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COLLECTIVE BARGAINING AGREEMENT

between

THE DOW CHEMICAL COMPANY

Texas Operations
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and

INTERNATIONAL UNION OF OPERATING ENGINEERS

Local No. 564

Made Effective May 14, 2003

64 pages

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PREAMBLE

This agreement entered into by and between The Dow Chemical Company, Texas Division, Freeport, Texas, its successors and assigns, hereinafter referred to as the "COMPANY", and Local No. 564, International Union of Operating Engineers, AFL-CIO, hereinafter referred to as the "UNION".

WITNESSETH

The COMPANY and the UNION, having a common and sympathetic interest in the progress of industry, have entered into this agreement in order to promote and maintain harmonious relations between the COMPANY and its employees covered hereby, to insure the most efficient operation of the plants of the COMPANY, and to provide means for adjusting any differences which may arise by rational, common sense methods. Now, therefore, in consideration of the mutual promises and agreements herein contained, the parties hereto agree as follows:

ARTICLE I

Recognition

The COMPANY recognizes the UNION as the sole collective bargaining agency with respect to wages, hours, and other conditions of employment for all of its hourly-paid employees coming under the jurisdiction of the UNION as set forth in Exhibit A, exclusive of clerical, technical, plant protection employees, and supervisory employees having the authority to hire, discharge, or discipline employees or effectively recommend such action and who are employed at its plants at Freeport, Texas; all of said plants constituting a single bargaining unit. The term "supervisory employees" shall not include crewleaders, coaches or activity coordinators.

ARTICLE II

Jurisdiction

The parties hereto recognize that certain work comes within the jurisdiction of the UNION and only in cases of emergency may employees, other than those represented by the UNION, be assigned to work within this recognized jurisdiction. The UNION also recognizes that in a production plant of this kind, the principles of jurisdiction must be applied with common sense and some flexibility in order to give the proper consideration to the practical problems of production involved. Accordingly, the UNION agrees to apply a rule of reason consistent with the above circumstances in connection with jurisdictional questions arising under this contract. In a further effort to eliminate jurisdictional questions, the parties agree that for the purposes of this Article an emergency shall be a fire, explosion, flood, hurricane, storm, line rupture, or power failure which requires immediate action, or any condition which life, health, or property.

This Article is not to be construed to prevent the COMPANY from using technical employees as operators on experimental semi-plant work. Operators will not be replaced by technical employees on a job being performed by an operator on a routine regularly scheduled basis in an experimental semi-plant except when necessary to do so for the purpose of determining technical information needed for the research project.

ARTICLE III

Jurisdictional Disputes

In the event a dispute arises between the signatory UNION and one or more Unions having bargaining rights for another group of employees of the COMPANY as of the date of the signing of this contract with reference to jurisdiction over work to be performed at this plant by employees of the COMPANY, such dispute shall, subject to the provisions hereinafter set forth, be settled by these Unions in accordance with their established procedure governing the settlement of jurisdictional disputes. If, however, these Unions fail to settle such jurisdictional dispute within 14 days after the dispute arises, the UNION shall fully inform the COMPANY regarding its stand in the dispute and such dispute shall then, at the request of the UNION be settled by arbitration as provided in the Article of this contract entitled "Arbitration".

If the dispute is between the signatory UNION, on the one hand, and the COMPANY, or any employees of the COMPANY, or any Union which does not have bargaining rights in this plant as of the date of the signing of this contract, on the other hand, and a satisfactory settlement cannot be otherwise affected, the Arbitration Procedure hereinafter provided may be invoked by the UNION.

The UNION agrees that in no event shall a jurisdictional dispute interfere in any way with the commencement, progress, or prosecution of the work or serve to increase the cost of the work to the COMPANY by reason of payment in wages to any employee for work not performed. Pending settlement of any dispute, the work shall continue to be performed in the manner in which it had been assigned to be performed at the time the dispute arose.

It is agreed that work separation agreements in effect as of the effective date of this contract through mutual agreement of all parties concerned, or that may be mutually agreed to by all parties concerned during the term of this contract, will be recognized and honored for the duration of this contract. The official copies of all such agreements will be maintained in the Labor Relations Department files.

ARTICLE IV

Hours of Work

Section 1. Workdays and Workweeks

- (a) The workday for Shift Workers shall be from 7:00 a.m. until 7:00 a.m. the following day.

The workday for all other employees shall be from 7:30 a.m. until 7:30 a.m. the following day.

- (b) The workweek for Shift Workers shall be from 7:00 a.m. Monday until 7:00 a.m. the following Monday.

The workweek for all other employees shall be from 7:30 a.m. Monday until 7:30 a.m. the following Monday.

- (c) Eight hours per day will constitute a normal day's work and 40 hours per week will constitute a normal week's work.
- (d) An employee will not be required to work more than eight continuous hours and have the additional hours (more than eight) count toward his/her normal workweek.

Section 2. Work Schedules

- (a) **Shift Workers.** "Shift Work" is defined as work where the duties of one crew (consisting of one or more individuals) are taken up immediately by another such crew which in turn at the end of its shift has its work taken up immediately by a third such crew, etc., etc. All employees whose work comes under this definition are recognized as Shift Workers. The normal schedule for Shift Workers shall be five eight-hour periods per workweek beginning at 7:00 a.m., 3:00 p.m., or 11:00 p.m., the days of the week to be worked and the starting hour for each day for a given shift crew being based on a prearranged schedule. Groups having schedules around the clock, with all employees having the same days off, will be considered Shift Workers.
- (b) **Day Workers.** All employees not defined as Shift Workers according to paragraph (a), above, are recognized as Day Workers. The normal schedule for Day Workers shall be 7:30 a.m. to 4:00 p.m. with one-half hour off for lunch, Monday through Friday. The regular lunch period will be 11:30 a.m. to 12:00 noon, but a lunch period of 12:00 noon to 12:30 p.m. can be scheduled when 11:30 a.m. to 12:00 noon coverage is required, and if notice is given the preceding day or sooner. If Day Workers are required to work through their lunch period, they will be paid time and one-half for that period, and will eat lunch on the job at an opportune time in keeping with the work demands of the job.
- (c) **Odd Schedules.** It is recognized that Odd Schedules differing from the normal schedules described above are necessary for the proper coverage of all operations, and that the COMPANY has set up in the past and will set up in the future Odd Schedules for both Shift Workers and Day Workers.

It is agreed that whenever it becomes necessary for the COMPANY to establish a new Odd Schedule, the steward involved will be called in by the COMPANY to make suggestions regarding the schedule to be set up. No new schedule will be put in effect unless it is for a five-day period or more.

Odd Schedules for Day Workers will be set up on an eight-hour basis with lunches eaten on the job at an opportune time in keeping with the work demands of the job. However, Day Workers on odd schedules who are not required for continuous eight-hour coverage will have a half-hour off for lunch on their own time.

All vacancies or new jobs that are a different schedule than a regular shift schedule will be filled in accordance with Article XVII, Section 11, "Filling Vacancies or New Jobs". However, this will not prevent the rotation of employees performing the same job.

- (d) Various groups or departments may have an agreement on shift schedule/relief time by a majority vote of the operators involved and department leader approval.

Section 3. Shift Differentials

A shift differential of \$0.60/hr will apply for all shift workers for all hours paid. When day workers are put on shift for longer than 8 consecutive weeks, they will be given the appropriate shift differential for the time they are assigned to work shift. When shift workers are put on days for longer than 8 consecutive weeks, the appropriate shift differential will be taken away. Further, if an employee is assigned to work on a two - eight hour rotating shift schedule (typically days and evenings) or if a day worker is assigned such schedule for greater than 8 consecutive weeks, (i.e., an Odd Work Schedule), the employee will receive a shift differential of \$0.30/hr for all hours paid. When such workers are put on days for longer than 8 consecutive weeks, the appropriate shift differential will be taken away.

Section 4. Management Driven Schedule Change

Management has the right to make appropriate schedule changes. In circumstances where management must change an employee's schedule on a short-term or temporary basis, as much notice as possible will be given to the employee. The employee will not incur a negative financial impact as a result of a management driven schedule change. There will be no additional or premium pay simply for the inconvenience of the schedule change. Leaders are expected to give 32 hours notice and minimize management driven schedule changes.

Section 5. Shift Trade

A shift trade is defined as the ability of employees to trade shifts with other employees. Employees are permitted to trade shifts with other employees with the approval of their leadership. A shift trade must not conflict with COMPANY safety objectives or efficient plant operations. Shift trades must occur in the same payroll week, as defined at the site and must not involve overtime for any employee involved. Meetings, training classes or other scheduled activities must not be adversely affected by a shift trade.

All trades will be voluntary and are the responsibility of the trading employees. Each trade will be considered on a case-by-case basis, as necessary and routine or regular trades will not be approved.

Section 6. Absences from Work

All employees must obtain permission from the COMPANY seven days in advance of all absences from work. In case of personal illness, serious illness or death in their immediate family, or other extreme emergency making absence from work necessary without obtaining such advance permission from the COMPANY, employees will give the COMPANY as much advance notice as possible and such absences will not be considered unexcused. Unexcused absence and excessive absenteeism are performance issues.

Section 7. Special Relief Operators

Special Relief Operators who are regularly required to work irregular schedules on different jobs in order to replace employees on vacation, employees who are sick, etc., and who, as a result do not have any regularly scheduled days off and are not entitled to advance notice of schedule changes, will be paid a premium of \$1.00 per hour over and above the top rate of the highest paid job they are regularly assigned to work. Special Relief Operators will be selected by the COMPANY using the internal selection process. The role of Special Relief Operator is not a classification.

Section 8. Breaks

Breaks will be taken on the basis of individual physical need, with consideration for the job.

ARTICLE V

Overtime Regulations

Section 1. Overtime Pay

Overtime hours are paid at 1.5X the straight time rate for hours worked outside an employee's normal work schedule or for working greater than 40 hours per week.

- (a) Outside the normal work schedule includes the time worked in addition to the daily work schedule and the day(s) an employee works outside his/her regularly assigned work schedule.
- (b) Where the normal work schedule is greater than 40 hours in a week, overtime that has been built into an employee's weekly work schedule will be paid at 1.5X

only if the previous 40 hours in that same work week were actually worked. Civic Duty, Personal Choice Days and Vacation count as time worked; Holidays count as time worked only if they fall on the employee's normally scheduled workday and are not worked.

- (c) Overtime hours applies to hours worked over 40 hours in a work week.
- (d) Hours on which overtime has been paid will be excluded from computation of overtime payment on any other hours.

Section 2. Call-in Pay

Employees who are called in to work outside of their regular hours will receive a minimum of four hours pay at straight time. The minimum pay will not apply if the hours worked are continuous with their regular schedule.

Section 3. Overtime Distribution

Every reasonable effort will be made to distribute overtime hours, and premium hours involving time and one-half or more, in an equitable manner. Various groups and/or departments may work out methods for assuring that this is done (Overtime Agreement, Article XXIX). The Overtime Agreement must contain a provision that all overtime will be covered. The steward and department leader will work together to develop and implement an appropriate process that in the event there are no volunteers to cover overtime, a qualified employee will be assigned. These methods shall be reviewed annually on a date selected by the steward and department leader for the purpose of making appropriate changes.

Overtime created by short notice (four hours notice or less) shall be filled by offering the employee on the job first opportunity to work. If he/she declines, the regular overtime procedure should be followed. This is not intended to supersede departmental methods which define "short notice" as greater than four hours.

Section 4. Overtime Meals

Meals employees cannot reasonably be expected to furnish for themselves when called out with insufficient notice or when held over for an extended period of time for overtime work will be furnished as an overtime meal allowance of \$6.00 in lieu of a meal under general and uniform practices. Employees will be allowed a normal time to eat.

Insufficient notice (call-in) occurs when an employee has less than 2 hours notice before coming into work for an unscheduled shift. Employees will receive an overtime meal allowance after 4 hours, 8 hours and 12 hours of such a shift.

Held over (unscheduled) means an employee is required to work past an 8 hour shift and was unaware of this need to be held over prior to reporting for the 8 hour shift. An overtime meal allowance will be granted after 2 hours and 6 hours of such a hold over.

An employee is not eligible to receive overtime meal allowances under both the insufficient notice and held over definitions for the same continuous work period.

Normally employees will be expected to provide for their own food. However, in unusual situations where an employee is without food and needing to eat, supervision will provide assistance to the employee. In situations where the COMPANY elects to provide food under a uniform policy during the overtime period, the employee will not be eligible for the \$6.00 allowance.

Section 5. Miscellaneous

- (a) The regular schedule of an employee who has been called on to work overtime will not be changed for the purpose of offsetting his/her overtime pay.
- (b) None of the vacation benefit payments provided in this contract for time not worked will be paid at overtime or premium rates.
- (c) The payment of overtime for any hour excludes that hour from consideration for overtime payment on any other basis.
- (d) Payment for working a shift will be based on the scheduled hours for the shift, regardless of private arrangements for early relief that employees may make among themselves. However, employees may not relieve more than 30 minutes before the start of their regular shift. Off-going shift workers who have been properly relieved and have spent eight hours on the job will be allowed to clock out without any pay penalty. It is clearly understood that no premium will be paid as a result of the application of this early clock out arrangement or as a result of any private arrangements made among the employees for early relief.

Section 6. 7th Day Pay

Double time (2X straight time rate) will only be paid to an employee who actually works seven (7) consecutive days. Time worked does not include Civic Duty, Personal Choice Days, Vacation or Holidays not worked. Only time worked counts for the purpose of 7th day pay. In the case of calculating 7 consecutive days the following rules apply:

- (a) A callout can count towards the 7th consecutive day calculation if the employee actually works a minimum of 4 hours.
- (b) Double time is not applied on the 8th day, 9th day, etc.
- (c) Employee must have prior approval from the Leader to work 7 consecutive days.
- (d) Does not apply to routine schedules which may include 7 consecutive days.

- (e) Employees whose schedule regularly includes 7 consecutive days will be paid double time for all hours worked on the 10th consecutive day if the previous 9 days were actually worked, subject to the above requirements.
- (f) The 7th consecutive day does not have to fall within the same work week.

ARTICLE VI

Holidays

Section 1.

The following holidays will be observed: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day After Thanksgiving, and Christmas Day.

Holidays falling on Sunday will be observed on the following Monday and holidays falling on Saturday will be observed on the preceding Friday, except that for rotating shifts with continuous seven (7) day coverage Christmas Day will be observed on the day it falls.

Section 2.

Employees who are required to work on a fixed holiday will receive 2X for all hours worked, in addition to the 8 hours Holiday Pay.

Section 3.

Employees who do not work on a holiday or the day observed in place of a holiday and said day falls within their regular schedule, will be paid for eight hours at their straight time base rate unless:

- (a) They are absent from work without permission of department supervision on their regularly scheduled working day immediately preceding or immediately following the holiday.
- (b) They are on extended leave of absence (more than 30 days) for reason other than illness or accident.

Section 4.

When a holiday, or a day observed in place of a holiday, falls on employees' regularly scheduled day off, they will be paid an extra day's pay that week (eight hours pay at their straight time base rate) if they would be eligible to receive holiday pay under the provision of Section 3 of this Article just as though this off-day were a regularly scheduled workday.

Section 5.

Employees regularly scheduled to work, or who are instructed to report for work on a holiday or the day observed in place of the holiday but who fail to report for work, will not be eligible to receive such pay. The COMPANY shall, when possible, give three days' notice to all non-shift employees who will be expected to work on a holiday that they will be required to work. In all but emergency cases, such three-day notice will be given to non-shift employees when they are expected to work on a holiday. Employees who do not receive such advance notice will not be expected to keep themselves available for such work unless they choose to do so.

ARTICLE VII

Show-up Time

The minimum pay for employees, who, in the absence of advance notice to the contrary, report for work on their regular shift, shall be eight hours at straight time for that shift. This does not apply in case of fire, flood, or hurricane.

ARTICLE VIII

Jury Service

Employees kept away from work because of reporting for jury service, or for service as a witness under court subpoena in a criminal proceeding, will be paid their regular straight time hourly rate exclusive of any overtime or other premium pay subject to the following provisions:

Day Court

- (a) Employees working days are not required to report back for work if dismissed from court duty at or after 12:00 noon. Employees dismissed before 12:00 noon are required to report for work and complete the workday.

If employees working the day shift are not scheduled to report for court duty until 1:00 p.m. or later they will report for work at their regular starting hour and will be excused from work in ample time to go home to change clothes, eat lunch and report to the proper court on time.

- (b) Employees on the 11:00 p.m. to 7:00 a.m. shift will be excused on the shift immediately prior to such duty in court. Such employees dismissed from court duty after 6:00 p.m. will be excused from work the same as though they were scheduled to be in court the following day.

Employees scheduled to work the 3:00 p.m. to 11:00 p.m. shift are not required to report for work on this shift if dismissed from court duty at or after 12:00 noon. If they are released before 12:00 noon they are expected to work their scheduled shift.

Night Court

- (a) Employees working the evening shift and reporting for court duty prior to 7:00 p.m. will not report for the start of their regular shift. If released from court duty prior to 7:00 p.m., employees will report to work for the duration of the regular shift.
- (b) Employees working the graveyard shift and released from court duty after 9:00 p.m. will be excused from their next regular shift.
- (c) Employees working the day shift and excused from court after 11:00 p.m. will be excused from their next regular shift.

Employees are required to furnish proof from the court of such service, showing the date and time served and amount paid for their service.

ARTICLE IX

Pay Day

Paychecks will be mailed every other Friday to the address or deposited in the savings account or bank account designated by the employee.

ARTICLE X

Leave of Absence

Section 1. Personal and Educational Leaves

Employees who have been employed two years or more may be granted a leave of absence of up to 12 months upon request and satisfactory explanation by the employee. The leave shall not be used, except by permission of the COMPANY, for the purpose of accepting other employment or other financial endeavors.

Section 2. General Rules

Leaves of absence described above are subject to the following provisions where applicable:

- (a) They must be requested in writing at least 15 days in advance, if they are expected to last 30 days or more, and at least five days in advance if they are expected to last less than 30 days.
- (b) Seniority will accumulate for the duration of the leave.
- (c) All employees granted such leaves, if they are expected to last more than 30 days, shall have their health history checked and recorded by the COMPANY physician at the time of leaving and again upon their return if they are gone more than 30 days.

Occupational Health Services will, upon request, send a copy of the examination report to a physician of the employee's choice.

- (d) Leaves of absence for any reason that lasts more than 30 days will be handled as though the employee has been removed from the payroll.
- (e) Employees desiring to return to active status from a leave of absence must contact their department or Human Resources before the expiration of their leave. The date of their return to active status will be contingent upon the COMPANY'S need for personnel.

Section 3. Funeral Leave Pay

Employees will be allowed three working days (24 hours) pay for attending funeral services in the event of the death of their spouse, children, parents (or step-parents or foster parents), mother-in-law, father-in-law, brother or sister. They will also be allowed pay for time lost due to attending the funeral of brother-in-law, sister-in-law, son-in-law, daughter-in-law, grandparents, spouse's grandparents, or grandchildren for the day before, the day of and the day after the funeral.

Employees will be paid the above leave on their regular pay day just as though they had not been on leave.

ARTICLE XI

Vacations

Section 1. Amounts of Vacations

Employees are eligible for vacation according the following schedule:

Years of Service (YOS)	Vacation Hours
<2	Prorated
2	112
3- 4	120
5- 9	152
10 - 14	168
15 - 19	176
20 - 24	208
25 - 29	216
30+	224

New Hire Vacation: (In Hours)

Hire Year and Month	First Full Calendar Year After Hire
Jan 32	80
Feb 24	80
Mar 16	80
Apr 16	80
May 16	72
June 8	72
July 8	64
Aug 8	64
Sept 8	56
Oct 0	56
Nov 0	48
Dec 0	48

- (a) Vacation days will be granted on January 1 of each year for that year.
- (b) Vacation may be taken in hour increments.
- (c) Upon termination, the amount of carry-over vacation to be paid is:
19 YOS or less - 40 hours maximum
20+ YOS - 80 hours maximum

- (d) Employees may carry over additional hours outside of the policy limits with Labor Relations approval.
- (e) Employees may borrow up to 40 or 80 hours above their allowable vacation days, depending on YOS.
19 YOS or less – 40 hours maximum
20+ YOS – 80 hours maximum
- (f) Under no circumstances shall vacation paid at termination exceed the maximum carry over amount (40 or 80 hours) plus current year's grant.

Employees who have either 30 YOS OR 85 points (years of service + age) will continue to receive credit for the following year's vacation. This credit is prorated based on actual hours worked in the current year. These employees will receive payment for this prorated vacation amount if they leave the COMPANY.

Section 2. Personal Choice Days

Employees will receive two personal choice days (8 hours per day) each year (granted in January). New hires will receive two personal choice days if hired January through November and those hired in December will have one personal choice day during their first year and the day(s) must be used before the end of the year.

- (a) The personal choice days can be taken for any reason by each individual and must be taken in full 8-hour increments.
- (b) Scheduling personal choice days should comply with department guidelines.
- (c) Personal choice days may not be worked for premium pay.
- (d) Personal choice days must be taken in the year awarded.
- (e) Unused personal choice days will not be carried over to the next year.
- (f) Unused personal choice days will not be paid if an employee leaves the COMPANY for any reason (termination, quit, retired, etc.).

Section 3. Vacation Rules

- (a) All vacation must be scheduled well in advance with department supervision so as not to interfere with the economical operation of the department or group involved. It may be taken in hour increments. After following the department's overtime procedures, the ultimate responsibility for securing a replacement, if one is needed, belongs with the employee requesting the short notice vacation.
- (b) Vacation schedules will be available at 7:30 a.m. on the first Monday of December of the current year for all employees who desire to schedule all or

part of their vacation for the following year. Vacations will be scheduled on a first come first served basis with the following exception. For the first seven calendar days preference will be given to the first employees who request vacation during Thanksgiving week, first week of deer season and Christmas week who had not had vacation during these periods the previous year. Yearly schedules will be completed as soon after the first of the year as possible.

All employees will schedule all remaining vacation that must be taken that year by September 1.

Employees may change all or part of their vacation schedule during the year provided they and the department supervision approve such changes well in advance of the change and provided such change is made in accordance with the provisions outlined above.

- (c) Vacation pay will be at the employee's current hourly rate and will be paid only for days he/she is scheduled to work.
- (d) Employees who agree to work a shift on a day on which they were scheduled to work another shift but which they have already scheduled to take as vacation, said vacation must be rescheduled.
- (e) Non-active employees with seniority who return from a leave of absence will be eligible for their next annual vacation, which will be the same number of days their next annual vacation would have been if they had not gone on leave. Should an employee return to work after January, they will be credited with a pro-rated portion of the vacation the employee would have received if they had not gone on leave. For example, if the employee returns to work during February, the employee will receive 11/12 of the vacation entitlement. If the employee returns during March, they would receive 10/12 of their vacation entitlement, and so on. Should an employee return during the calendar year in which they had taken a leave of absence, the employee would be entitled to any remaining vacation for which they had not been compensated, provided that they cannot receive more vacation in any one calendar year than they would have received if they had not been on leave.

ARTICLE XII

Physical Examinations

Section 1.

- (a) Employees on leave of absence 30 days or over, or who have been absent from duty because of sickness or injury, will be required to obtain a return-to-work slip from Occupational Health Services before returning to work.

- (b) The employee is responsible for keeping his/her leader informed of their return to work status, and when requested supply Occupational Health Services with a form from their treating physician(s), stating when absence began, expected return to work date, listing reasons for absence and any restrictions. Failure to provide a completed release form satisfactory to Occupational Health Services or failure by the treating physician to provide information requested in writing by Occupational Health Services may result in salary discontinuation.
- (c) The COMPANY reserves the right to require employees on extended medical leave as determined by the COMPANY to periodically visit with Occupational Health Services staff for purposes of monitoring progress and return to work planning.
- (d) After 5 working days of absence, the employee will within 2 business days thereafter, supply Occupational Health Services with a form from their treating physician(s), stating when absence began, expected return to work date, listing reasons for absence and any restrictions. Failure to provide a release form satisfactory to Occupational Health Services or failure by the treating physician to provide information requested in writing by Occupational Health Services may result in salary discontinuation.
- (e) The COMPANY reserves the right to require an independent medical evaluation by a reputable medical specialist selected and paid for by the COMPANY in situations involving a difference of opinion between Occupational Health Services staff and the employee's personal physician.
- (f) If an employee is given a return-to-work slip by Occupational Health Services for full or modified duties and fails to resume work, it will be interpreted as the employee's intent to quit, and he/she will be terminated from the COMPANY.

Section 2.

- (a) For the purpose of determining employees' fitness for duty in safely performing their regular job or any job to which employees may be assigned, during any period of employment with the COMPANY, the COMPANY reserves the right to require a medical evaluation by either the Occupational Health Services staff and/or any other reputable medical specialist selected and paid by the COMPANY.
- (b) Periodic examinations of employees will be continued with the principle ideas of helping employees improve their own health conditions and to enable the COMPANY to guard the health and safety of its employees. Such evaluations may involve different mandatory elements of testing to determine continued fitness for duty. Failure to comply could result in disciplinary action.
- (c) Employees who believe they have been exposed to a hazardous material or atmosphere in the performance of their work with the COMPANY may request

through department supervision a physical examination by Occupational Health Services. Such requests will be reviewed by Occupational Health Services and examinations which are indicated will be performed. Occupational Health Services will, upon request, send a copy of the examination report to a physician of the employee's choice.

Except as noted, failure to meet the requirements in this Article may result in immediate salary discontinuation and could result in further discipline up to and including discharge.

Section 3.

Consistent with the Americans with Disabilities Act, the findings of the above medical examination shall not be used to affect adverse discrimination by either party against the employee involved.

ARTICLE XIII

Maintenance of Company Rules

It is further agreed by the parties to this Agreement that fair treatment, good service, and due diligence in the observance of the rules as promulgated by the COMPANY, are essential to the maintenance of satisfactory working conditions and wages described and set forth in the Agreement, provided that such rules as may be promulgated by the COMPANY shall not in any way conflict with the terms of this Agreement.

ARTICLE XIV

Safety

The COMPANY and the UNION agree that each will perform its proper function in promoting and maintaining safe working conditions and good housekeeping practices. The Site and the Departments may implement EH&S initiatives involving employee participation as individuals or on teams.

If a safety issue is not resolved satisfactorily or an unsafe condition or situation exists where an employee considers departmental safety rules as unreasonable, the issue should be brought to the attention of the Department Leader by the employee or the steward. If there is no resolution, the employee or steward may request a final review of the problem by letter, addressed to the EH&S Responsible Care Leader with a copy to the Department leader.

ARTICLE XV

Temporary Classifications

Employees temporarily assigned to do the work of a higher classification for a period of two hours or more in a given shift shall receive the regular or overtime rate for such classification the same as if they were a regular employee on said advanced status for the entire shift. However, employees temporarily assigned to do the work of a lower classification shall receive the regular or overtime rate for their regular assignment. Such employees may be replaced by other employees qualified to perform their job. These temporary vacancies will be filled by the senior qualified volunteer or by forcing the junior qualified employee.

"Temporarily assigned" is defined as meaning assigned for any temporary period of time, not to exceed 30 days, to replace an absentee or to do a job which is not the employee's regular line of duty. If it is determined that the temporary assignment will last for more than 30 days such assignment will be made in accordance with Article XVII, Seniority, Section 11. If a temporary vacancy exists because an employee is absent due to sickness or injury, that employee will, if he/she returns with full accumulated seniority and is still qualified, be allowed to resume his/her former job, even though the replacement may have more seniority. All employees who fill temporary vacancies as a result of sickness or injury will be allowed to resume their former jobs within the department. In the event an employee must leave the department as a result of this, he/she will be laid off in accordance with the layoff provisions of Article XVII.

Employees temporarily classified on a higher paid job and who have worked on the higher paid job as long as 45 days shall receive the top rate of pay for the job.

When employees are temporarily classified at a higher rate on both their last regularly scheduled work day before and their first regularly scheduled work day after the holiday and they are entitled to holiday pay, they shall be paid for the holiday at the temporary rate in which they are classified for those days.

"Temporarily assigned" as referenced and used in this Article is unique to this Article and does not apply to any other definition of temporary assignments in other Articles or sections of this Agreement unless otherwise agreed to by the UNION and the COMPANY.

ARTICLE XVI

Union Officers

Section 1. Business Agents/Representatives/Managers

The COMPANY agrees that accredited business representatives of the UNION that are not active employees, subject to full compliance with the COMPANY'S visiting rules,

may visit the plant at reasonable times for the purposes of investigating a specific grievance or grievances theretofore made by employees or any other business pertaining to this contract, provided, however, that this investigation shall not interfere with either the efficient operation of the plant or the work being performed by any of the employees. All such requests shall be made through Labor Relations.

Further the UNION acknowledges that it is the COMPANY's management right to determine which individuals shall be given badge access to the Site. No employee, including business agents/representatives/officers/managers that are employees of the COMPANY will be allowed to conduct UNION business pertaining to this bargaining Agreement on COMPANY time unless he/she is recognized as a steward as provided in Section 2 of this Article, as provided in Article XVIII, or as approved by Labor Relations.

The UNION agrees that the business agents/representatives/managers that are active employees of the COMPANY will be expected to work at their job or trade at all times except when they are attending to a grievance or to questions involving conditions of employment.

Section 2. Stewards

The UNION and the COMPANY agree that the minimum number of stewards consistent with the efficient operation of the various departments will be appointed. The UNION agrees that the stewards will be expected to work at their job or trade at all times except when they are attending to a grievance or to questions involving conditions of employment.

Stewards will obtain permission from the Department Leader to leave their work when their presence has been requested by an employee in their operating department in the area of the plant to which they are assigned. Any employee called in for any discussion concerning reprimand will be allowed a UNION representative upon their request.

If in the handling of a grievance it becomes necessary for stewards to leave their department, they shall upon entering another department, report to the Department Leader of that department or their designee. They shall return to their job as promptly as possible and upon returning shall at once report to their Department Leader or their designee.

Within ten days after the signing of this contract, the UNION shall submit to the COMPANY a list showing the number of stewards and assistant stewards which it feels will be required for each department and/or division of the plant. Upon agreement between the COMPANY and the UNION, as to the number of stewards and assistant stewards and their location in the departments and/or divisions of the plant, the UNION shall submit to the COMPANY a complete list of the names of the stewards and assistant stewards selected for these jobs. The UNION shall keep this list up to date by submitting to the COMPANY as soon as changes occur a letter giving the name of each new steward and the name of the steward he/she is replacing and the names of new stewards to the extent mutually agreed upon as required due to splitting departments or adding new departments.

Section 3. Delegate Leave

Leaves of absence for up to three weeks will be granted to one or more delegates to attend UNION conventions. The exact number will be determined by mutual agreement between the Business Agent/Representative/Manager and the COMPANY'S Labor Relations Department, but will not be so many as to unduly interfere with plant work.

Section 4. Union Business Leave

Upon written request from the UNION up to five employees, not more than one from any department, will be granted up to two days' leave without pay for the purpose of holding UNION elections or other UNION business pertaining to this Agreement. This will not exceed a cumulative total of 35 work days per year.

Leaves of absence to not more than two employees for one year, subject to extension from year to year, will be granted for the purpose of working for the UNION. Such employees will continue accumulating seniority in the plant as long as they are working for the local UNION servicing this Agreement.

Leaves of absence for up to 90 days to not more than two employees will be granted for the purpose of taking training for or performing UNION service connected with this collective bargaining Agreement.

Section 5. General Rules

Leaves described above are subject to the following provisions where applicable:

- (a) They must be requested in writing at least 15 days in advance, if they are expected to last 30 days or more, and at least five days in advance if they are expected to last less than 30 days.
- (b) Seniority will accumulate for the duration of the leave.
- (c) All employees granted such leaves, if they are expected to last more than 30 days, shall have their health history checked and recorded by the COMPANY physician at the time of leaving and again upon their return if they are gone more than 30 days.

Occupational Health Services will, upon request, send a copy of the examination report to a physician of the employee's choice.

- (d) Leaves that last more than 30 days will be handled as though the employee has been removed from the payroll, with his/her status restored upon return as provided in this contract.
- (e) An employee returning from leave in excess of 30 days described in this Article will return to the department in which they left.

ARTICLE XVII

Seniority

Section 1. Definition

The term "Seniority" is defined to mean an employee's length of service. An employee's seniority is measured from a "Seniority Date", the earlier the seniority date the more seniority the employee has.

Section 2. Type of Seniority and Commencement of Each

- (a) Plant-wide Seniority. This shall consist of employees' total length of continuous service with the COMPANY. From the date of hire through the first 9 months worked by employees within the bargaining unit after successful completion of their first Training Review Board or similar leadership review shall be a probationary period. At the end of such probationary period the employees' plant-wide seniority date shall be the date they were hired. Probationary employees shall be represented by the UNION in matters concerning wages, hours and working conditions, except as otherwise specified in this contract.
- (b) Operating Department Seniority. This shall consist of an employee's total length of continuous service in any and all operating jobs within a given operating department as set forth in Exhibit D of this contract.
- (c) Operator Craft Seniority. This shall consist of an employee's total length of continuous service in any and all classifications bargained for by this UNION.
- (d) Janitor Seniority. This shall consist of an employee's total length of continuous service in the Janitor classification.

Section 3. Seniority Lists

The COMPANY will compile and post, every six months on bulletin boards in each department, a list showing the Operating Department seniority of all employees in the department. A copy of each list will be mailed to the UNION business office at least three times per year.

The COMPANY will compile and furnish to the UNION once each calendar year three copies of a list showing the Operator Craft Seniority of all employees in the bargaining unit.

Section 4. When Seniority Does Not Apply or is Not Affected

- (a) Seniority privileges shall not apply to probationary employees, except as provided in Section 2, of this Article.

- (b) Seniority shall not serve as the sole basis for a choice of jobs in any one classification.
- (c) The Operator Craft seniority of an employee shall be lost when he/she is moved to and remains in a salaried classification for one year or is transferred to any other bargained-for group of employees for one year.

Section 5. When Seniority is Lost

- (a) **Plant-wide Seniority.** Plant-wide seniority shall be lost by employees as follows:
 - (1) When they are discharged;
 - (2) When they resign;
 - (3) When they are laid off and at such time have less than 18 months seniority and are not recalled for over 12 months;
 - (4) When they are laid off and at such time have from 18 months to 36 months seniority and are not recalled for over 18 months;
 - (5) When they are laid off and at such time have over 36 months seniority and are not recalled for over 24 months;
 - (6) When they do not reply to a recall letter within the time limit specified in Section 8 of this Article;
 - (7) When they do not return to work when recalled within the time limit specified in Section 8 of this Article;
 - (8) When they overstay a leave of absence;
 - (9) When they have less than 12 months seniority and are absent due to personal illness, unless they request and are granted an extension of time by the COMPANY, or an injury on the job for a period of time equal to the amount of seniority they had at the beginning of the absence, except that a minimum period of six months will apply;
 - (10) When they have 12 months seniority or more and are absent due to personal illness for 12 months, unless they request and are granted an extension of time by the COMPANY;
 - (11) When they have more than 12 months but less than 18 months seniority and are absent due to an injury on the job for 12 months;
 - (12) When they have more than 18 months but less than 24 months seniority and are absent due to an injury on the job for 18 months;

- (13) When they have more than 24 months seniority and are absent due to an injury on the job for 24 months.
- (b) Operating Department Seniority. Operating Department Seniority in a given Operating Department shall be lost by employees whenever their Plant-wide Seniority is lost, and also:
 - (1) When they are transferred out of the Operating Department;
 - (2) When they are laid off from the Operating Department for a period of time longer than that specified in Section 5, part (a), paragraphs (3) through (7) of this Article;
 - (3) When an employee elects to move to a salaried classification in Plant A or B and remains in such salaried classification for more than one year; or transfers to any other bargained-for group of employees for one year.

The COMPANY shall have the right to allow an employee to return or prohibit an employee from returning to the bargaining unit at any time during the one year time period.

The employee who returns to his/her Operating Department per this language shall fill any vacancy. If no vacancies exist the employee will be placed into Site Logistics as a Distribution Operator and given plant bid rights.

Section 6. Consolidation or Splitting Departments

When changes in plant operations are necessary, specific operating department structure (bid zones) may be split, combined, or modified by the COMPANY to align with business, technology, or function to address competitive benchmarking and meet business needs. The COMPANY will provide written notification to the UNION, and request input from work team members prior to making a change.

When seniority lists are consolidated or modified into a single seniority list, the employees in the several departments will be placed on a single seniority list in order of their departmental seniority date in their old departments. In case some employees on this new list then have the same departmental seniority date, they will be placed on the list in accordance with the tie breaking provision of Section 9 of this Article. The operating jobs in the new department which retain their identity without question will initially continue to be filled by those employees who had been filling these jobs. If one or more jobs are eliminated as a result of the consolidation such that the new department has a surplus of people, Section 7 of this Article will be applied on the basis of the new departmental seniority list. If one or more new operating jobs are created as a result of the consolidation, the vacancies shall be filled as provided in Section 11 of this Article on the basis of the new department seniority list.

Whenever changes in plant operation make it necessary for the COMPANY to split one department into two or more new departments, each employee assigned to the new departments from the old department will carry with him/her the departmental seniority date he/she had with the old department. The operating jobs in the new departments which can be identified without question as jobs formerly existing in the old department will initially be filled by employees who had been filling these jobs.

If there is some question as to whether a given job can be identified as one of the same jobs formerly existing, the department steward or stewards involved will be called in to help settle the question.

Changes made under this section will automatically amend Exhibit D of this contract as necessary and the COMPANY will notify the UNION regarding the necessary changes in Exhibit D.

Section 7. Layoffs

(a) Advanced Notice of Layoffs

The COMPANY agrees to give employees affected by a reduction in force, five working days notice in advance of such layoff.

Employees being laid off who are away from their jobs at the time of this notice will be notified by telephone. If they cannot be reached in this manner, the layoff notices will be sent by certified mail to the last address on record with Human Resources, and this will constitute adequate notice of layoff.

Employees agree to give the COMPANY five working days notice before quitting.

(b) Layoffs from Department

- (1)** All layoffs from a department shall be in inverse order of Operating Department Seniority, except in the case of employees disabled as a result of injury on the job. Such employees will be permitted to return to their job when able to, and to remain on the job regardless of seniority until they have recovered to the point where their disability no longer constitutes a bar to other employment, or until such time as they are no longer capable of doing the work assigned.

Five working days notice will be given to employees affected by such layoffs as well as to any employee whose job is eliminated.

- (2)** The least senior employee(s) shall be assigned to the Site Logistics Department. Employees may decline to be reassigned and take their layoff out the gate and be recalled only to vacancies occurring in the department from which they were laid off. The three year bid restriction shall not apply to employees assigned to the Site Logistics Department as

described in this Section. The individual(s) whose job was actually eliminated as a result of the downsizing or reorganization, will be assigned in to the open job(s) created by the least senior employee(s) leaving the department. If there is more than one impacted employee, the most senior employee may select which job he or she prefers.

Any employee who is assigned to the Site Logistics Department as a result of a department layoff shall not have his or her pay reduced for a period of 6 months. After 6 months such pay will be reduced to the Site Logistics Lead Distribution Operator wage rate for a period of 3 months after which the employee's pay will be reduced to top Distribution Operator pay. At the time the employee's pay is reduced to Distribution Operator pay, the employee will be reclassified as a Distribution Operator. Notwithstanding any provision in the contract to the contrary, the COMPANY shall also have the right to assign an employee to any open position if the employee does not bid on three positions in which he or she was possibly qualified for.

(c) Reduction in Operator Craft Group

- (1) When it becomes necessary to make a reduction in force in the Operator Craft group, it will be made as follows:
 - (a) The employees with the least Operator Craft Seniority in the bargaining unit will be laid off.
 - (b) Vacancies in Operation jobs resulting from (b)(1) above will, if filled, be filled as outlined in Section 11 of this article.
 - (c) The movement of employees between departments as provided in this Article and in this section as a result of layoffs may be made simultaneously.
- (2) Employees moved as provided in this section must be able to do the work assigned.

Section 8. Rehiring

Recalling into an Operating department shall be done on the basis of the Operating Department Seniority of those employees on the COMPANY'S payroll.

Recalling from outside the plant shall be done on the basis of Operator Craft Seniority. Such employees being recalled shall be notified by certified mail, return receipt requested, mailed to the last address on record in the Human Resources files, with a copy of this recall letter sent to the UNION. It is the responsibility of those laid off to keep Human Resources notified of their current address. Employees being recalled will lose their seniority when they, (a) fail to reply by certified mail, return receipt

requested, within ten days after the mailing of the recall letter stating that they will return to work for the COMPANY, or (b) do not return to work for the COMPANY within ten days after having sent such a reply. The COMPANY will then contact the next eligible employee. In special cases, the time for reporting for work may be extended beyond the ten-day limit upon request when replying to the recall letter.

Employees who, at the time of a reduction of force in their department, decline a transfer to the Site Logistics Department will not be recalled to any job within the COMPANY except in the department from which they were laid off at the time they declined a transfer to the Site Logistics Department.

Section 9. Seniority Disputes

Disputes that arise over employees' proper places on the seniority lists will be settled as follows:

- (a) In case two or more employees were hired into the bargaining unit on the same day, their order on the Operator Craft Seniority list will be determined in the numerical order of their Social Security numbers, using all digits as one number. Preference will be given to the employee with the lowest number.
- (b) When two or more employees are placed on Operator classification in a department listed in Exhibit D on the same day they will be placed on the Operating Department Seniority list in the same order as they appear on the Operator Craft Seniority list.

Section 10. Temporary Assignments

Employees in an Operating Department in which operations are partly or completely curtailed for a temporary period may be assigned to work in other departments where work is available. This will be done in inverse order of seniority unless it would cost additional training for the department. Employees so assigned shall neither lose seniority in their own department nor gain seniority in the department to which they are temporarily assigned and if they choose not to work on the job to which they are temporarily assigned, they will be excused from work for the temporary period during which their jobs are not in operation, and will return to work when their job is ready to start up. "Temporary period," as used in this section, means for not longer than 150 days at a time. No cut in pay will be involved, and the provisions of Section 7 of this Article, or Article IV, Section 4, concerning the various time periods available to or required by either party, shall not apply.

Moves of Distribution Operators between Site Logistics departments to meet work schedules will not be subject to this section.

Section 11. Filling Vacancies or New Jobs

When a job opening or reorganization involving any job classification occurs, internal or external to a department, the process leader will assign individuals to specific jobs based on an assessment of the following: seniority, skills, ability, performance, individual interest, experience and input from work team members (the "Seven Criteria"). The use of Seven Criteria in the selection process by Empowered Teams or Leaders will not be arbitrary or capricious and a standardized process will be implemented across the site.

When vacancies occur due to attrition (retirements, resignations, etc.) or creation of a new job, the opening will be filled through an internal posting. If the filling of the job internally results in an additional opening, the plant leader has the option to fill the opening through an internal posting or site-wide posting. If the job is not filled internally a site-wide bid will be posted. Employees from the department may post on the site-wide bid if they meet the requirements per this section. If any site-wide posting is unsuccessful then all Site Logistics employees will be considered and the COMPANY may elect to assign qualified employees from the Site Logistics Department to such department in the inverse order of their hire dates.

If the site-wide posting was successful and it creates a new opening, the leader in the affected department will decide if the job will be posted internally or whether it will be filled by a qualified volunteer from Site Logistics. If the filling of the job internally results in an additional opening, the plant leader has the option to fill the opening through an internal posting or fill the opening from Site Logistics. A Site Logistics employee will be assigned to the opening based on an assessment of Site Logistic employee volunteers using the Seven Criteria. If no qualified employee volunteers, then all Site Logistics employees will be considered and the COMPANY may elect to assign qualified employees from the Site Logistics Department to such department in the inverse order of their hire dates.

The following is applicable to all job postings and assignments:

- To be eligible for jobs in the Process Operator classification, employees hired before 1996 must have successfully completed Advanced Operator Training. Employees hired after 1996 must possess an associate degree in process technology, or equivalent.
- Distribution Operators hired after 1996 must complete or have their process tech degree prior to bidding on any job outside of Site Logistics.
- To be eligible for jobs in the Lab Operator classification, employees hired before 1996 must have successfully completed Lab Operator Training. In addition, all employees posting on such jobs must meet the requirements in the Skills Initiative, Article XXXIV, Section 3.
- After June 1, 2006, employees must meet minimum Foundational Skills category profile as described in the Skills Initiative, Article XXXIV to post on any job.

- For jobs posted after December, 31, 2008, Process Operators may not bid into any job unless they have successfully met all Process Technology Skill requirements as described in Article XXXIV. Further, all employees wishing to bid into a Lab Operator job must successfully meet the Skill Requirements as described in Article XXXIV.
- The COMPANY is not obligated to assign any person who is not qualified for a position. The use of Seven Criteria in the selection process by Empowered Teams or Leaders will not be arbitrary or capricious.
- An employee will not be allowed to sign any job postings internal or external to his/her plant if their plant is at or below its minimum qualified staffing requirement. The minimum staffing requirement is defined to be the minimum number of trained and released employees. The Department Leader and the Department Steward will work together to determine the minimum staffing level for each of the roles/jobs in the plant. If they are unable to determine this level by October 1, then the Chief steward and the Department Leader will determine the level. If they are unable to come to an agreement by December 31, a 70% minimum staffing default level will be utilized for the following year. The minimum staffing level will be established, changed and reviewed once each year. In the event of a department layoff or other organizational change, the minimum staffing level will be revised within 2 months after the change using the above process. Minimum staffing will only take affect if department openings in the affected roles/jobs are being bid within 30 days of the opening or there are trainees in place. Once the minimum staffing level has been established it should be reported to Labor Relations.
- Upon being transferred to a new position as outlined in this section, unless otherwise agreed to by the COMPANY, the employee will not be eligible to bid on a job internally or externally for a period of three (3) years from the date the employee successfully completes the required Training Review Board or similar leadership review.
- Employees on an Operating Classification who are on personal or industrial sick leave will be allowed to be considered for transfer to one or more specific jobs in one or more specific departments when the illness or injury prevents the employees from ever performing their regular assigned duties within their present department.
- For communication of internal bids, job openings with job descriptions will be posted within a department to solicit interested employees.
- Site-wide postings for jobs to be filled under this section will be posted plant-wide for fourteen days. The posting will list the Operating Department and give a brief description of the job. Employees may become eligible for consideration for transfer to such jobs, commensurate with their qualifications, by responding to Human Resources with their name, employee number, a self-nomination form and the number of the job in which they are interested. Employees must be qualified for the job as per the Skills Initiative, Article XXXIV to be eligible.

The COMPANY reserves the right to assign Distribution Operators in any job opening in that classification within the Site Logistics department as well as move them between businesses within the department to meet business needs. This includes those Distribution Operators that have entered the department through the elimination of the Utility Group. This includes those Distribution Operators that have entered Site Logistics as a result of a layoff or other reduction in force.

Further, the Utility Classification will be eliminated and all employees that are currently classified as Utility Operators will be reclassified as Distribution Operators, paid at the Distribution Operator rate as per Exhibit A.

The employees moved to the Site Logistics department as a result of the Utility Group elimination will have bid rights at that transition date and will be allowed to move per this section.

As it relates to internal movement, it is not the COMPANY'S intent to force an employee onto a job internal to their department, in which the employee has no interest; however, effective operation of the plant must remain the first priority in staffing. Only as a last resort will an employee be forced onto a job internal to their department if no other acceptable candidate is available. It is not the COMPANY'S intent that an employee who is assigned to a job internal to their department because there were no other acceptable candidates be forced to stay on that job long term. If, after a reasonable time, the employee wants to move off the job he/she has the grievance process available on an ongoing basis.

Section 12. Staffing of New Plant/Significant Plant Expansions

The COMPANY shall have the right to select individuals to staff up to 25% of a New Plant or Significant Plant Expansion and not follow the normal bidding process. At least 10% of these individuals may be selected only from Plant A or B Operators and no more than 15% selected external to Plan A or B. Significant Plant Expansion shall be deemed to occur as the result of an expansion where 5 or more additional Operators are required to operate the plant. Candidates for these roles can come from current employees, employees who the COMPANY may transfer in from other Dow locations, or those hired from the outside. These employees shall fall under all provisions of this contract concerning job requirement skills as addressed in Article XXXIV, acceptance of training pay provision, and benefits.

Further, all Operators shall be required to remain in their positions for at least 5 years unless otherwise agreed to by the plant leader.

ARTICLE XVIII

Grievance Procedure

It is agreed that any employee or group of employees may, individually or through their representative, present complaints to the COMPANY.

It is agreed that all such complaints must arise out of the terms or interpretation of any express provision of this Agreement and any complaints regarding verbal or written discipline, suspensions or terminations will be addressed in the time structure as outlined in this Article unless otherwise mutually agreed upon in writing.

Step 1. The parties should attempt to resolve the complaint themselves and utilize the available resources to do so. For example, the Steward or Coach should be consulted.

Step 2. A complaint which cannot be settled in Step 1 should be carried to the employee's steward. If in the opinion of the steward the complaint is a just one, the employee and the steward should confer with the aggrieved employee's Leader in an attempt to reach an equitable adjustment. If no agreement is reached then it will be judged a grievance and reduced to writing, setting forth all available facts, evidence and must reference the specific provision(s) of the contract which is alleged to have been violated or the details regarding verbal or written discipline, suspension or termination. The grievance shall be written, dated and signed by the aggrieved employee or the steward and forwarded to Labor Relations.

Step 3. The parties hereby agree that their representatives shall have the power to adjust any grievance as hereinbefore defined. The representatives of the UNION shall be a committee designated by the UNION and shall consist of 2 members. The representatives of the COMPANY shall be those persons designated as such by the COMPANY management and shall consist of 2 Leaders from the Site. The UNION may request a substitute if the grievance is from the line manager's area.

All conferences between the COMPANY and the UNION shall be held during daily working hours, and the employees attending such meetings shall receive their regular rate of pay for any time lost. No grievance will be considered if not presented within 30 days from the date the grievance occurred. It is the COMPANY'S intent to administer discipline and conduct investigations which could lead to discipline in an expedient manner. It is further agreed that the Grievance Committee shall meet to dispose of any case submitted to it. Labor Relations will put the grievance on the agenda for the next available regularly scheduled grievance hearing meeting, which will be scheduled at least twice a month. The grievances will be heard as soon as practicable, provided however, the COMPANY must hear a minimum of 5 grievances per month in the order they are received unless key participants are not available or otherwise agreed between both parties. The COMPANY will schedule termination grievances first. The Grievance Committee shall render a decision on the grievance within two weeks thereafter, unless otherwise agreed upon in writing.

ARTICLE XIX

Arbitration Procedure

It is further agreed that if the Grievance Committee cannot mutually settle any grievances that arise regarding employment terminations of non-probationary employees, or interpretations of this Agreement, the UNION may within 30 days from the grievance decision request to arbitrate such grievance. The UNION may also request to arbitrate three time off disciplinary complaints involving a non-probationary employee in any calendar year. In addition, the UNION may arbitrate time off disciplines involving more than 3% of the employees. However, the UNION will be responsible to cover the costs of arbitration in the event the arbitrator denies such grievance. Upon receiving a timely filed valid request, the COMPANY and the UNION shall request the Federal Mediation and Conciliation Service to provide the names of five persons all of whom shall be impartial persons qualified to act as arbitrators. The impartial arbitrator will be chosen from this list by the representatives of the UNION and the COMPANY by a method mutually acceptable to both parties. If no other method is acceptable, each party will alternately strike one name from the list until one name is left. The party striking the first name will be determined by lot.

Any case that is properly submitted to Arbitration must be reviewed with the Site Leader or his/her designee before presentation to the impartial arbitrator.

No arbitrator has the authority to render a decision or to award any back wages, pay, benefits or other remedies or relief of any kind that conflict(s) in any manner with the collective bargaining Agreement, any other agreement between the parties, the COMPANY's benefit plans and/or applicable laws or regulations. Any decision of an arbitrator shall become final and binding as soon as the arbitration decision is rendered by the Arbitrator, and no Arbitrator shall have the authority to reconsider or modify such decision.

It is also agreed that the case will be presented to the impartial arbitrator on the earliest possible date and his/her decision will be final and binding upon both parties to this Agreement. The Arbitrator's decision shall be within the scope and terms of this Agreement and shall not change any of its terms or conditions. The Arbitrator shall in his/her decision specify whether or not the decision is retroactive or the effective date thereof. An extension of time will not be granted unless mutually agreed to by the parties to this Agreement.

Each party will bear the expenses of its witnesses. The expenses of the arbitration not borne by the Federal Mediation and Conciliation Service shall be borne by and divided equally between the UNION and the COMPANY.

The UNION and the COMPANY agree to request the arbitrator hearing the case to render a decision within 30 days after the hearing if no briefs are filed. In the event briefs are filed, within 30 days upon receipt of same.

Further, the COMPANY and the UNION agree in order to promote respect and responsibility during arbitration hearings, that their advocates will not engage in abusive or insulting conduct towards the arbitrator or the other parties' representatives, advocates and/or witnesses. Under no circumstances shall this rule limit zealous advocacy in accordance with generally accepted rules of professional ethics and responsibility.

The arbitrator is authorized and encouraged to enforce this provision at the point during the arbitration hearing when this rule is violated and either party may bring this provision to the attention of the arbitrator. In most situations, particularly for first-time violations, a verbal warning will be the appropriate penalty. However, when an advocate violates this policy more than once in any given hearing, the arbitrator may impose any appropriate penalty up to and including removal of the advocate from the hearing room and continuing the proceedings without the advocates' participation. In addition, the arbitrator could also decide to cancel and reschedule the hearing with the party represented by advocate who violated this rule responsible to pay the reasonable costs incurred by the other party preparing for and attending the hearing (including the full arbitrator's fee) as determined by the arbitrator.

ARTICLE XX

Clothing on Certain Jobs

The COMPANY agrees to furnish appropriate protective clothing on jobs where personal clothing would be destroyed or soiled to the extent that home laundry is not feasible in spite of precautions taken to protect the clothes.

ARTICLE XXI

Bulletin Boards

The COMPANY shall provide bulletin boards in locations agreed upon by the UNION and the COMPANY representatives for the posting of UNION notices. The boards shall be covered with glass and under lock, the key to which shall remain in possession of a UNION representative. The boards shall be used for the display of UNION notices: UNION meetings, UNION appointments, UNION elections, UNION social affairs, and seniority lists. Any and all other articles to be posted on said boards must have approval of the COMPANY'S Labor Relations Department. No UNION matter of any kind shall be posted in or about the plant except on said boards.

ARTICLE XXII

No Strikes or Lockouts

Section 1.

The UNION agrees that it will do everything within its power to cause the employees, individually and collectively, to perform and render loyal and efficient work and services on behalf of the COMPANY and that neither its representatives nor its members will intimidate or coerce employees in any manner any time.

Section 2.

There shall be no strikes or stoppages of work by the UNION or lockouts by the COMPANY, so long as this Agreement is in effect.

Section 3.

In case another Union which has been officially certified as having bargaining rights for another group of employees of the COMPANY fails to reach agreement with the COMPANY during negotiations for change or modification of a contract between the COMPANY and the other Union, as provided in the contract between the COMPANY and said other Union, and as a result puts up a picket line that has been properly authorized by the other Union and is not in violation of any law, the UNION will not be considered by the COMPANY to be on strike, nor will the COMPANY be considered by the UNION to have established a lockout. Further, the COMPANY will not discriminate against or discharge, or in any other way discipline an employee covered by this Agreement solely because of his/her observance of a picket line as specified in this section.

The Union acknowledges that the Union and its members have no right to hold a sympathy strike for any other union but the Machinists Local 128, Pipefitters Local 390, and Boilermakers Local 682.

Section 4.

The UNION, in making this Agreement is merely acting as agent for the employees covered by this Agreement and shall, under no circumstances, be liable for any strike, breach or other default under the Agreement, unless it can be shown that the UNION has caused or instigated such strike or other breach.

In the event of any employee or employees stopping work without approval of the UNION, such employee or employees will be subject to disciplinary action including discharge.

ARTICLE XXIII

Sick Leave

The following plan is designed to provide benefits for time lost due to personal illness or injuries sustained on the job. It is the responsibility of employees absent from work due to such illness or injury to carefully follow the instructions of their physician and do nothing which might impede their progress or postpone their return to work. During such absence the employees will not travel from the immediate area without the written permission of their physician. Employees will file such permission with Occupational Health Services and notify their supervision before they leave. It is also the responsibility of the absent employees to keep their supervision informed of their condition and any change in their sick leave status. The COMPANY reserves the right to request examination and make inquiries deemed advisable. Any employee who abuses the privileges provided in this Article or who submits a claim for benefits based on false statements will be subject to disciplinary action including discharge.

In order to minimize the abuse of sick leave benefits under this plan, the UNION pledges its active support of and assistance to the COMPANY'S efforts to prevent abuse of the program and support any absenteeism guidelines for Texas Operations. The provisions of Article XII, Physical Examinations, are applicable to all Sick Leave under Section 1 and Section 2.

Section 1. Personal Illness Sick Leave

This section covers benefits for time lost by employees due to personal illness or injury. In the event of a long-term illness, employees will typically receive full benefits and pay at the straight-time hourly rate for a period up to six months until Long-Term Disability becomes applicable. The COMPANY will work with the employee to allow the employee to apply for Long-Term Disability benefits. Since FMLA absences are not included in determining an individual's absenteeism rate below, two "days of waiting" prior to being paid 100% of their straight time wages will be required at the start of each absence relating to an FMLA leave. In no event shall employees receive more than 6 months of pay for any illness (FMLA and PI combined) unless agreed to in writing by the COMPANY'S Human Resource Department.

So long as the absenteeism rate (includes Personal Illness and Family Illness) for an individual employee does not exceed 2.5%, the employee will receive full benefits and pay at straight-time for time off associated with any personal illness or injury that can be validated. However, if during any calendar 6 month period (January through June - July through December), the percentage absenteeism rate for that employee exceeds 2.5%, the COMPANY has the right based on the overall circumstances to require the employee to take a "day of waiting" prior to being paid for any illness or injury and may pay the employee 80% of their straight time wages for the work days off after the first day. If at any time the absenteeism rate for this employee falls below 2.5% during any calendar 6 month period (January through June - July through December) thereafter, the COMPANY will eliminate the day of waiting requirement and again provide full straight-time pay as provided above.

Dow provides a Long-Term Disability 50% income protection plan, at no charge, to employees who have completed one year of continuous full-time service while actively at work. An additional 16.7% of coverage is available at employee cost. Refer to the Long-Term Disability Summary Plan Description.

Employees may use up to five (5) days of their personal sick leave days for attending to the illness or injury of immediate family members (spouse or children). Personal Illness Sick Leave and Family Sick Leave above may be granted in one hour increments.

None of the provisions of this section will apply for any sickness or injury;

- (a) resulting from employees' willful intention to injure themselves;
- (b) resulting from employees working for wages or being in business for themselves;
- (c) for which the employee has not been under the continuous care of a physician;
- (d) while the employee is absent because of a layoff, strike, or a 30-day or longer leave of absence; or
- (e) resulting from the employee's willful engagement in criminal activity.

Absences from work due to treatment or surgery that are cosmetic in nature or for the primary purpose of affecting sterility or fertility that are not the result of an illness or injury will not be covered by this Article. Should complications result from such treatment or surgery that may cause an absence from work beyond the normally expected absence from same, then the case should be referred to Occupational Health Services and after conferring with the attending physician, they will make a determination as to what portion of the absence was due to the complication and therefore will be covered under the provisions of this Article.

Section 2. Industrial Sick Leave

This section covers income benefits for time lost by employees due to industrial injuries or sicknesses covered by the state workers' compensation laws. The COMPANY will compensate the employee in an amount, when combined with any workers' compensation income benefits, equal to the employee's after-tax daily straight time base rate. This additional income benefit will be limited to a lifetime maximum of 52 weeks unless otherwise agreed to by Labor Relations.

The provisions of this section will apply only when;

- (a) the illness or injury is determined to be compensable under the Texas Workers' Compensation Insurance Law, and
- (b) the employee is complying satisfactorily with the instructions of the physician in charge of his/her case.

ARTICLE XXIV

Dues Check-off

The COMPANY agrees to honor check-off forms signed by individual employees in the presence of one witness on forms furnished by the COMPANY which authorize the COMPANY to deduct from the employee's first pay check each month the regular monthly dues of the employee. If the check-off authorization calls for deduction of a stated amount for initiation fees, such initiation fees will be deducted in a maximum of five installments, provided that no deduction is less than five dollars (\$5.00).

However, not more than one such series of deductions will be made for any individual employee during the term of this contract. The first installment will be deducted from the pay check issued the week following receipt of the authorization form. Such check-off authorization forms will be filled out in duplicate and a copy furnished to the UNION. This will be done only in strict compliance with the applicable State and Federal laws. If an employee does not receive a pay check on the first day of a given month, the amount that should have been deducted that month will be added to the amount deducted the following month.

The check-off forms to be used will be as follows:

Labor Relations Dept.

Texas Operations

The Dow Chemical Company

Freeport, Texas 77541

Employee Name (Print)

Master Number

Gentlemen:

I, the undersigned employee, hereby assign from any wages earned or to be earned by me as your employee, to Local _____, (Union Name) _____, a sum of \$ _____ for Initiation Fee, and a sum of \$ _____ per month as monthly Union Membership Dues.

I hereby authorize the COMPANY to make these deductions and to remit same to the Financial Secretary of the above mentioned UNION.

I understand that if the membership of Local _____ changes the amount of the regular monthly union dues, in accordance with the Constitution and By-laws of the UNION, then this assignment shall be deemed as authorization and assignment for deduction of said regular monthly dues as so changed.

This assignment and authorization shall become effective as of the date it is received by the COMPANY and shall be irrevocable for the period of one year or until the termination of the current collective bargaining agreement between the COMPANY and the UNION, whichever occurs earlier; and this assignment and authorization shall be automatically renewed and shall be irrevocable for successive periods of one year each or for the period of each succeeding applicable collective bargaining agreement between the COMPANY and the UNION, whichever shall be the shorter, unless written notice is given by me, by registered U. S. Mail, to the COMPANY and UNION during the ten-day period immediately prior to the expiration of each period of one year, or during the 60-day period immediately prior to the expiration of each applicable collective bargaining agreement, whichever occurs earlier. It is understood, however, that this agreement shall continue in force under its terms only so long as I perform work falling under the jurisdiction of the above union.

Signature of Employee

Witness

Date Signed

Date Received by the
Company

Dues check-off authorization cards signed under prior contracts shall remain in effect in accordance with the terms of the contract in effect at the time the employee signed the card.

Money deducted from pay checks as authorized herein for employees bargained for by the UNION will be forwarded by check to the address furnished the COMPANY by the UNION not later than the 20th day of the month in which the money is deducted, along with a summary sheet showing the name of each employee from whose pay checks dues and/or initiation fees were deducted and the amount deducted.

ARTICLE XXV

Maintenance of Membership

It is agreed that if changes occur in existing laws so as to permit a Maintenance of Membership provision to be included in this contract at a future date, then at that time and in full compliance with the then existing laws, the parties shall meet and negotiate concerning the terms of a Maintenance of Membership provision.

ARTICLE XXVI

Classifications and Wages

Section 1. Wage Structure

For the duration of this Agreement, the job classifications and wage rates set forth in Exhibit A, and the minimum pension guarantees set forth in Exhibit C, are satisfactory to the parties hereto. The wage rates shown in Exhibit A exclude the Pay for Performance described in Section 5 below.

Section 2. Wage Increase

The wage increase for the employees for 2003 through 2010 shall be effective at 7:00 a.m. on the dates indicated in Exhibit A.

Section 3. Potential Wage Freeze

If the COMPANY initiates a COMPANY-wide annual wage freeze as it did in 2003, that wage freeze would be applicable to bargained-for employees as well. In such event all wage increases will be postponed by one year. For example, if there is a wage freeze in 2005 and not in 2006, the 2006 wages shall be those listed for 2005.

Section 4. Pay Progression

Pay Progression for employees hired after May 14, 2003 will be 48 months with increases in wages occurring every 12 months (see Exhibit A). Employees on pay progression hired prior to May 14, 2003 will remain on the 24 month pay progression schedule.

Section 5. Pay for Performance

During each year, the performance assessment process described in Performance Assessment Process shall be completed for each employee. Based on the results of that process, the COMPANY shall have the right to slot up to 15% of employees in the bargaining unit in the higher pay band (Pay Band A), and shall also have the right to slot up to 7% of employees in the bargaining unit in the lower pay band (Pay Band C) and the remaining, at least 78%, of the employees shall be slotted in the average pay band (Pay Band B). Therefore, at least 93% of all employees shall be in the average and higher pay bands. Notwithstanding any provision contained in the contract to the contrary, the decision as to the slotting of employees in to which pay band may not be grieved or arbitrated. In no case will the implementation of this proposal result in a decrease in pay for an individual.

Above average performers will be paid .75% above the wage rate and below average performers will be paid 1.5% below the wage rate shown in Exhibit A.

Pay for Performance does not apply to the Distribution Operator classification as well as anyone on the pay progression.

During November of each year, Department Leaders will again review the performance of the below average performers including the last few months to determine whether to move that individual into the higher Pay Band B through their next pay adjustment date (May of the following year). As above, this decision may not be grieved or arbitrated.

Pay for Performance slotting will begin in 2005 but the standardized written performance evaluations will begin in 2004.

Section 6. Site Logistics Job Classifications

The Site Logistics department will have two job classifications – Lead Distribution Operator and Distribution Operator. The Head Packaging Operator (HPO) and the temporary classification of Site Logistics Process Operator (SLPO) will be eliminated. Those employees in the HPO and SLPO classifications will be re-classified as either Lead Distribution Operators or Process Operators and have their wage rate moved to the corresponding rate within 6 months after the signing of this Agreement.

Section 7. Distribution Operators

Distribution Operators hired prior to May 14, 2003, will be paid the wage rate that reflects the \$.06/hr empowerment adder from the previous contract. Operators hired after May 14th, 2003 will be paid on a separate pay scale as shown in Exhibit A.

The Utility Classification will be eliminated and all employees that are currently classified as Utility Operators will be reclassified as Distribution Operators, and paid at the Distribution Operator rate of those hired prior to May 14, 2003, as per Exhibit "A".

The employees moved to the Site Logistics department as a result of the Utility Group elimination will have bid rights at that transition date.

Section 8. Former Classifications and Grandfathered Rates (For Historical Purposes)

- (a) Employees in Grandfathered classifications in Site Logistics shall have their pay adjusted to the top Distribution Operator rate effective at the beginning of the first pay period after 3 months from the date of this agreement.
- (b) Eliminate Class I Engineer classification.
- (c) Move the following classifications from the grandfathered portion of Exhibit A to portion titled "Classifications Used In More Than One Department"; Janitor, Crane Operator and Crane Operator Crewleader.

- (d) In Exhibit A Crane Operator classification will be listed as "Maintenance Services Equipment Operator". Fireman classification will be listed as "Emergency Services Operator".

Section 9. Process Operator Board Adder

The UNION acknowledges that it is the COMPANY's management right to decide on a plant-by-plant basis which roles are Board Operator roles and whether to have separate or combined Board Operator and Outside Operator roles (i.e. do both or rotating) within the Process Operator Classification, and the number of such roles in each plant. Board Operators will be paid a \$.20/hr adder beginning in 2004. After 2004 this adder will be increased \$.20/hr each year for the life of the contract – the long-term goal is to have a \$2.00 per hour pay differentiation.

ARTICLE XXVII

Miscellaneous Pay Practices

Section 1. Shift Relief

Time spent exchanging information between employees of an incoming crew and employees of an outgoing crew is non-compensable time. The expected time for the relief to take place is determined by work process.

Section 2. Pay for Travel

An employee traveling on Dow business, with Leader approval, will be paid portal to portal. Job related travel during an employee's normal work schedule will be counted as time worked. If an employee is required to stay over night, they will be paid for their normal work hours only. When traveling, if they are required to perform job like duties on hours other than their normal work schedule, they will be paid. If an employee elects to travel on a non-scheduled work day, travel time is not paid.

Section 3. Pay for Remote Off-hour Troubleshooting

Employees will be paid at the appropriate rate for time spent to resolve or troubleshoot problems during off-hours via telephone when the time involved is 8 minutes or more. Call-out minimums do not apply.

Section 4. Mandatory Shower Pay

Employees, that are required by Occupational Health Services, as a part of their job to take a shower prior to leaving the plant will be compensated for 10 minutes.

Section 5. Community Outreach

Employees will be paid when participating in community activities at Dow's Public Affairs request. The employee must obtain Leader and Labor Relations approval, following the Public Affairs guidelines, in advance to be compensated for time away from work. Employees will be compensated only for Community Outreach time that occurs during regular work schedule.

ARTICLE XXVIII

Savings Clause

Should any part hereof or any provision herein contained be rendered or declared invalid by reason of any existing or subsequently enacted legislation or by any decree of a court of competent jurisdiction, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portions hereof, and they shall remain in full force and effect.

ARTICLE XXIX

Department Side Agreement

The 90 days immediately prior to the expiration of the current bargaining Agreement will be used by the Department Leader and the department stewards to update or amend departmental side agreements pertaining to overtime distribution and lines of progression. If, during such 90-day period, no agreement is reached, the departmental differences will be settled during the negotiations of the new bargaining Agreement.

ARTICLE XXX

No Discrimination

The COMPANY agrees that there will be no interference, intimidation, coercion, or discrimination in any manner against any person employed by the COMPANY because of participation in the activities of the UNION or because of race, age, creed, color, sex, national origin, disability, or veteran's status.

The UNION agrees that there will be no interference, intimidation, coercion, or discrimination in any manner against any person employed by the COMPANY because of race, age, creed, color, sex, national origin, disability, or veteran's status.

Both parties recognize their obligations under the Americans with Disabilities Act ("ADA"), and agree to comply with the requirements of the statute. To the extent

reasonable accommodation of a qualified employee with a disability requires a move, transfer, or change inconsistent with the terms of this Agreement, both parties agree to negotiate a mutually satisfactory resolution consistent with the requirements of the ADA and this Agreement.

The use of any male noun or pronoun in this Agreement is used in a neutral sense, and is applied equally to both males and females.

ARTICLE XXXI

Site Logistics

The COMPANY reserves the right to assign Distribution Operators in any job opening in that classification within the Site Logistics department as well as move them between businesses within the department to meet business needs. This includes those Distribution Operators that have entered the department through the elimination of the Utility Group and those distribution operators that have entered site logistics as a result of a layoff or other reduction in force.

ARTICLE XXXII

Cell Rebuild

Cell maintenance (M-83 & membrane) activities will be performed by the Cell Rebuild Operator. The COMPANY will fill the Cell Rebuild Operator positions up to a maximum of ten full-time Dow operators 6 months after the signing of this Agreement and those employees will be paid as per the Cell Rebuild Operator classification in Exhibit A. The intermittent cell rebuild work will fall under the existing Contracting of Work language.

Cell Rebuild Operators will be required to meet the foundational skills requirement as described in the Learning Skills Initiative, Article XXXIV. Cell Rebuild Operators wishing to move to other operator jobs will be required to meet all requirements in this Agreement pertaining to those jobs.

Cell Rebuild Operators will perform other tasks when not involved in cell work. This will include miscellaneous process operational work including cell helper, weekly inspections, unloading, environmental waste packaging, waste storage, inspections, housekeeping, etc. Cell helper work will be at the direction of a Chlorine Production Process Operator. If the Process Operator, covering the cells, is off and the helper is qualified to independently perform the task he or she will be paid at the Process Operator rate of pay and not be eligible for pay upgrade at any other time while assisting Chlorine Production Process Operators.

ARTICLE XXXIII

Discipline

The COMPANY, for just cause, has the right to discipline and discharge; require employees to comply with COMPANY policies, rules, procedures, regulations and practices; to require interactive cooperation with other employees and to refrain from engaging in any type of insubordination or misconduct. Progressive discipline will be used for non-significant offenses.

Severe violations which may result in termination without progressive discipline include but are not limited to violations of the Respect and Responsibility policy and the Minimum Standards of Conduct.

The UNION reserves the right to represent the employees coming under the jurisdiction of the UNION in all stages of discipline in compliance with the provisions of this contract.

ARTICLE XXXIV

Skills Initiative

Intent of this Article:

To upgrade and maintain skills to increase the competitiveness of Operators in a positive manner. To insure that all Operators are given the opportunities and assistance in achieving the desired skill levels. Failure of the employee to attempt to reach these requirements could result in corrective disciplinary action, however employees clearly working toward achieving the skills but simply needing additional time in achieving required levels may be given additional time and opportunities to succeed.

Section 1. Site Foundational Skills

Foundational Skills Assessment will be required for employees hired prior to May 14, 2003. Employees required to obtain an associates degree will take the assessment upon completion of the degree. The Foundational Skills include the areas of Reading, Applied Mathematics, Locating Information, Teamwork, Applied Technology and Observation (the "Skill Category(s)"). In each Skill Category there are different Skill Levels, 3, 4, 5, 6 and 7 ("Skill Levels"). Each employee will be required to take a skills assessment to determine the level they are at, paid for by the COMPANY. Once the Skill Level has been determined, an employee will be expected to move up at least 2 Skill Levels per year until the employee has achieved the required level in all the Skill Categories. Employees must reach a Skill Level of 5 in Locating Information and Teamwork and a Skill Level of 6 in the other four categories.

Section 2. Process Operator Skills

Another area which the COMPANY will perform assessments is in work specific skills such as Process Operator Skills. Training will include in-depth courses and/or exercises in the principles and application of Mechanical Equipment, Electrical Equipment, Process Equipment, Process Instrumentation, and Plant Operations. All employees shall be required to achieve at least an 85% score on a Process Operator skills assessment by the end of 2008. An employee, who is in the process of achieving their associates degree, will not be obligated to achieve a score of 85% until 4 years from the date that person receives his/her degree or 2008, whichever is later. An operator as described in the previous sentence, will be allowed to bid on any open Process Operator job during the 4 years. The COMPANY's intent is that these skill evaluations and improvements will have a positive impact on the Site's productivity and on employees as they gain greater skills, and therefore agrees not to use the failure to achieve a score of 85% as a factor in an employee job termination. Emergency Service Operators, Crane Operators and Maintenance Services Equipment Operators are excluded from this requirement.

Section 3. Lab Operator Training (Full-Time Lab Operators)

New Lab Operators hired after May 14, 2003 will be required to obtain a two-year associates degree or equivalent. Existing Lab Operators, or employees bidding into a Lab Operator job, will be required to take or have 8 hours of chemistry with a passing grade (General Chemistry I and General Chemistry II), to be completed by the end of 2008, or 3 years after successfully bidding a job, which ever is later.

Section 4. Departmental Training

This will include the specific material and/or exercises for the specific plant processes, plant operating procedures, plant safety procedures, and for the specific tasks or duties that are relevant to the role or jobs for which the employee is being trained.

All personnel will be required to successfully complete the departmental training and tests for the job. Failure to successfully complete the department training requirements in a reasonable time will result in corrective disciplinary action. Further, the employee will not be able to transfer to another job unless otherwise approved by Labor Relations.

Section 5. Annual Training Requirements

Annual training/testing will be treated similar to the process used in initial Training Review Board and will stay within the appropriate I.P.T. or training modules. Failure to pass training requirements could result in corrective discipline. A reasonable test of the job requirements will be given. If questions arise regarding relevancy to the job and/or the degree of difficulty, the department steward may appeal such questions to the Site HR Process Leader.

Section 6. Determining Skill Levels and Training

The COMPANY will determine the training requirements for each job and may change those requirements from time to time. Prior to making any changes to the Foundational Skills, Process Operator Skills and Lab Operator Skills requirements, the COMPANY will solicit UNION input.

Section 7. General Requirements

- (a) All new hires must complete a new employee orientation program.
- (b) All personnel hired for the purpose of being placed into an operating job that comes under the jurisdiction of the UNION will be required to successfully complete an associate degree containing courses in Process Technology.
 - (1) All personnel hired that do not already have the required associate degree must complete (with a passing grade) 9 credit hours every twelve months, on a rolling basis, toward the required associate degree. The nine credit hours can include any preparatory classes that are required in order to enroll in a class that is part of the curriculum for the required associate degree. At least 3 credits of preparatory classes must be completed each twelve months until complete.
 - (i) An employee who fails to meet this requirement will regardless of length of employment, again become a probationary employee under Article XVII, Section 2 of the contract. As soon as an employee achieves at least 9 credit hours in the preceding 12 month period, then the employee will be removed from probationary status.
 - (2) Employees are permitted to split shifts for the purpose of attending courses related to obtaining their associates degree. This split shift can occur with the approval of their leader. A split shift must not conflict with COMPANY safety objectives or efficient plant operations. Split shifts must occur in the same work week, as defined at the site. In cases requiring overtime, the COMPANY agrees to pay overtime consistent with Article V. of the current collective bargaining Agreement. All splits will be voluntary and are the responsibility of the employee.

ARTICLE XXXV

Empowered Workforce

Dow's greatest asset is represented by the skills, energy, and creativity of its employees. Through the use of an empowered workforce, it is the intention of the UNION and the COMPANY to capitalize on this valued resource to lower costs and

improve productivity. Among other productivity gains from implementing work flexibility, it is anticipated that such flexibility will improve competitiveness, efficiency and minimize contractors. Implementing empowerment in a timely manner will narrow the competitive gap and strengthen real job security.

(a) Empowered Team Definition:

A team that, within a given set of boundaries, is authorized, accountable, capable and willing to manage its own activities to produce an agreed upon set of target outcomes. This represents a change from the traditional approach of directed activities, to utilizing employees' full capabilities and talents while following standardized work processes.

(b) Boundaries:

Empowered employees operate within established business strategies, policies, guidelines, the collective bargaining Agreement and work processes. The implementation of an empowered workforce can best be accomplished at a department level in which consideration can be given for operational/organizational differences.

ARTICLE XXXVI

Texas Operations Work Flexibility

The COMPANY and UNION agree to provide a work environment where job flexibility among bargained for employees is utilized to improve the competitiveness of Texas Operations. Among other productivity gains from implementing work flexibility, it is anticipated such flexibility will improve competitiveness, efficiency, and minimize contractors. Bargained for employees will use their similar and acquired skills to perform work across jurisdiction lines to achieve more effective, efficient and reliable operations. The UNION and the COMPANY acknowledge the need for flexibility and the parties agree that the Jurisdiction Article in the current collective bargaining Agreement allows this flexibility.

It is not the intent or expectation of the COMPANY to develop a multi-craft workforce or that employees in Operations become craftsmen or vice versa. The parties respect and will continue to promote the importance of operations and maintenance craft skills, competencies and individual craft integrity even though the COMPANY and the UNION agree that employees may receive training to ensure they can safely do a task.

In the event of a mandatory reduction in force of bargained for employees, the flexibility described above will not be used to perform that group's work.

ARTICLE XXXVII

Duration

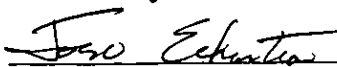
This basic Agreement shall become effective as of 7:00 a.m., May 14, 2003, and shall continue in effect to 4:00 p.m., May 15, 2011. The COMPANY agrees not to file an RM petition with the National Labor Relations Board during the term of this contract. Either party may on or before March 13, 2011, give notice to the other party of the desire of the party giving such notice to negotiate with respect to the terms and conditions of a new basic Agreement. If such notice is given, the parties shall meet at an agreeable time to negotiate the provisions of the new basic Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this amendment on the 14th day of May, 2003.

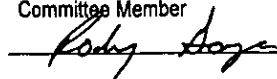
INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL NO. 564:



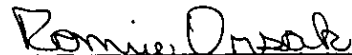
C. R. Singletary
Business Manager




J. J. Echartea
Committee Member



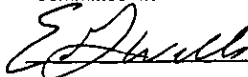
R. T. Garza
Committee Member



R. E. Orsak
Committee Member



J. A. Speer
Committee Member

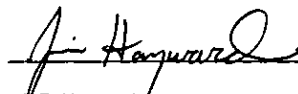


E. G. Wells
Committee Member

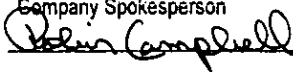
FOR THE COMPANY:



T. J. Block
Vice-President, COMPANY



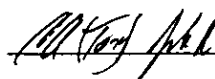
J. E. Hayward
Company Spokesperson



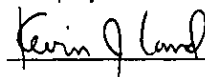
R. R. Campbell
Company Committee



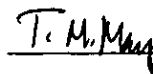
C. H. Gabba
Company Committee



C. A. Gryseels, Jr.
Company Committee



K. J. Land
Company Committee



T. M. May
Company Committee

EXHIBIT A

The following schedule of wage rates shall be made effective at 7:00 a.m. on May 26, 2003; May 10, 2004; May 9, 2005; May 8, 2006; May 7, 2007; May 5, 2008; May 4, 2009; May 3, 2010, respectively.

EXHIBIT A

	EFFECTIVE 5/26/2003	EFFECTIVE 5/10/2004	EFFECTIVE 5/9/2005	EFFECTIVE 5/8/2006	EFFECTIVE 5/7/2007	EFFECTIVE 5/5/2008	EFFECTIVE 5/4/2009	EFFECTIVE 5/3/2010
Process Operator (w/ Board Adder)	\$24.97	\$25.60	\$26.34	\$27.15	\$27.97	\$28.75	\$29.56	\$30.38
Emergency Services Operator	\$24.97	\$25.60	\$26.34	\$27.15	\$27.97	\$28.75	\$29.56	\$30.38
Process Operator (% Increase)	\$24.97	\$25.40 (1.7%)	\$25.94 (2.1%)	\$26.55 (2.4%)	\$27.17 (2.3%)	\$27.75 (2.2%)	\$28.36 (2.2%)	\$28.98 (2.2%)
Lab Operator	\$24.37	\$24.79	\$25.31	\$25.91	\$26.52	\$27.09	\$27.68	\$28.38
Maintenance Services Equip Operator	\$24.97	\$25.60	\$26.34	\$27.15	\$27.97	\$28.75	\$29.56	\$30.38
Lead Distribution Operator	\$18.84	\$19.16	\$19.57	\$20.03	\$20.50	\$20.94	\$21.40	\$21.86
Distribution Operator hired prior to May 2003 0-14 CH	\$12.56	\$12.56	\$12.56	\$12.56	\$12.56	\$12.56	\$12.56	\$12.56
Distribution Operator 15-29 CH	\$12.96	\$12.96	\$12.96	\$12.96	\$12.96	\$12.96	\$12.96	\$12.96
Distribution Operator 30-44 CH	\$13.36	\$13.36	\$13.36	\$13.36	\$13.36	\$13.36	\$13.36	\$13.36
Distribution Operator 45-59 CH	\$13.76	\$13.76	\$13.76	\$13.76	\$13.76	\$13.76	\$13.76	\$13.76
Distribution Operator 60+ CH	\$14.16	\$14.16	\$14.16	\$14.16	\$14.16	\$14.16	\$14.16	\$14.16
Distribution Operator Degreed	\$14.56	\$14.56	\$14.56	\$14.56	\$14.56	\$14.56	\$14.56	\$14.56
Distribution Operator hired after May 2003 0-14 CH	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Distribution Operator 2003 15-29 CH	\$12.25	\$12.25	\$12.25	\$12.25	\$12.25	\$12.25	\$12.25	\$12.25
Distribution Operator 2003 30-44 CH	\$12.50	\$12.50	\$12.50	\$12.50	\$12.50	\$12.50	\$12.50	\$12.50
Distribution Operator 2003 45-59 CH	\$12.75	\$12.75	\$12.75	\$12.75	\$12.75	\$12.75	\$12.75	\$12.75
Distribution Operator 2003 60+ CH	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00
Distribution Operator 2003 Degreed	\$13.25	\$13.25	\$13.25	\$13.25	\$13.25	\$13.25	\$13.25	\$13.25
Pay Progression Rates for those hired after May 2003								
0-12 Mos Degreed Operator (Process/Lab)	\$15.00	\$15.26	\$15.58	\$15.95	\$16.32	\$16.67	\$17.04	\$17.41
12-24 Mos Degreed Operator (Process/Lab)	\$17.65	\$17.95	\$18.33	\$18.77	\$19.20	\$19.62	\$20.04	\$20.48
24-36 Mos Degreed Operator (Process/Lab)	\$20.30	\$20.65	\$21.09	\$21.59	\$22.09	\$22.56	\$23.05	\$23.66
36-48 Mos Degreed Operator (Process/Lab)								
					Training Pay			
Cell Rebuild Operator	\$17.76	\$18.07	\$18.45	\$18.89	\$19.32	\$19.74	\$20.17	\$20.61
Janitor	\$10.00	\$10.17	\$10.39	\$10.63	\$10.88	\$11.11	\$11.36	\$11.61

Note 1: The Union acknowledges that it is the Company's management right to decide on a plant by plant basis which roles are Board Operator roles and whether to have separate or combined Board Operator and Outside Operator roles (i.e., do both or rotating) within the Process Operator Classification, and the number of such roles in each plant. Board Operator is not a classification.

Note 2: Training Pay will be \$2.00 less than Exhibit A Wage Rate unless an individual is on a pay progression. Training pay does not apply to Distribution Operators.

Note 3: For those hired prior to May 14, 2003, the rate of pay for those receiving a Process Technology Associates Degree in the first 24 months with the Company, and who successfully bid on a Process Operator job, will be based on their months of service as shown below.

Note 4: Crane Operator is included in the Classification of Maintenance Services Equip Operator.

Note 5: A Maintenance Services Equip Operator Crew Leader will make \$2.00 more than a Maintenance Service Equipment Operator.

Note 6: The rate of pay for those hired after May 14, 2003, receiving a Process Technology Associate Degree in the first 48 months with the Company, and who successfully bid on a Process Operator job, will be based on their months of service as shown above.

Note 7: Employees transferring to Texas Operations as Distribution Operators will be paid per Exhibit A section "Distribution Operators hired after May 2003."

Pay Progression Rates for those hired before May 2003:

0-6 Mos Degreed Process Operator	\$15.00	\$15.26	\$15.58	\$15.95	\$16.32	\$16.67	\$17.04	\$17.41
6-12 Mos Degreed Process Operator	\$17.32	\$17.62	\$17.99	\$18.42	\$18.85	\$19.25	\$19.67	\$20.10
12-18 Mos Degreed Process Operator	\$19.62	\$19.96	\$20.38	\$20.86	\$21.35	\$21.81	\$22.28	\$22.77
18-24 Mos Degreed Process Operator					Training Pay			

EXHIBIT B

When the term "Plant A" is used in this contract, it refers to the plant which was known, prior to February 8, 1947, as Texas Division, The Dow Chemical Company, Freeport, Texas. Where the term "Plant B" is used in this contract, it refers to the plants which were known, prior to February 8, 1947, as Styrene Division, The Dow Chemical Company, Velasco, Texas, and Dow Magnesium Corporation, Velasco, Texas.

EXHIBIT C

PENSION

Employees may estimate their benefit from the Dow Employee Pension Plan by contacting the Individual Data Access System (IDA). Employees will be asked to provide their six digit employee number and their Personal Identification Number (PIN) along with a potential departure date.

Several months prior to retirement, employees should inform the Dow Benefits Center. The Benefits Center will provide the necessary retirement forms and instructions needed to complete the process.

EXHIBIT D

OPERATING DEPARTMENTS

Listed below are the various departments in which Operating Department Seniority applied as of May 14, 2003. Changes resulting from consolidating or splitting of departments will also be made as necessary.

A-915 Distribution Laboratory	Glycol B/POP
Adhesive Polymers	Hydroxyalkyl Acrylate (HAA)
B-3833 Polyolefins R&D Lab	Latex
Boiler Shop	Light Hydrocarbons No. 7
Brine Production	Market Development
C/A Liquefaction/Distribution	Marine Operations
Caustic No. 1	PGA/IPG
CEMP	PMDI
Chlorine 5	Polycarbonate Manufacturing
Chlorine Production	Polyethylene No. 2
Chlor-Pyridines	Polyethylene No. 3
DC/EDC	Polyethylene No. 4
EB/Styrene	Polyurethanes
Environmental Operations	Power Production
Epoxy 2 & 3	Quat 188
Epoxy Intermediates B-23	Site Logistics
Epoxy Intermediates B-68	TDI
Epoxy Resin	Trichlor
Fire Department	Versene

EXHIBIT E

Section 1. Special Recognition Award (SRA) Program

Employees shall be entitled to the identical Special Recognition Award program as Freeport salaried employees except that the maximum is 30% of monthly base pay. All terms and conditions of the COMPANY's special recognition award program shall apply including non-payment terms and the COMPANY shall have the right to modify the program in any manner from time to time. The COMPANY has no obligation to award an annual minimum aggregate amount to employees.

Annually the COMPANY will supply the following information to the UNION: total number of recipients and total SRA dollar amount for Operators.

Section 2. Performance Award Program

Employees shall be entitled to the identical annual performance award program as Freeport salaried employees except that the 1X (target) pay out is \$1,500 and the 2X (maximum) pay out is \$3,000. All terms and conditions of the COMPANY's annual performance award program shall apply including non-payout terms due to individual and COMPANY performance. The COMPANY shall have the right to modify the program in any manner from time to time. Notwithstanding any provision contained in the contract to the contrary this decision may not be grieved.

Section 3. Learning Recognition Awards

The amount below is meant to compensate employees who have demonstrated improvement in their skills.

- (a) Foundational Skills Category Recognition Award - An employee will receive \$300 award for each foundation skill category achieved (i.e., required profile met). Achieving a Category can be accomplished by working through the levels or by achieving the profile score during the initial assessment. An employee that assessed at the profile in 2002 or 2003, will be paid in January 2004. Thereafter an employee will be paid as per item (d) below.
- (b) Process Operator Skills Recognition Award - An employee required to pass a Process Operator Assessment will be awarded a lump sum payment of \$2400 upon completion for obtaining a score of 85%. The employee will receive an additional \$60 for each 1% over the passing grade of 85% on the assessment. Employees may retake test to improve the 85% minimum score, twice a year, and the employee will receive an additional \$60 for each 1% over their previous best score.

- (c) Lab Skills Recognition Award - An employee will be awarded \$600 total, \$300, to be paid after completion for each required chemistry course.
- (d) These awards will be paid out a minimum of two times in a year, to be determined by the COMPANY.

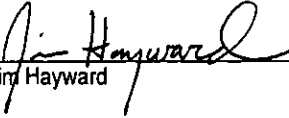
APPENDIX

**MISCELLANEOUS
TEXAS OPERATIONS NON-TRADITIONAL WORK**


Employees may be assigned to perform work not historically under the jurisdiction of the Union. In this case, the Union agrees that a separate contract is not created when employees are assigned non-bargained for work and agrees not to claim jurisdiction over work or jobs assigned to Union employees historically outside the jurisdiction of the Union.

FOR THE COMPANY:

FOR THE UNION:



Jim Hayward



Charlie Singletary
Operating Engineers, Local 564

CONTRACTING OF WORK

Janitor, and seasonal jobs, may be filled by contractor employees as bargaining unit employees leave and create vacancies. The COMPANY may use contractor employees on Yard, Utility Work, Crane and Equipment Operator jobs.

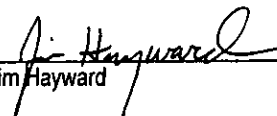
Any bargaining unit work, including that mentioned above, may be assigned to contractor employees for part of a work day and part of a workweek. Further, such work may be assigned to contractor employees for full workweeks for periods of time of less than a permanent nature. The purpose of such assignments as mentioned in this paragraph will be to supplement and/or fill non-permanent vacancies left by the regular, full-time bargaining unit employees performing the same or similar work.

The COMPANY agrees that the work within the jurisdiction of the UNION being performed by contractor employees shall serve as a cushion in the event there is a reduction in force in the bargaining unit. In this event, the COMPANY will replace contractor employees on such work where it makes sense economically and to the extent that each bargaining unit employee is physically able to perform the work of the displaced contractor employee.


This agreement will be effective for the duration of the current bargaining agreement and is made in conjunction with and subsequent to the current bargaining agreement.

FOR THE COMPANY:

FOR THE UNION:



Jim Hayward



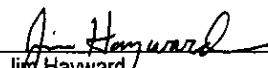
Charlie Singletary
Operating Engineers, Local 564

WORK STOPPAGE TRAINING

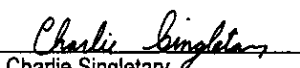
The UNION acknowledges that the current jurisdiction clause language does not in any way prohibit the COMPANY from training salaried employees to perform bargained-for work in emergency situations including a potential work stoppage.

FOR THE COMPANY:

FOR THE UNION:



Jim Hayward



Charlie Singletary
Operating Engineers, Local 564

12-HOUR SHIFT

The Company and the UNION agree to implement 12-Hour Rotating Shift Pilots in an effort to determine the long-term direction.

The pilots will use the recommendation by the negotiation sub-team as the basis to begin. The Company and UNION agree that very little should need to be modified, but if any changes are made that impact terms of employment, working conditions or wages, the Union and Company will discuss further, up to and including negotiating additional side agreements.

The pay practices used for the 12-Hour Shift Pilots will follow the US Pay Practices that pertain to 12-hour shift pay.

There will be 5 pilots (maximum of 10-15% of the site operator population), minimum of 1 in Plant A, to be implemented on the following timeline:

- 1st Plant (in Plant B) to begin Jan. 2004
- 2nd and 3rd Plant (1 in Plant A and 1 in Plant B) to begin July, 2004
- 4th and 5th Plant to begin January, 2005

Once the pilots are complete or no later than January, 2006, the Company will negotiate with the Union to determine whether to continue, modify, or expand the 12-hour shift schedule. If the Company and Union are unable to come to an agreement at that point, the existing 12-Hour Shift Pilots will be discontinued and will transition back to 8-hour shifts.

Simultaneous to the pilots, the Company will be initiating a 12-Hour Shift Six Sigma Black Belt project across several sites. The Company may request bargained for employees to participate in the project. The results of the study will also be given consideration in determining the Company's position beyond 2006.

The following is a timeline agreed to by the Union and the Company:

- 1st Pilot
 - Identify Plant September, 2003
 - Begin first 12-Hour Shift Pilot January, 2004
- 2nd & 3rd Pilots
 - Identify 2nd and 3rd Plants January, 2004
 - Assess 1st Pilot's Progress March, 2004
 - Incorporate Learning of 1st Pilot April, 2004
 - Begin 2nd and 3rd Pilot July, 2004

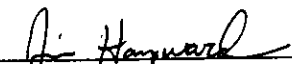
- 4th & 5th Pilots

Identify 4th and 5th Pilot Plants
Assess 2nd and 3rd Pilot's Progress
Incorporate Learning of 2nd and 3rd Pilot
Begin 4th and 5th Pilot

June, 2004
September, 2004
October, 2004
January, 2005

FOR THE COMPANY:

FOR THE UNION:



Jim Hayward




Charlie Singletary
Operating Engineers, Local 564

RIGGERS AND CRANE OPERATORS

The parties signatory hereto, recognizing the need to reorganize the Rigging Department to enable it to better serve the Company's needs, agree that:


- Riggers and Crane Operators will be common-trained to operate and do rigging for rigs rated up to the 35-ton class, except in cases of critical lifts, personnel lifts, or on jobs where the movement of the boom or the load would cause more than a normal hazard. In such cases, a Crane Operator will operate the rig and a Rigger will do the rigging. Either classification may drive the front end of mobile crane.
- Within these parameters Riggers who have been formally qualified may operate rigs and Crane Operators who have been formally qualified may do rigging.
- Recognizing that the two classifications would be represented by two certifications, there would be one steward from each Union representing their members in Plants A & B.
- A training program for both classifications, including craft tests, will be designed to provide employees with the necessary skills to accomplish these assignments.

FOR THE COMPANY:



Jim Hayward

FOR THE UNION:



Charlie Singletary
Operating Engineers, Local 564

**WORK STOPPAGE RESOLUTION AND
RETURN TO WORK LETTER OF AGREEMENT**

A Work Stoppage Resolution and Return to Work Letters of Agreement were signed by both parties on May 25, 2003 and all provision of these letters of agreement are binding to both parties. A copy is on file at Labor Relations.