union
 - Health care costs -- Reward if reduced
 - Monthly meetings with Union
 - New ownership
 - Offer training
- 10/25/88 -- New Hire Put money in Plane Department
- 07/01/87 -- Sexual Harassment policy
- 12/09/86 -- Holiday -- Day before Christmas
- 10/29/86 -- Recognition -- Worker's Compensation Committee
- 10/29/86 -- Multi-Craft
 - Ring Mill employees change cassettes
 - 60-15 retirement -- One-time offer
- 10/28/83 -- Preferential seniority -- Subcommitteemen
 - Shift preference -- Additional/Relief
- 12/27/83 -- Demotion to Seniority Pools
 - Job combinations within Department
 - Signing out of Labor Pool
 - Transfer of employees
- 01/28/82 -- Internal Transportation policy
- 11/18/81 -- Overtime Policies
- 04/22/81 -- Union absence
- 04/03/81 -- Drug and Alcohol
- 12/17/80 -- Holiday eligibility
- 10/30/80 -- Equitable distribution of overtime
- 10/29/80 -- Vacation matters: Selling, trading, prime time
- 10/27/80 -- Granting classifications with reasonable proof of job performance
 - Holiday pay for holiday during vacation week
 - Job line bids
 - Labor/Management meetings
 - Notification following illness -- Thursday, 9 a.m.
 - Pay authorization for Grievance settlements
 - Seniority by Social Security numbers
- 03/01/79 -- EEOC
- 02/14/78 -- Stores/Transportation
- 10/11/77 -- Overtime shared equally
- 10/17/73 -- Shift trading

APPENDIX B

Modified Labor Agreement

1. Parties

The parties to this Agreement shall be Standard Steel LLC (hereinafter referred to as "Standard Steel, LLC" or the "Company") and the United Steelworkers of America, AFL-CIO, CLC (the "USWA" or the "Union").

The Company agrees to not, directly or indirectly, in any way transfer any plant, operation, or material assets covered by this Agreement or transfer any liabilities under this Agreement with the intention of avoiding its obligations hereunder. To the extent that the Company makes such a transfer, the transferee shall be deemed responsible for the Company's liabilities under this Agreement.

2. Restatement and Modification

The agreement concerning the terms and conditions of employment of the bargaining unit employees of the Company represented by the Union shall be the terms of the CBAs between Freedom Forge and the Union as expressly modified herein by this Modified Labor Agreement ("MLA"). The parties shall meet promptly following ratification to incorporate to the current CBA the changes set forth herein.

The modifications to the current CBA are as follows:

- a. Profit sharing, as set forth in Appendix B-1.
- b. Upstreaming, as set forth in Appendix B-2.
- c. Participation in Annual Budget Meeting, as set forth in Appendix B-3.
- d. Investment Commitment, as set forth in Appendix B-4.
- e. Pensions, as set forth in Appendix B-5.
- f. Wages & Healthcare Benefits, as set forth in Appendix B-6.

- g. Successorship, as set forth in Section 16.
- h. Standard Steel, LLC Benefit Trust, as set forth in Appendix B-7.
- i. Job Combinations, as set forth in Appendix B-8.
- j. Equality of Sacrifice, as set forth in Appendix B-9.
- k. Pension Accrual for workers' Compensation Claims, as set forth in Appendix B-10.
- l. Neutrality, as set forth in Appendix B-11.

The Company will assume responsibility for all outstanding workers compensation claims, sickness and accident claims, grievances, and vacation benefits of bargaining unit employees of Freedom Forge. The Company's obligation with respect to grievances of Freedom Forge shall be limited to those arising after ratification of the MLA and prior to the closing of the Acquisition which relate to discharge, suspension, discipline, each without just cause, or like subjects. The Company will treat as final and binding any order rendered by an arbitrator in such a case.

Other than as stated above the Company is not responsible for any claims or matters arising under the existing CBAs between Freedom Forge and the Union.

As used in this MLA and in the modification provisions identified above, the term Effective Date shall mean July 1, 2002.

"APPENDIX B-1"

Profit Sharing

1. Introduction:

The parties agree to establish a profit sharing plan (the "Plan"). The Plan Year for purposes of the Plan shall be the Company's fiscal year.

2. Level of Payout:

The Company agrees that it will create a profit sharing pool (the "Pool") consisting of twenty percent (20%) of the Company's Quarterly Profits, as defined below, and to distribute the Pool within 45 days of the end of each fiscal quarter, in the manner described below. Losses in a quarter will offset profits earned in a later quarter of the same Plan Year.

3. Calculation of Profits:

For the purposes of this Plan, Profits shall be defined as Earnings Before Interest and Taxes, less "Bank Interest" (herein, "EBT") of the Company calculated on a consolidated basis in accordance with the United States Generally Accepted Accounting Policies ("GAAP"), with the following items to be excluded from such calculation.

- A. Income or loss related to any charges or credits (whether or not identified as special credits or charges) for unusual, infrequently occurring or extraordinary items, including credits or charges for plant closures, business dispositions and asset sales that are not normal operating charges or credits of the Company; and
- B. Any cost or expense associated with the Plan or any other profit sharing or similar plan for any of the Company's employees.

In calculating EBT, the Company shall include as a deduction from income in each year the sum of depreciation and capital expenditures for the year divided by two (2).

In calculating EBT above, "Bank Interest" shall not exceed the lesser of (i) actual interest on senior indebtedness or (ii) \$2 million in fiscal year 2002; \$1.6 million in fiscal year 2003; and \$1.2 million in each fiscal year thereafter.

4. Individual Entitlement:

The Pool will be divided as follows:

A. 75% of the Pool will be divided among all USWA-represented employees covered by the Basic Labor Agreement ("Participants") on the basis of the Hours (as defined below) of each such Participant in the calendar weeks within each fiscal quarter.

1. Hours shall include the following, but shall not exceed 40 hours for any week for any Participant. Hours worked (including straight time and overtime hours), vacation and holiday hours at the rate of eight (8) hours for each holiday or day of vacation and hours on USWA business.

2. Any payments made to a Participant pursuant to this Profit Sharing Plan shall not be included in the Participant's earnings for purposes of determining any other pay, benefit, or allowance of the Participant.

B. 25% of the Pool will be contributed to the Benefit Trust.

5. Form of Payment:

a. For any fiscal quarter ending during the first three (3) years of the MLA, the Company may defer 50% of the payment of its profit sharing obligation ("PSO") to an individual (but not to the Benefit Trust) (a "Deferred Profit Sharing Payment" or "DPSP") until the earliest of:

- (i) that individual's death or retirement;
- (ii) three (3) years from the end of the fiscal quarter in which the PSO is earned;

- (iii) six (6) years from the Effective Date;
and
- (iv) a change in control of the Company.
- b. Any DPSP shall accrue interest at 10% from the end of the fiscal quarter in which the PSO was earned.
- c. At the time of the cash payment of a DPSP, employees shall be given the option of having their DPSP paid in cash or directing the Company to make a cash contribution to their 401(k) account.
- d. The obligations contained in this paragraph 5 shall be contained in an agreement between the Company and the Union that expires eight (8) years from the Effective Date.

6. Administration of the Plan:

- A. The Plan will be administered by the Company in accordance with its terms and the costs of administration shall be the responsibility of the Company. Upon determination of each Quarterly Profit calculation, such calculation shall be forwarded to the Chair of the Union Negotiating Committee accompanied by a Certificate of Officer signed by the Chief Financial Officer of the Company, providing a detailed description of any adjustment made to Earnings Before Interest and Taxes and stating that EBT was determined in accordance with GAAP and that Quarterly Profit was calculated in accordance with this Appendix.
- B. The Union, through its Negotiating Committee Chair or his/her designee, shall have the right to review and audit any information, calculation or other matters concerning the Plan. The Company shall provide said designee with any information reasonably requested in connection with such review. The reasonable actual costs incurred by the Union in connection with any such audit shall be paid from the Pool and deducted from the amount otherwise available under the Pool for distribution to employees.
- C. In the event that a discrepancy exists between the Company's Profit Sharing calculation and the results obtained by the Union designee's review, the Company

Chair and the Union Chair of the respective Negotiating Committees shall attempt to reach an agreement regarding the discrepancy. In the event that they cannot resolve the dispute, either party may submit such dispute to final and binding arbitration under the Grievance Procedure outlined in the Basic Labor Agreement.

7. Prompt Payment:

Notwithstanding the above, the Company shall comply with the requirements of paragraph's 2-5 above based on its interpretation of the appropriate payout. If the process described in paragraph 6 above results in a requirement for an additional payout, said payout shall be made no more than 14 days after the date of agreed resolution or issuance of the Arbitrator's award.

8. Summary Description:

The parties will jointly develop a description of the calculations used to derive profit sharing payments under the Plan for each quarter and distribute same to each Participant.

APPENDIX B-2

Upstreaming

1. For the period from the Effective Date through December 31, 2004, the Company agrees that it will not, other than for full and fair value, directly or indirectly pay, lend or otherwise transfer any assets, cash, or other item of value to any person or entity who directly or indirectly owns or controls any equity or equity-like interest in the Company (herein, "Upstreaming").

2. For the period beginning January 1, 2005, the Company agrees that it shall not engage in any Upstreaming, unless:
 - (a) The Company is in full compliance with all of its obligations under the collective bargaining agreement; and

 - (b) All DPSPs issued in connection with the Profit Sharing Plan (Appendix A-3) have been fully paid in cash; and

 - (c) After giving effect to the Upstreaming, the Company shall have not less than \$10 million in liquidity and/or availability under its line of credit.

3. All transactions between the Company and any other person or entity shall be conducted on an arms-length basis.

APPENDIX B-3

Participation In Annual Budget Meeting

The Company agrees to permit a member of the Union and its designated representative and its professional to participate fully (but not vote) in the meeting of the Company's Board of Directors at which the annual budget is considered and adopted and any follow-up meetings of the Company's Board of Directors relating to the budget. The Company shall meet with the Union prior to making a major acquisition, divestiture or major investment.

APPENDIX B-4

Investment Commitment

The Company agrees that is:

- (i) will not make any investment outside its current product and market areas without the approval of the Union (such approval to not be unreasonably withheld); and

- (ii) will give priority consideration in its investment and capital expenditure decisions to facilities covered by this collective bargaining agreement.

APPENDIX B-5

Pensions

The Company agrees to modify its contribution to the Steelworkers Pension Trust as follows:

<u>Calendar Year</u>	<u>Modified Contributions</u>
<u>2002</u>	<u>\$.50 per hour</u>
<u>2003</u>	<u>\$.50 per hour</u>
<u>2004</u>	<u>\$.60 per hour</u>
<u>2005</u>	<u>\$.65 per hour</u>
<u>2006</u>	<u>\$.65 per hour</u>
<u>2007</u>	<u>\$.70 per hour</u>

APPENDIX B-6

Wages and Healthcare Benefits

Wages:

<u>07/01/02</u>	<u>No change</u>
<u>07/01/03</u>	<u>No change</u>
<u>07/01/04</u>	<u>\$.75 increase</u>
<u>07/01/05</u>	<u>\$.75 increase</u>
<u>07/01/06</u>	<u>5.0% increase</u>

Health Care:

<u>07/01/02 - 06/30/03</u>	<u>10% contribution</u>
<u>07/01/03 - 06/30/04</u>	<u>10% contribution</u>
<u>07/01/04 - 06/30/05</u>	<u>5% contribution</u>
<u>07/01/05 - 06/30/06</u>	<u>0% contribution</u>
<u>07/01/06 - 06/30/07</u>	<u>0% contribution</u>

Prescription:

The Company shall provide prescription coverage to all Bargaining Unit employees under its health plans in an amount equal to the best combination of such coverage for a 90-day period that currently exists at its Burnham and Latrobe plants.

Benefit Trust Contributions (with contribution amounts paid for each bargaining unit hour paid):

<u>Calendar Year</u>	<u>Contribution</u>
<u>2002</u>	<u>\$.75</u>
<u>2003</u>	<u>\$.75</u>
<u>2004</u>	<u>\$.80</u>
<u>2005</u>	<u>\$.80</u>
<u>2006</u>	<u>\$.85</u>
<u>2007</u>	<u>\$.85</u>

Holidays:

Eliminate for period of 07/01/02 through 06/30/04:

- (i) Burnham: Good Friday
3rd Day of Buck Season

Life Insurance:

Reduce by 50% for period of 07/01/02 through 06/30/04.

Safety Shoes:

Eliminate safety shoes reimbursement for period of 07/01/02 through 06/30/04.

Vacation:

Will be reduced by one (1) week per year for the period of 07/01/02 through 06/30/04. Employee will have option of taking time-off without pay, with such time-off to be treated as a voluntary layoff.

APPENDIX B-7

Standard Steel, LLC Benefit Trust

Trust:

The Company will establish a Benefit Trust dedicated to the payment of certain post employment health care and life insurance benefits as set forth herein.

Beneficiaries:

Retirees and dependents from USWA-represented bargaining units of the Company and retirees and dependents from USWA-represented bargaining units of the predecessor company who were entitled to receive post employment health care and life insurance benefits.

Company Contributions:

The Company shall contribute to the Benefit Trust the amounts set forth at Appendix B-6 to this MLA. Contributions shall be paid by the 15th of the month of following the month in which the hours are paid. The Company's obligations and liabilities shall be limited to making the contributions and paying the administrative and other costs described within this Agreement. Upon the Effective Date, the Company shall contribute \$100,000.00 to the Benefit Trust, which amount will be offset in equal installments against those Company contributions to the Benefit Trust to be made between November 1, 2002 and June 30, 2003 (or the fourth through twelfth months following the Effective Date).

Review of Contributions:

Upon determination of the amount of any Company Contribution, such calculation shall be forwarded to the Union for review. The Union shall have the right to review and audit any information, calculation or other matter concerning the determination of the Company Contribution. The Company shall provide the Union with any information reasonably requested in connection with such review. The parties shall confer upon and implement a dispute resolution procedure.

Benefits:

The assets of the Benefit Trust shall be used to fund, in accordance with a formula to be adopted by the parties, the pro-rata cost of post-employment health care and life insurance benefits based upon the ratio of Beneficiaries to all plan participants. This cost shall be referred to as the "Beneficiary Share". In the event the assets of the Trust are not sufficient to satisfy the full monthly cost of the Beneficiary Share, the Beneficiaries shall pay the remaining balance of the Beneficiary Share to the Company in a manner to be agreed upon. In all events, retirees, to the extent available, will participate in the same health and life insurance program as provided by the Company for its active employees. The Committee will determine an appropriate benefit for any group of retirees not able to participate in the program of benefits provided by the Company for its active employees.

The terms of the program for post-employment health care and life insurance benefits, including any applicable eligibility requirements, shall be negotiated and set forth in the collective bargaining agreement between the Company and the USWA.

Expenses:

The costs of establishing and administering the Benefit Trust shall be paid by the Company.

Trust Agreement:

The Company shall adopt a Trust Agreement establishing the Benefit Trust that is mutually acceptable to the parties.

Administration:

The Company will administer the Benefit Trust, pay premiums from the assets of the Benefit Trust, and receive payments from Beneficiaries as may be required.

APPENDIX B-8

Job Combinations

Melt Shop: One (1) Utility when #3 is not operating, or, out of Scrap Yard with two (2) Furnaces operating (1)

M.S.#2: R.C.O. Crane (1)

M.S.#1: Layout/Janitor (1)

M.S.#1: Bay 30 - Fireman Leader (3)

M.S.#1: Utility - "B" Shift elimination (3)

M.S.#1: Marker or Crates (1)

S.P.C.: Welder - 3-to-2 - wirefeed (capital) (1)

Maintenance (Carpenters Repair Shop) (4)

L.R.M. (2)

C.D.F.S.: C.O. eliminated (capital) (3)

The Parties agree that the elimination of the above jobs is an essential element of this Modified Labor Agreement. To the extent that the above-designated jobs are not eliminated, the Parties will meet to designate other jobs for elimination and/or some other form of savings consistent with the intent herein.

APPENDIX B-9

Equality Of Sacrifice

1. Any improvement in the salaries and benefits of non-bargaining unit employees, as a whole, over their salaries and benefits on the Effective Date shall be no greater during the period of this Agreement than any improvement in the wages and benefits of the bargaining unit employees over their wages and benefits on the Effective Date.

2. The Company shall provide the Union on an annual basis with the necessary information to verify the above commitment. At the Union's request, the parties will meet to discuss any questions as to whether this commitment has been fulfilled and to resolve any dispute over such questions.

3. The Union shall have the right to audit and enforce compliance with this Appendix.

APPENDIX B-10

Pension Accrual for Workers' Compensation Claimants

1. Employees absent pursuant to a workers' compensation leave of absence that commenced less than three (3) years prior to the Effective Date shall accrue service for purposes of the Steelworkers Pension Trust ("SPT") only for three (3) years from the commencement of said leave of absence and the Company shall make all necessary contributions to the SPT for that period.
2. Employees absent pursuant to a workers' compensation leave of absence that commenced more than three (3) years prior to the Effective Date shall accrue service for purposes of the SPT only for one (1) year from the Effective Date and the Company shall make all necessary contributions to the SPT for that period.
3. Employees absent pursuant to a workers' compensation leave of absence that commenced on or after the Effective Date shall accrue service for purposes of the SPT only for one (1) year from the commencement of said leave of absence and the Company shall make all necessary contributions to the SPT for that period.

APPENDIX B-11

Neutrality

A. Introduction:

The Company and the United Steelworkers of America ("USWA" or "the Union") have developed a constructive and harmonious relationship built on trust, integrity and mutual respect. The parties place a high value in the continuation and improvement of that relationship.

B. Neutrality:

To underscore the Company's commitment in this matter, it agrees to adopt a position of neutrality in the event that the Union seeks to represent any non-represented employees of the Company.

Neutrality means that, except as explicitly provided herein, the Company will not in any way, directly or indirectly, involve itself in efforts by the Union to represent the Company's employees, or efforts by its employees to investigate or pursue unionization.

The Company's commitments to remain neutral as outlined above shall cease if the Company demonstrates to the Arbitrator under Section G herein that during the course of an Organizing Campaign (as defined in C below), the Union is intentionally or repeatedly (after having the matter called to the Union's attention) materially misrepresenting to the employees the facts surrounding their employment or is conducting a campaign demeaning the integrity or character of the Company or its representatives.

C. Organizing Procedures:

Prior to the Union distributing authorization cards to non-represented employees at a Covered Workplace (meaning any workplace which is: (i) controlled by the Company, as the Company is defined in Section E herein; and (ii) employs or intends to employ employees who are eligible to be represented by a labor organization in any unit(s) appropriate for bargaining), the Union shall provide the company with written notification (the "Written Notification") that an organizing campaign (the "Organizing Campaign") will begin. The Written Notification will include a description of the proposed bargaining unit.

The Organizing Campaign shall begin immediately upon provision of Written Notification and continue until the earliest of: (i) the Union gaining recognition under C-5 and C-6 below; (ii) written notification by the Union that it wishes to discontinue the Organizing Campaign; or (iii) 90 days from provision of Written Notification to the Company.

There shall be no more than one (1) Organizing Campaign in any 12-month period.

Upon Written Notification, the following shall occur:

1. Notice Posting:

The Company shall post a notice on all bulletin boards at all Covered Workplaces where employees eligible to be represented within the proposed bargaining unit work and where notices are customarily posted. This notice shall read as follows:

"NOTICE TO EMPLOYEES

We have been formally advised that the United Steelworkers of America is conducting an organizing campaign among certain of our employees. This is to advise you that:

1. The Company does not oppose collective bargaining or the unionization of our employees.
2. The choice of whether or not to be represented by a union is yours alone to make.
3. We will not interfere in any way with your exercise of that choice.
4. The Union will conduct its organizing effort over the next 90 days.
5. In their conduct of the organizing effort, the Union and its representatives are prohibited from misrepresenting the facts surrounding your employment. Nor may they demean the integrity or character of the Company or its representatives.
6. If the Union secures a simple majority of authorization cards, subject to verification, of the employees in [insert description of

bargaining unit provided by the Union the Company shall recognize the Union as the exclusive representative of such employees without a secret ballot election conducted by the National Labor Relations Board.

7. The authorization cards must unambiguously state that the signing employees desire to designate the Union as their exclusive representative.
8. Employee signatures on the authorization cards will be verified by a third party neutral chosen by the Company and the Union."

The amended version of this notice as described above will be posted as soon as the Unit Determination procedure in C-3 below is completed.

In addition, following receipt of Written Notification, the Company may issue one written communication to its employees concerning the Campaign. Such communication shall be restricted to the issues covered in the Notice referred to in C-1 above or raised by other terms of this Neutrality Appendix.

The communication shall be fair and factual, shall not demean the Union as an organization nor its representatives as individuals and no reference shall be made to any occurrence, fact or event relating to the Union or its representatives that reflects adversely upon the Union, its representatives or unionization.

The Communication shall be provided to the Union at least two (2) business days prior to its intended distribution. If the Union believes that the communication violates the strictures of this provision, it shall so notify the Company. Thereupon, the parties shall immediately bring the matter to the Arbitrator who shall issue a bench decision resolving any dispute. In no event shall the communication be released until after the Union has been given the two (2) days referred to above to object, and if the Union does object, until after the Arbitrator has ruled.

2. Employee Lists:

Within five (5) days following Written Notification, the Company shall provide the Union with a complete list of all of its employees in the proposed

bargaining unit who are eligible for union representation. Such list shall include each employee's full name, home address, job title and work location. Upon the completion of the Unit Determination procedure as described in C-3 below, an amended list will be provided if the proposed unit is changed as a result of such Unit Determination procedure. Thereafter during the Organizing Campaign, the Company will provide the Union with updated lists monthly.

3. Determination of Appropriate Unit:

As soon as practicable following Written Notification, the parties will meet to attempt to reach an agreement on the unit appropriate for bargaining. In the event that the parties are unable to agree on an appropriate unit, either party may refer the matter to the Dispute Resolution Procedure contained in Section G below. In resolving any dispute over the scope of the unit, the Arbitrator shall apply the principles used by the NLRB.

4. Access to Company Facilities:

During the Organizing Campaign the Company, upon written request, shall grant reasonable access to its facilities to the Union for the purpose of distributing literature and meeting with unrepresented Company employees. Distribution of Union literature shall not compromise safety or production, disrupt ingress or egress, or disrupt the normal business of the facility. Distribution of Union literature inside Company facilities and meetings with unrepresented Company employees inside Company facilities shall be limited to non-work areas during non-work time.

5. Card Check:

If, at any time during an Organizing Campaign which follows the existence at a Covered Workplace of a substantial and representative complement of employees in any unit appropriate for collective bargaining, the Union demands recognition, the parties will request that a mutually acceptable neutral (or the American Arbitration Association if no agreement on a mutually acceptable neutral can be reached) conduct a card check within five (5) days of the making of the request. The neutral shall compare the authorization cards submitted by the Union against original handwriting exemplars of the entire bargaining unit furnished by the Company and shall determine if a simple majority of eligible

employees has signed cards. The list of eligible employees shall be jointly prepared by the Union and the Company.

6. Union Recognition:

If at any time during an Organizing Campaign, the Union secures a simple majority of authorization cards of the employees in an appropriate bargaining unit, the Company shall recognize the Union as the exclusive representative of such employees without a secret ballot election conducted by the National Labor Relations Board. The authorization cards must unambiguously state that the signing employees desire to designate the Union as their exclusive representative for collective bargaining purposes. Each card must be signed and dated during the Organizing Campaign.

D. Hiring:

1. The Company shall, at any Covered Workplace which it builds or acquires after, give preference in hiring to qualified employees of the Company then accruing continuous service in bargaining units covered by a Basic Labor Agreement. In choosing between qualified applicants from such bargaining units, the Company shall apply standards established by Section 7 of the Basic Labor Agreement.

This Section D-1 shall only apply where the employer for the purposes of collective bargaining is or will be the Company.

2. Before implementing this provision, the Company and the Union will decide how this preference will be applied.
3. In determining whether to hire any applicant at a Covered Workplace (whether or not such applicant is an employee covered by a Basic Labor Agreement), the Company shall refrain from using any selection procedure, which, directly or indirectly, evaluates applicants based on their attitudes or behavior toward unions or collective bargaining.

E. Definitions and Scope of this Agreement:

1. Rules with Respect to Affiliates and Parents.

For the purposes of this appendix only, the Company includes (in addition to Standard Steel, LLC) any entity which is:

- (i) engaged in (a) the mining, refining, production, processing, transportation, making of steel; (b) the making, finishing, processing, forging, fabricating, transportation, distribution or warehousing of steel or steel products; or (c) the manufacturing of rail car wheel and axles, rings, and other product lines that are being or have been produced by Standard Steel, LLC; and
- (ii) either a Parent or an Affiliate of Standard Steel, LLC.

For the purposes of this appendix, a Parent is any entity which directly controls more than 50% of the voting power of Standard Steel, LLC; and an Affiliate is any entity in which Standard Steel, LLC directly: (a) owns more than 50% of the voting power or (b) has the power based on contracts or constituent documents to direct the management and policies of the entity; provided that none of the Farrell & Company, Citicorp Capital Investors, Ltd., their limited partners, their portfolio companies or affiliates outside Standard Steel, LLC's corporate family will be deemed to be a Parent or Affiliate; provided further, however, that all terms of this Appendix shall be held to apply to (i) any existing or new business in which Farrell & Company or (ii) any of the principals of Farrell & Company that owns more than 50% of the voting power or has the power based on contract or constituent documents to direct the management and policies of the entities and in each such case which produces products that are or have been produced by Standard Steel, LLC.

2. Rules with Respect to Existing Parents and Affiliates:

The Company agrees to cause all of its existing Parents and Affiliates that are covered by the provisions of Section E-1 above, to become a party/parties to this appendix and to achieve compliance with its provisions.

3. Rules with Respect to New Parents and Affiliates:

The Company agrees that it will not consummate a transaction, the result of which would result in the Company having or creating: (i) an Affiliate, (ii) Parent; without ensuring that the New

Affiliate and/or New Parent, if covered by the provisions of Section E-1 above, agrees to and becomes bound by this appendix.

F. Bargaining in Newly-Organized Units:

Where the Union is recognized pursuant to the above procedures, the first collective bargaining agreement applicable to the new bargaining unit will be determined as follows:

1. The employer and the Union shall meet within 14 days following recognition to begin negotiations for a first collective bargaining agreement covering the new unit bearing in mind the wages, benefits, and working conditions in the most comparable operations of the Company (if any comparable operations exist), and those of unionized competitors to the facility in which the newly recognize unit is located, in each case taking account of the employer's financial circumstances.
2. If after 90 days following the commencement of negotiations the parties are unable to reach agreement for such a collective bargaining agreement, they shall submit those matters that remain in dispute to the Chairman of the Union Negotiating Committee and the Company's Vice President - Employee Relations who shall use their best efforts to assist the parties in reaching a collective bargaining agreement.
3. If after 90 days following such submission of outstanding matters, the parties remain unable to reach a collective bargaining agreement, the matter may be submitted to final offer interest arbitration in accordance with procedures to be developed by the parties.
4. If interest arbitration is invoked, it shall be a final offer package interest arbitration proceeding. The interest arbitrator shall have no authority to add to, detract from, or modify the final offers submitted by the parties, and the arbitrator shall not be authorized to engage in mediation of the dispute. The arbitrator's decision shall select one or the other of the final offer packages submitted by the parties on the unresolved issues presented to him in arbitration. The interest arbitrator shall select the final offer package found to be the more reasonable when considering (a) the negotiating guideline described in F-1 above, (b) any other matters agreed to by the parties and therefore not submitted to interest arbitration, and (c) the fact that the collective

bargaining agreement will be a first contract between the parties. The decision shall be in writing and shall be rendered within thirty (30) days after the close of the interest arbitration hearing record.

5. Throughout the proceedings described above concerning the negotiation of a first collective bargaining agreement and any interest arbitration that may be engaged in relative thereto, the Union agrees that there shall be no strikes, slowdowns, sympathy strikes, work stoppages or concerted refusals to work in support of any of its bargaining demands. The Company, for its part, likewise agrees, not to resort to the lockout of employees to support its bargaining position.

G. Dispute Resolution:

Any alleged violation or dispute involving the terms of this appendix may be brought to a joint committee of one (1) representative of each of the Company and the Union. If the alleged violation or dispute cannot be satisfactorily resolved by the parties, either party may submit such dispute to the Arbitrator. A hearing shall be held within ten (10) days following such submission and the Arbitrator shall issue a decision within five (5) days thereafter. Such decision shall be in writing but need only succinctly explain the basis for the findings. All decisions by the Arbitrator pursuant to this appendix shall be based on the terms of this appendix and the applicable provisions of the law. The Arbitrator's remedial authority shall include the power to issue an order requiring the Company to recognize the Union where under the circumstances such an order would be appropriate applying the precedents and principals applied by the NLRB.

The Arbitrator's award shall be final and binding on the parties and all employees covered by this appendix. Each party expressly waives the right to seek judicial review of said award; however, each party retains the right to seek judicial enforcement of said award.