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AGREEMENT BETWEEN

KOHLER CO.

AND THE

U.A.A.A.I.W.A. LOCAL 833

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ART	ICLE PA	ARAGRAPH	PAGE
I	Union	Recognition and Activities	1
	1.01.	Recognition	
	1.02.	Union Activities	1
	1.03.	Limitation or Interruption of	
		Production	2
	1.04.	Agency Shop Provision	
	1.05.	Checkoff	3
	1.06.	UAW V-CAP Contributions	5
II	Manag	ement Functions	6
Ш	Collec	tive Bargaining	7
	3.01.	Union Bargaining Committee	7
	3.02.	Right to Call in Steward	7
	3.03.	List of Company Representatives	
	3.04.	List of Union Officials	7
	3.05.	Chief Stewards and Stewards	
		to be Company Employees	7
	3.06.	Hiring of Temporary Personnel	8
17	Grieva	inces	8
	4.01.	Definition	8
	4.02.	Procedure	8
	4.03.	Warnings and Discharges	
	4.04.	General Time Limitations	
	4.05.	Union Representatives Leaving	
		Department	17
	4.06.	Permission to Investigate or	
		Present Grievances-	
		Pay for Grievance Time	17
	4.07.	Permission for International	
		Representative to Visit Plant	19
v	Senior	rity	20
	5,01,	Definition	
	5.02.	Probationary Period	
	5.03.	Loss of Seniority	
	5.04.	Upgrades	
	5.05.	Transfers to Avoid Layoffs	29
	5.06.	Layoffs	
	5.07.	Notice to Union of Layoffs	34
	5.08.	Seniority List to Union	

The second of th

AKI	ICLE P.	ARAGRAPH PAGE
VI	Leave	of Absence 35
	6.01.	Leave of Absence
	6.02.	Ill or Injured Employees
	6.03.	Union Officials and Members
		on Leaves of Absence38
	6.04.	Union Members
	6.05.	Family and Medical Leave39
	6.06.	Military Service
	6.07.	Refusal of Leave of Absence
		Subject to Grievance Procedure
	6.08.	Bereavement Leave and Pay39
	6.09.	Jury Service41
	6.10.	Leaves for Government Service42
VII	Premi	um and Overtime Rates 42
	7.01.	Premium Pay for Second and
		Third Shifts42
	7.02.	Workweek and Work Day44
	7.03.	Definition of "Regular Rate" 55
	7.04.	Premium Pay for Overtime Work 55
	7.05.	Premium Pay for Sunday Work 56
	7.06.	Premium Pay for Saturday Work 57
	7.07.	Premium Pay for Holiday Work 57
	7.08.	Premium Pay for Continuous Shifts 58
	7.09.	Premium Pay Not to be
		Duplicated or Pyramided58
	7.10.	Equalization of Work Opportunities 59
IIIV	Worki	ng Schedules 59
	8.01.	Basic Workweek59
	8.02.	Notification of Modification of
		Working Schedules60
	8.03.	Reduced Schedules
IX		of Pay61
	9.01.	Incentive Rates
	9.02.	Rates for Special Circumstances 67
	9.03.	Transfer of Incentive Employees
	9.04,	Rates for Hourly Paid Jobs and
		Transfer of Hourly Employees72

ARTI	CLE PA	ARAGRAPH	PAGE
X	Holida	y Pay	75
	10.01.	Eligibility Requirements	75
	10.02.	Holiday on Saturday or Sunday	79
	10.03.	Holiday During Vacation Period	
		or on a Day Off	80
	10.04.	Basis of Holiday Pay	80
	10.05.	Work on a Holiday	81
ΧI	Vacatio	on with Pay	82
	11.01.	Eligibility	82
	11.02.	Status of Persons Transferred	82
	11.03.	Definition of "Continuous Service"	82
	11.04.	Vacation Pay	84
	11.05.	Plant Shutdown	85
	11.06.	Vacation Scheduling	85
	11.07	Vacation Allocation - Indefinite Layo	ff 90
	11.08.	Allocation of Vacation – Weekly Shutdowns	01
	11.09.	Effective Period	92
XII	Hiring	Rates	92
,,,,,	12.01.	Hiring Rate for Hourly Paid	
	10.01.	Employees	92
	12.02.	Hiring Rate for Incentive Paid	
	12/02	Employees	93
	12.03.	New Employees Having Special	
		Qualifications	93
	12.04.	Application of Length-of-Service	
		Increases	93
	12.05.	Wage Increases	96
шх	Emerg	gency Work	97
XIV	Reces	s and Washup	97
	14.01.	Recess	97
	14.02.	Washup Period	99
	14.03.	Distribution of Deposit Notices	99

ART	ICLE P	ARAGRAPH	PAGE
XV	Production Tools and Health		
	and S	100	
		Production Tools and Equipment	
		Protective and Safety Equipment	
XVI	Gener	al Provisions	101
	16.01.	Scope of Agreement	101
	16.02.		102
	16.03.		
	16.04.		
	16.05.	Bulletin Boards	
	16.06.	Meaning of Words	
XVII	Effecti	ive Period	104
Supp	lement "	A" – Job Classifications Included in a	and
		Excluded from the Bargaining U	Jnit
Suppl	lement "	D" – Interpretations, Letters to the U Memorandums of Understandin	

Factory Vacation Policy

Highlights Of Your Benefit Plan at Kohler Co.

ARTICLES OF AGREEMENT INTRODUCTORY:

This Agreement, made and entered into this 1st day of October, 2002, by and between KOHLER CO. of Kohler, Wisconsin, a Wisconsin Corporation, hereinafter called the "COMPANY" and the INTERNATIONAL UNION, UNITED AUTOMOBILE AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA, (UAW), and its LOCAL NO. 833, hereinafter called the "UNION."

WITNESSETH: ARTICLEI

Union Recognition and Activities

1.01. Recognition:

The Company recognizes the Union as the sole collective bargaining agency in all matters pertaining to wages, hours, and working conditions, for all production and maintenance employees in the bargaining unit as defined by the National Labor Relations Board in its decision of February 26, 1951, in Case No. 13 R. C. 1506 (93 NLRB 398). The specific job classifications included in and excluded from the bargaining unit are as specified in Supplement "A" hereof.

1.02. Union Activities:

The Company and the Union agree that there shall be no discrimination, coercion, intimidation or threats against employees because of membership or nonmembership in the Union.

The Union will not conduct during working hours any solicitation of membership or any other union business except as may be specifically permitted during working hours by this agreement.

The Company will not take disciplinary action for any violation of this provision without prior notice to the Union.

1.03. Limitation or Interruption of Production:

- (a) During the life of this agreement the Company will not lock out its employees because of any dispute which is subject to the arbitration procedure as outlined in this agreement.
- (b) The Union will not cause, encourage or support any sitdown strike, any slowdown, or any reduction or limitation of production, and during the life of this contract will not cause, encourage or support any strike because of any dispute which is subject to the arbitration procedure provided by this agreement.

1.04. Agency Shop Provision:

- (a) It shall be a continuing condition of employment with the Company that all permanent full-time and part-time employees covered by the Agreement: (1) shall become and remain members of the Union in good standing to the extent of paying the uniform Union membership dues, initiation or reinstatement fees; or (2) in the alternative, an employee shall tender an agency or service fee to the Union in an amount equal to the monthly membership dues of Union members, but shall not be subject to initiation fees or special assessments, except that.
- (b) All employees of the Company whose latest employment began prior to January 1, 1965, shall be exempt from subsection 1.04(a). Provided, however, such exemption will be waived by the employee agreeing either to join the union or pay agency fees.
- (c) A new employee shall not be subject to the foregoing conditions until such employee has completed his probationary period as stated in Section 5.02.

(d) A part-time employee who works less than 40 hours in a month will be required to pay dues equal to one hour straight time earnings. Dues for part-time employees who work 40 hours or more in a month will be two hours straight time earnings. Initiation fees will be waived.

Dues provisions will not apply to any probationary nor to any summer employee. Extent of representation of part-time employees by the Union shall mutually be agreed upon by the parties.

(e) An orientation program mutually agreed to between Company and Union representatives will be jointly provided at the division level for all new employees and transferees into the respective division.

1.05. Checkoff:

The Company will recognize written assignments for dues, initiation fees and agency or service fees, executed by the employee, and conforming to the requirements of Section 1.04 and state and federal law.

Such assignments shall be in the following form:

TO THE	cc	MPANY	Date _		
ment Workers of America (It benefic psychiatry with your), such sums as the I membershap dues, including time as union dues in according time, as union dues in according to the according applicable collection shall be according applicable collection of the according applicable objection of the according according to the according applicable objection of the according to t	Union No. International Union, 1 Alayo, from any wages earned or to be a large plemental uneimployment benefit plan as your plemental uneimployment benefit plan as your financial. Officer of said local Union No. In the plan of the pla	ed by me or employee (in mag dues in such all Union, UA and in such in company and direct that ti periods of or he Union, wh (20) days an	a regular sur my present or restrify as do sum as may be W. I authorize transmer as may be (1) year from d the Union whis assignmen be (1) year eachever shall d not less that between the	pplemental une rin any future a us and owing fi se established it and direct you y be agreed up, in the date of de thich is in force at, authorization thor for the per be shorter, unl in ten (10) days Company and	mploymen mploymen mploymen rom time to i to deduct on between livery here- at the time and direc- ood of each ess written prior to the
This authorization is made otherwise. CONTRIBUTIONS OR GI	e pursuant to the provisions of Section 302(c) FTS TO THE UAW ARE NOT DEDUCTIBLE				
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Deductions for assignments submitted to the Company before the 10th of any month will be made on the second payday of that and each succeeding month so long as the assignment remains effective. Dues deducted will be remitted to the Union before the 12th of the month following deduction by direct deposit. The Union shall indemnify and save the Company harmless against any and all claims, demands, suits, or other forms of liability that shall arise out of or by reason of action taken or not taken by the Company for the purpose of complying with any of the provisions of this paragraph, or reliance on any list, notice, or assignment furnished under any such provisions.

1.06 UAW V-CAP Contributions:

The Company agrees to deduct from the paycheck of each employee voluntary contributions to UAW V-CAP, provided that each such employee executes an "Authorization For Assignment And Checkoff Of Contributions To The UAW V-CAP" form.

The deductions will be made from the employee's first union dues period in the first month following receipt of the checkoff authorization card and will continue until the checkoff authorization is revoked in writing.

The Company will remit such deductions promptly to UAW V-CAP, UAW Local 833 by direct deposit together with the names and clock numbers of employees for whom deductions have been made.

The Company will furnish UAW Local 833 with a monthly and year-end report of each employee's contributions.

ARTICLE II

Management Functions

It is agreed that the management of the Company and its business and the direction of its working forces is vested exclusively in the Company, and that this includes, but is not limited to the following: to direct and supervise the work of its employees; to hire, promote, transfer, or lay off employees or demote, suspend, discipline, or discharge employees for cause; to plan, direct, and control operations; to determine the amount and quality of the work needed, by whom it shall be performed and the location where such work shall be performed; to introduce new or improved methods or facilities, or to change existing manufacturing practices, designs, methods, and facilities; to schedule the hours of work, starting times and days, and assignment of duties; and to make and enforce shop rules. The Company's exercise of the foregoing functions shall be limited only by the express provisions of this contract and the Company has all the rights which it had at common law except those expressly bargained away in this agreement and except as limited by statute. This Article shall be liberally construed. The exercise by the Company of any of the foregoing functions shall not be reviewable by arbitration except in case such function is so exercised as to violate an express provision of this contract.

ARTICLE III

Collective Bargaining

3.01. Union Bargaining Committee:

The Union bargaining committee shall consist of the president, vice president, recording secretary, financial secretary-treasurer, benefit and safety representative, UAW International Servicing Representative and chief steward from each group in the plant.

3.02. Right to Call in Steward:

The Union bargaining committee, when conferring with the Company bargaining committee on grievances, shall have the right to call in the steward of the division involved for the discussion of and settlement of any grievance. When the parties agree that the presence of the employee concerned is necessary to the settlement of the grievance, he will be called in.

3.03. List of Company Representatives:

The Company shall monthly supply the Union with a list of supervision. The Company shall also supply the Union with a list of Human Resource Specialists and Managers. The Company will promptly notify the Union of any changes to such list.

3.04. List of Union Officials:

The Union shall furnish to the Company bargaining committee a list of stewards, chief stewards and Union bargaining committee. Any change in such list shall be reported promptly by the Union to the Company bargaining committee.

3.05. Chief Stewards and Stewards to be Company Employees:

Chief stewards and stewards shall be employees of the Company.

3.06. Hiring of Temporary Personnel:

The hiring of outside temporary personnel for temporary positions must first be cleared with Human Resources. Where a request to do so is made, Human Resources will check the listing of Company personnel with permanent restrictions. The Union Benefit and Safety Representative will be provided with a copy of such listing. Outside temporary personnel will not be authorized until Human Resources determines that there are no employees with restrictions or employees on layoff who could perform all requirements of the job. Use of outside temporary personnel will not exceed ninety (90) days on any job without the prior consent of the Union Chief Steward or Local President.

ARTICLE IV

Grievances

4.01. Definition:

For the purpose of this contract a "grievance" is defined as any difference arising out of the application or interpretation of any provision of this contract or any claim of violation of this contract. The grievance procedure shall also apply to matters specifically made subject to it by this contract.

Any request to change, vary, or add to the terms of this contract, including any request to change or vary any wage rate, pay rate, or time allowance shall be regarded as a bargainable matter and not as a grievance.

4.02. Procedure:

The grievance procedure shall be as follows:

Step 1. When an employee has a complaint, he may take the matter up directly with his foreman or he may request the foreman to send for the steward for the purpose of familiarizing himself with the complaint and assisting in settling it; provided that any individual employee or a group of employees shall have the right

at any time to present grievances to their foreman and to have such grievance adjusted, without the intervention of the steward, as long as the adjustment is not inconsistent with the terms of this agreement; and provided, further, that the steward is given the opportunity to be present at such adjustment. The foreman shall give his verbal decision within, but not later than, two (2) working days after the complaint is presented.

In case the Union claims that any adjustment made in Step 1 is inconsistent with the terms of this agreement, such grievance may be presented directly to the Company bargaining committee as provided in Step 4, except that it shall be presented within, but not later than five (5) working days from the date of the adjustment. Any such grievance shall contain a statement of (1) the article and section of the contract claimed to be violated, and (2) a summary statement of how the adjustment constitutes a violation. In the event the complaint is not settled with the verbal decision of the foreman, then it may be considered a grievance and within, but not later than, two (2) working days after the foreman shall have given his verbal decision, the grievance shall be reduced to writing on forms supplied by the Company and signed by the department steward. Not later than two (2) working days after receipt of the grievance, the department foreman will note his decision on the form, sign his name and turn a copy of the form over to the steward.

Step 2. The department steward may appeal the decision of the foreman by presenting the written grievance to the supervisor of the department where the grievance originated. The decision of the supervisor shall be given in writing within, but not later than, two (2) working days after the grievance is presented. The grievance form shall be signed by the supervisor and also by the general supervisor, where there is one,

from the department where the grievance originated.

A copy of their decision will be given to the Union steward. Any grievance not appealed as provided in this Step 2 shall be considered settled by the decision of the foreman in Step 1.

Step 3. In the event the grievance is not settled in Step 2, then within, but not later than, three (3) working days after the supervisor shall have given his decision, the grievance may be appealed to the division superintendent as follows:

Written notice of the appeal, signed by the Union chief steward of the division where the grievance occurred, shall be delivered to his division superintendent. The decision of the division superintendent shall be given in writing within, but not later than, five (5) working days after the grievance has been presented to him. A copy of the superintendent's decision will be given to the Union chief steward.

Any grievance not appealed as provided in this Step 3 shall be considered settled by the decision of the supervisor in Step 2.

Step 4. In the event the grievance is not settled in Step 3, then within, but not later than, five (5) working days after the division superintendent shall have given his decision, the grievance may be appealed to the Company bargaining committee as follows:

Written notice of the appeal, signed by the Local Union President, shall be delivered to the chairman of the Company bargaining committee for the purpose of considering, discussing, and attempting to resolve the grievance at the next meeting of the Union grievance committee with the Company bargaining committee.

Matters affecting Company policy involving more than one division may be initiated in Step 4 of the grievance procedure. The Union shall not add to its grievance committee without prior agreement by the Company.

If the Union submits an agenda or a request to continue the present agenda, a fourth-step meeting will be scheduled at the mutual convenience of the Union and the Company. Such meetings shall last no longer than two (2) hours. If a new agenda is to be submitted, the agenda shall be forwarded in writing by the Union to the chairman of the Company bargaining committee at least two (2) days preceding the meeting. Only matters set forth in the agenda may be taken up at such meeting without mutual consent of both parties.

Decisions of the Company bargaining committee will be given in writing, and a copy thereof will be delivered to the Union grievance committee within, but not later than, ten (10) working days following the discussion of the grievance.

Step 5. Should there be a claim that the Company has violated any express provision of the contract or any amendments thereto and the claim is not settled in the regular grievance procedure, the claim may be submitted to arbitration upon request of either the Union or the Company, subject to the conditions herein stated. Such request for arbitration shall be made within fifteen (15) days after the completion of Step 4 in the grievance procedure, except that a request for arbitration of a discharge shall be made pursuant to the time limits established in Section 4.03, Warnings and Discharges.

Following any such request, the Company and the Union shall meet promptly to select an arbitrator. In the event they are unable within ten (10) days thereafter to agree upon an arbitrator, the Union and the Company shall jointly request the Federal Mediation and Conciliation Service to submit a list of five (5) arbitrators from which the parties shall select one (1).

The arbitrator shall hold a hearing and shall render his decision in writing and the decision, if within the limits of his jurisdiction, shall be final and binding on both parties. The arbitrator's decision as to the extent of his own jurisdiction shall not be final and binding upon either party.

Proceeding with an arbitration proceeding shall not be deemed to be a waiver by either party of its right to challenge any ruling or award on the ground that it is in excess of his jurisdiction or that the matter is not subject to arbitration.

The expenses of the arbitration, including the arbitrator's fees, shall be divided equally between the Company and the Union.

The arbitrator shall have no power to:

- Add to, disregard, subtract from or modify any of the terms of this Agreement or any amendments hereto;
- (ii) Establish or change any wage or wage structure, nor to rule in any dispute regarding production standards or time allowances, nor to change the structure of a classification;

- (iii) To make any decision regarding a matter which is a subject of mandatory bargaining under the Labor-Management Relations Act of 1947 with amendments, i.e., wages, hours, and other terms and conditions of employment:
- (iv) To rule on any matter which is subject to proceedings before the National Labor Relations Board or the Wisconsin Employment Relations Commission;
- To order any change in a Company practice which is not in violation of the express provisions of this Agreement;
- (vi) To grant relief extending beyond the termination date of this Agreement, nor retroactive beyond the date upon which the difference was first presented to Management;
- (vii) To pass on, revise, or alter the Company's judgment as to what constitutes minimum requirements for (a) quantity and quality of work, (b) attendance (including tardiness), (c) honesty, or (d) what constitutes intolerable insubordination; or
- (viii) Extend any time period for appeal specified in this provision and in Section 4.03, Warnings and Discharges.

4.03. Warnings and Discharges:

The Union shall be given written notice of any warning given to an employee and incorporated into the employee's employment record, or final warning stating that repetition of a certain offense will lead to discharge. The employee shall be given a copy of the written warning at the time it is issued, if the employee so requests.

It is understood that a final warning prior to discharge is not required in case of a serious offense.

Final or other warnings will not be subject to arbitration. If the Union is of the opinion that the warning should not have been given or that the facts did not warrant the giving of a warning, the Union may submit a written statement of its position and its statement of facts which it claims to be applicable. Such written statement shall be placed in and made a part of the employee's employment record and be made available in case of any future arbitration on the discharge of the employee. All warnings shall be removed from an employee's record if the employee has received no written warnings for a period of twenty-four (24) months. This shall include all supervision notes and references related to such warnings.

Release forms signed by an employee will not be construed to abrogate any rights the employee would otherwise have under this contract or under the law.

Before the Company discharges an employee, the Labor Relations Department will provide an opportunity to discuss such contemplated discharge with a Union officer, or the chief steward (or a designated substitute) of the employee involved. The Company agrees it will notify an employee at the time of notification of discharge that the services of a chief steward (or designated substitute), or Union officer is immediately available upon request.

Nothing herein shall restrict the right of the Company to make such independent investigation as it desires to determine whether or not the employee should be discharged, nor to restrict the right of the Company to suspend the employee from work pending the final disposition of the case provided however, that suspensions for investigation purposes (but not disciplinary suspensions) shall not exceed the balance of the day on which the employee is suspended plus two additional working days (excluding weekends).

The grievance procedure of Section 4.02 shall not be applicable to discharge. If the Union wishes to appeal a discharge, a written protest must be filed with the Manager-Employee Relations, or his delegate before the end of the seventh (7th) calendar day after the date the Union is notified of the discharge. For example, if notice of discharge occurs any time on a Thursday, the notice of protest must be received no later than 11:59 p.m. on the following Thursday.

In the event the union timely protests and the protest is denied, the Union can appeal by written notice to the Chairman of the Bargaining Committee. Such appeal must be received within seven (7) calendar days of the decision.

In the event the Union wishes to protest the decision of the Chairman of the Bargaining Committee, the Union can refer the matter to arbitration by written notice to the Chairman of the Bargaining Committee. Such referral must be received within seven (7) calendar days of the decision of the Chairman of the Bargaining Committee. Provided, however, the time for appeal shall be extended in the event the membership overrides the Union Bargaining Committee's decision not to arbitrate a discharge at the next regular membership meeting. In the case of discharge occurring in July and August, a special membership meeting shall be called. Notice of the intent to arbitrate must be received by the Chairman of the Company's Bargaining Committee within seven (7) calendar days of the decision of the Union membership.

Plant shutdowns of one week or longer will not be included in determining the seven calendar days pursuant to this paragraph.

If the parties agree at any step that discharge is appropriate, or if the Union fails to timely appeal, the discharge shall be final and binding on all parties.

If the arbitrator finds that the preponderance of the evidence and testimony does not establish the facts alleged by the Company as the basis for the discharge or finds, in accordance with the limits established as to his authority, that the facts established by the evidence do not constitute cause for discharge, the arbitrator shall render an appropriate remedy.

None of the provisions of this Section 4.03 will apply to probationary employees as defined in Section 5.02 of this Agreement.

4.04. General Time Limitations:

Except as provided in Sections 4.03 and 9.01(a)(5), no grievance need be considered by the Company unless the grievance is presented as herein provided within thirty (30) working days after the act or occurrence giving rise to the grievance, or within thirty (30) working days after the employee filing the grievance becomes affected thereby.

This limitation will not apply to continuing grievances, except that the Company need not consider any demand for retroactive pay for any period more than thirty (30) working days prior to the filing of a grievance.

4.05. Union Representatives Leaving Department:

Members of the Union bargaining committee, chief stewards and stewards shall upon leaving their department during working hours to attend meetings between the Company and the Union, or to handle grievances in accordance with the procedure set forth in this contract, obtain permission from their foreman to do so. Such permission shall not be unreasonably withheld

Union officers and officials, except those specifically designated to handle grievances, shall at no time leave their work to participate in the presentation of grievances or for other union activities unless permission is obtained from the Company upon application by the Union to the Chairman of the Company Bargaining Committee.

4.06. Permission to Investigate or Present Grievances – Pay for Grievance Time:

(Reference Supplement "D")

If an employee wishes to have his department steward called to present his grievance to the foreman, he shall have his request granted by his foreman who will send for the department steward. The steward will be summoned without unreasonable delay and in any event within the same working day unless the request is made later than one-half hour before the end of the employee's working shift.

In case the steward has a claim that the foreman has violated any provision of the contract, he may present such claim of violation directly to the foreman as a grievance without any prior request to do so by an employee.

A Union steward or chief steward shall obtain permission from his foreman before leaving his work to investigate, present, or to report the settlement of a grievance. Such permission shall not be unreasonably withheld. Permission to leave work for the purpose of investigation or presentation of grievances will be in accordance with the procedures in Document 23 of Supplement "D."

The Company shall have the right to confine the interruption of production, if any, for the investigation or presentation of grievances to an absolute minimum, and may have a Company representative present at the investigation of any grievance.

The Company will pay for time lost from work by stewards, chief stewards, and officers which is evidenced by absence cards as above provided according to the following percentages:

For the next 3575 hours spent in investigation or presentation of grievances by all stewards, chief stewards, and officers during each year of the contract.......90%

The Union shall be entitled to appoint a Union Benefit and Safety Representative, however, this position will not be allowed to make routine or periodic safety inspections in the plant.

Stewards, chief stewards, officers, and the Union Benefit and Safety Representative will be paid the above percentages of their average pay computed as follows:

Stewards and chief stewards working on an hourly basis will be paid at their regular rate for time spent in such investigation and presentation of grievances. Incentive workers will be paid at a rate per hour based on their average incentive earnings for the previous calendar quarter, adjusted to reflect subsequent advances or reductions in the rates actually in effect at the time in question. Stewards and chief stewards will be considered as hourly or incentive workers on the basis of their regular operation at the time of the investigation and presentation of grievances.

It is agreed that the Union President, Union Vice President and the Union Benefit and Safety Representative shall be allowed to spend full time on union business and shall be considered as first shift employees. The hours spent on these positions will be charged to the total allowable hours under the contract. The rate of pay for the Union President and Vice President shall be the overall plant incentive average.

4.07. Permission for International Representative to Visit Plant:

Upon request to the Company's bargaining committee, the International Union representative, selected by the Union to assist the Union bargaining committee in presenting and negotiating the complaint or grievance with the Company's bargaining committee, may visit the plant for the purpose of familiarizing himself with the case. During any such visit on the Company's premises, the International Union representative may be accompanied by a member of the Union bargaining committee, the chief steward of the group where the complaint or grievance originated and, at the Company's option, by a representative of the Company. The Company may refuse said International Representative access to any area classified by the Company as restricted because of reasons of security or preservation of trade secrets or place such limitation on access to any such area as seems to it desirable.

Any request by the Union for any Union representative to visit the plant for the purpose of making any time study in the plant shall be taken up in the fourth step of the grievance procedure, but will not be subject to arbitration.

ARTICLE V

Seniority

5.01. Definition:

For the purpose of this Article, "seniority" will mean total length of continuous employment with the Company.

An employee shall have his entire seniority credited to the classification and grouping in which he is currently assigned, except that an employee newly transferred to a classification and grouping will have his seniority credited to the old classification and grouping until the ninetieth calendar day after his transfer. Seniority will be credited to the department the employee is transferring to on the ninetieth (90th) calendar day after the date of acceptance of transfer to the new job.

In the event a temporary full-time or summer employee becomes permanent without a break in service, the seniority of the employee will include the period of temporary service, provided, however, the employee must complete the normal probationary period after employment becomes permanent. Delays in beginning employment will not include periods caused or directed by the Company.

The seniority of members of factory supervision who become members of the bargaining unit will include the period of time spent in supervisory positions. Provided, however, the exception to non-payment of agency fees in Article 1.04(b) (hired before January 1, 1965) shall not apply to those becoming members of the bargaining unit after October 1, 1994.

Computations shall be made from the last day the employee works for all purposes, including, but not limited to, seniority and eligibility for holiday pay and benefit continuations. Provided, however, the seniority date of an employee whose layoff is delayed for purposes of training a replacement may be established, upon the advance mutual agreement of the parties, to be the date the employee otherwise would have been laid off.

This section specifies only the manner in which seniority is acquired. It is to be construed as warranting the application of seniority only in the manner and to the subjects specifically set forth in the succeeding sections of this Article.

5.02. Probationary Period:

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All newly hired or rehired employees shall be considered as temporary employees on probation for a period of ninety (90) calendar days. When the probationary period is completed, the employee's seniority will date back to his last hiring date. Provided, however, employees terminated after having completed at least 75 days of the probationary period who are rehired within sixty (60) days shall be credited with prior actual service on completion of the second probationary period.

The Company may, in its discretion, extend the probationary period of an employee by a definite number of days. When this is done, the Union shall be notified.

Grievances shall not be presented in connection with the discharge or layoff of probationary employees.

5.03. Loss of Seniority:

Continuity of service and the employment relationship shall be broken and terminate when-

- (a) An employee quits.
- (b) An employee is discharged for cause.
- (c) An employee is on sick or worker's compensation leave for the following periods of time:
 - An employee who has less than one year of seniority when the leave equals his period of employment.
 - (ii) An employee with more than one (1) and less than five (5) years seniority when the period of leave is one year.
 - (iii) An employee with more than five (5) years of seniority when the period of leave is two and onehalf years.
 - (iv) The time periods stated herein will start from date of leave.
 - (v) The above time periods may be extended if the employee can obtain a physician's certification that he will be able to return to work within a definite and reasonable period beyond the stated time period.
- (d) An employee is absent from work for five (5) consecutive days without notifying the employee's supervision or Human Resources on or before the fifth (5th) consecutive day, not counting Saturday or Sunday, unless the failure to notify the Company is due to conditions beyond the control of the employee.
- (e) An employee is permanently laid off for lack of work (all

periods to include time when an employee is on a leave of absence for any reason).

- (i) An employee who has completed the probationary period and has less than one (1) year's seniority will be considered permanently laid off if he is laid off and not recalled to work within a period equivalent to his seniority.
- (ii) An employee with more than one (1) and less than five (5) years' seniority will be considered permanently laid off if he is not recalled within one (1) year after such layoff.
- (iii) An employee with five (5) or more years of seniority will be considered permanently laid off if he is not recalled within two and one-half (2-1/2) years after such layoff.

Failure to return to work within ten (10) calendar days after the Company has given notice of recall, unless reasonable excuse is offered, will terminate an employee's right of recall. The notice shall be mailed to the employee's last listed address on the personnel records, by registered mail, return receipt requested. The return period shall be computed from the date of the postmark.

Employees recalled under the above provisions will not suffer any interruption of seniority.

Employees laid off and rehired after their period of recall has expired, but within two (2) years from their layoff, will be credited with the seniority which they had prior to the layoff, but will not receive credit for the period of time they have not actually worked for the Company.

An employee's total seniority will be considered in determining whether he has completed any waiting period to determine eligibility to participate in the health and accident insurance, medical coverage insurance or pension plans.

Rehires will serve a ninety (90) day probationary period. They will have no seniority credited during this period of time and if they do not perform adequately, they will be terminated.

Insurance coverages will begin as soon as they are reinstated if the initial waiting period had earlier been fulfilled.

The employee must complete the ninety (90) day probationary period in order to be eligible for vacation pay for the year of reinstatement. If this requirement is met in a succeeding year, the employee will receive pay in lieu of additional time off. For example, an employee reinstated on February 1 will have vacation reinstated for that year ninety (90) days later and will be entitled to vacation time. If an employee does not work in a year and is reinstated on December 1, the employee will be entitled to vacation pay ninety (90) days later, but would not be entitled to time off.

The employee will be immediately eligible for holiday pay without having to wait a thirty (30) day period.

Union dues will not be collected during the first ninety (90) days unless the employee so requests.

5.04. Upgrades: (Reference Supplement "D")

(a) Departmental Seniority

Seniority for upgrades will be by agreed to departmental groupings. A capable employee within a grouping will be upgraded in preference to a more senior employee not in the grouping.

The following sections will apply to upgrades within a grouping. Transfers from other groupings will continue to be covered by the transfer request procedure currently in effect.

(b) Jobs Subject to the Procedure

Only open jobs will be subject to the procedure. A job is considered to be open:

- (i) when there is an increase in the working force within a classification;
- (ii) when the Company establishes a new job or classification;
- (iii) or when a vacancy occurs that the Company desires to fill by virtue of the regular job holder being separated from such job through death, resignation, discharge, transfer, retirement, etc.

(c) Jobs Not Subject to the Procedure

- The procedure will not apply to openings created due to layoffs or transfers to avoid a layoff.
- (ii) The procedure will not apply to a job to which an employee has recall rights. Employees will have recall rights to a classification for 90 days following layoff or transfer to avoid layoff. Such jobs will be awarded through a mini-posting limited to employees holding the classification in the grouping.
- (iii) The procedure will not apply to temporary openings.

(d) Notification of Openings

Notice will be given to employees within the grouping by posted listings. Listings will be posted for forty-eight (48) hours from the time stated on the job sheet. In the Kiln, Electric Melt, Powerhouse, and other groupings that operate similarly, listings will not be posted on long weekends of the crew of that week. No effort need be made by the Company to notify absent employees of listed openings.

The listing or other notification will state the job classification, shift, rate range for day-rated jobs or base rate for incentive jobs and sufficient information to allow employees to determine the general nature of the job.

Listings may be discontinued after the second successive job opening is filled within a division. This limitation shall not apply in Maintenance areas. The parties agree that openings after the second job opening will be filled after 24 hours by eligible employees within the grouping who have stated a desire for such jobs to the foreman. Provided, however, the foreman will have no obligation to canvass or solicit for such openings.

If no eligible grouping employee has been selected, openings will be filled on the basis of transfer requests by eligible employees outside the grouping with preference going first to divisional employees and, if none are eligible, to other Company employees. Only the employee's most recent transfer request (provided this is no more than six months old) need be honored. For the purpose of transfer requests, the following shall be considered divisions: Generator Division, Engine Division, Engine Service Parts, Brass and Die Cast, Pottery, Iron Foundry and Casting Finishing, Plumbing Materials, Enamel Shop and Mill Room, Maintenance.

Jobs listed in groupings shall also be described at a central location within the same division. Sufficient information shall be given to allow employees to determine the general nature of the job. This divisional listing is for the purpose of allowing employees to submit transfer requests to be considered in the event it is not filled from within the grouping.

All transfer requests shall be immediately submitted to Labor Relations by the employee's supervisor. Listed open jobs which are sent to Labor Relations shall not be awarded for a period of twenty-four (24) hours after their receipt by the Labor Relations department.

(e) Selection of Employees

Only employees who have posted for an open job within the notification period will be considered. Selection will be based on seniority, when qualifications and capability to perform all aspects of the job are substantially equal.

In the event the first eligible employee declines acceptance, the next eligible employee who has posted for the job will be transferred. The job will not be relisted as the result of a refusal by an eligible employee to accept the job. Notification will be given to all senior employees who are not selected for upgrade according to qualifications and capability.

An employee beyond the probationary period will be given, a copy of any 30-60-90 day evaluation reports completed concerning his evaluations.

(f) Restrictions

All new hires will be ineligible for upgrade for a period of one year after date of hire, but can move six months within their division. Employees in double letter alphabetical classifications (including new hires) will be restricted for one year, except Electro-Mechanics (including new hires), who are restricted for two years. Job transfers will include changes either pursuant to the upgrade provisions or via a Transfer Request. All other employees will be restricted for six months for transfers to jobs within the division (including shift changes) and for one year for transfers to jobs outside the division, (when transferring to another division) with the exception that employees will be restricted for six months for transfers back to the grouping they held immediately prior to transferring to a new division. The above periods will begin on the date of acceptance of transfer to a new job.

Provided, however, a restricted employee shall be allowed to request an opening on his job classification within his departmental grouping prior to the Company assigning the position to a new hire.

Upon occasion, an employee who has been awarded an upgrade pursuant to Section 5.04 of the collective bargaining agreement desires to return to his old job. The following sets forth the employee's rights and limitations to return.

As soon as an opening occurs because of an upgrade, other employees in the grouping may accrue rights to be considered for the opening under Section 5.05, Shift Transfers, and 5.04 Upgrades, of the Contract. These rights will be considered before an employee is returned to his or her old job. If no employee desires the opening or is eligible under those sections, the transferring employee will be allowed to return if the Company has not previously hired a replacement from outside the Company. The limited right to return to an open position will continue only for thirty (30) days after the transfer.

(g) Replacements

The Company reserves the right to require an employee to remain on his existing job for up to 90 days in order to obtain a replacement. The Company shall use reasonable efforts to obtain a replacement as soon as possible after an upgrade is awarded provided that if more than 10% of the employees in a given job classification and department have been awarded upgrades at any time, the Company may exceed such 90 day limitation. During such time, the Company may fill the job which the employee has been awarded with another employee on a temporary basis, if necessary.

(h) Grievances

Any claim of violation of the procedure will be subject to the grievance procedure. Grievances relating to the interpretation and application of this procedure will be subject to arbitration. Grievances pertaining to selection of employees pursuant to Section (e) of this procedure are specifically excluded from arbitration.

5.05. Transfers to Avoid Layoffs:

(Reference Supplement "D")

The parties agree that it is desirable to transfer employees to avoid layoffs due to lack of work. The Company may transfer employees from one classification or grouping to another and from one division to another. Employees may elect to take a layoff rather than accepting a transfer, provided that employees may not refuse to accept an open job which he or she is capable of performing.

- (a) An employee transferred to avoid a layoff shall be eligible to return to an open job within his classification in the transferring groupings before any new employees are hired or transferred into that classification for a period of 90 calendar days of the transfer.
- (b) Where it becomes necessary for production purposes to transfer employees from one department to another, the Union will be promptly notified and given an opportunity to discuss the matter.
- (c) Actively employed union officers (excluding trustees, sergeant-at-arms, and other nonfunctioning union officers) and chief stewards will have top seniority in the department and division to which they are assigned, for purposes of layoff and transfer to avoid a layoff, provided:
 - they are capable of adequately performing the work which has to be done,

- (ii) they have been actively employed by the Company for at least one year on the date of layoff or transfer to avoid a layoff. Officers and chief stewards will be returned to their regular place on the seniority list at the end of their term of office. Union stewards will not be transferred to avoid a layoff involuntarily except in line of seniority.
- (d) The Union will be notified of transfers as provided in Section 5.08. In case the Union claims that any transfer has not been made in accordance with the provisions of this Section 5.05, the matter will be subject to the grievance/arbitration procedure. If the transfer is within a division, the grievance will be filed initially in Step 3 of the grievance procedure. If the transfer is from one division to another, the grievance will be filed initially in Step 4.

5.06. Layoffs: (Reference Supplement "D")

(a) Layoff Procedures

Layoffs will be by departmental groupings and division as agreed upon by the Company and Union.

Employees in double letter alphabetical classifications will be laid off by classification.

In case of layoffs, the following procedure will apply:

- (i) Probationary employees shall be laid off first.
- (ii) After all probationary employees have been laid off, further layoffs will be according to seniority, except:
 - (a) The Company shall have the right to deviate therefrom by retaining employees who would be transferred to avoid layoff or laid off according to seniority but whom it considers to have superior qualifications or efficiency,

to the extent of ten percent (10%) of the initial number of employees to be transferred to avoid layoff. Fractions of .5 or less will be rounded down, and .6 or more will be rounded up. The Company shall be the sole judge of what employees have superior qualifications. If any deviation from seniority is made, the employee or employees who are lowest on the seniority list for the department will be laid off in place of the employee or employees as to whom deviation is made.

Prior to a layoff the Company will notify the Union of any proposed deviations from seniority and its justification therefor. Any objections the Union may have to such deviations may be taken up directly in Step 4 of the grievance procedure. Nothing in this section shall be construed as giving any individual employee a right which cannot be waived by the Union. Prior to a layoff, the Company and the Union may agree upon the list of individuals to be laid off regardless of whether or not it conforms to the foregoing provisions.

(b) The application of seniority to layoffs will not require the layoff of any employee if the employee who would be retained according to seniority would be unable to efficiently perform the job of the employee who would be laid off according to seniority after a period of orientation.

In such case the employee who is able to perform the job efficiently may be retained and the employee who has the lowest seniority and is unable to perform the job efficiently is laid off.

- (iii) The provisions of this section will not apply to lay-offs of three (3) weeks or less duration caused by major breakdowns of machinery or equipment, shortage of essential materials, shipping embargoes or stoppages, work stoppages by employees in other parts of the plant, fires, floods, storms or other similar causes. The three (3) week period may be extended by mutual agreement of the parties.
- (iv) The Company will continue life insurance, medical coverage insurance, dental insurance, and vision insurance in effect for employees who are laid off for ninety (90) days from the time of their layoff. Such coverage will end when the employee is covered by a group plan of another employer either as an employee or, in the case of major medical insurance, as a dependent.

The provisions of the federal COBRA Act will be followed after ninety (90) days on layoff. The ninety (90) day period referred to in the first paragraph of this subsection shall be included in, rather than be in addition to, the total period provided for in COBRA

(b) Return From Layoff or Transfer to Avoid a Layoff.

The following steps will be taken to call back employees from a layoff or transfer to avoid layoff. Time computations will be from the effective date of layoff or transfer to avoid a layoff to the date of notification of opening to Personnel.

- **Step 1.** The job will be posted through a mini-posting limited to employees holding the classification in the grouping.
- **Step 2.** If the position is not filled in Step 1, employees removed from the classification which becomes

open will be returned if on layoff or transfer to avoid a layoff status for ninety (90) days or less.

- have been completed will be listed for upgrade within the grouping. Positions unfilled after upgrading has been completed will be awarded on the basis of a divisional seniority list. This shall be done after consideration of any transfer request from employees in the division who are actively at work, but prior to consideration of any transfer requests from employees in the division who are on layoff or employees outside the division whether actively at work or on layoff. Provided, however, no employee shall be included in the divisional list if he or she has been on layoff or transfer to avoid a layoff in excess of one hundred eighty (180) days.
- **Step 4.** Positions remaining open after Steps 1,2 and 3 have been completed shall be awarded on the basis of a total plant seniority list.

Notwithstanding the foregoing, any employee who voluntarily upgrades to a position in another division rather than taking an open position or displacing a less senior employee in his division at the time of a layoff or transfer to avoid layoff shall relinquish any rights to return to his original division.

Employees with a double letter alphabetical classification retain recall rights to their classification until seniority is broken pursuant to Article 5.03 Sections (e) (i) (ii) (iii). If employees in these classifications volunteer for recall or voluntary upgrade, they will be restricted pursuant to Article 5.04(f).

In no event will an employee on layoff or transfer to avoid a layoff be returned unless there is an open position. Provided, however, an employee with five (5) years or more seniority shall be allowed to replace the most junior employee in the plant after 120 days on layoff.

The following shall be applicable:

- (i) Performance Capability. No employee on layoff or transfer to avoid a layoff shall be returned to a position unless he or she has the capability, efficiency, and reliability to perform that position.
- (ii) Limitation. The procedure shall not apply to any instances which the Company and Union agree shall be exceptions or shall be treated under a different procedure.
- (iii) Limitations on Upgrades. Employees returned from a layoff to a position outside of their home division shall be restricted from upgrading or transferring for six months to jobs within the division and for one year for transfers to jobs outside the division.
- (iv) Permanent Layoff. No employee will be included on a recall list who has been permanently laid off under Section 5.03(e).

5.07. Notice to Union of Layoffs:

The Company will promptly notify a member of the Union bargaining committee in writing and meet, if requested, prior to any layoff of employees for reasons other than breakdowns of machinery and equipment, shortage of essential material, shipping embargoes or stoppages, work stoppages of employees in other parts of the plant, fires, floods, storms, or other similar causes.

5.08. Seniority List to Union:

The Company will annually provide the Union with a master seniority list giving the names of employees in the unit, their department and occupational classification and their seniority. The Company will also annually provide the Union with a list of hourly paid workers showing name, clock number, job classification, and current day rate of each.

At the end of each workweek, the Company will give the Union a list of employees who have been hired or transferred during that workweek, together with their occupation and division, and also a list of employees who were terminated from employment during that week, which will include the reason for termination. When a layoff other than as provided in Section 5.06(b)(v) is contemplated, the Company will prepare a seniority list of the employees in the department affected and will provide the Union with a copy thereof.

ARTICLE VI

Leave of Absence

6.01. Leave of Absence:

Leaves of absence other than vacation as provided for in this contract will be granted by the Company for reasons satisfactory to the Company. Employees desiring a leave of absence will make their request for the same through their supervision who will contact the Human Resources department for a decision.

The Company will give special consideration to leave of absence requests because an employee has been required to perform jury service during plant shutdown or the year-end holidays.

6.02. Ill or Injured Employees:

(a) The following applies both to industrial and non-industrial injuries.

Right to Return to the Employee's Current Position. An employee who has not returned to his current position after an industrial or non-industrial injury will lose the

right to return to that position after one year. The oneyear period may be extended if the employee can obtain a physician's certification that he will be able to return to his current position within a definite and reasonable period beyond the one year.

Provided, however, the employee will earlier lose the right to return to the current position if there is a medical opinion that he has a permanent restriction which will prevent him from returning to the job. The time period will start from the date of injury, both for employees on leave and those who have returned to light duty.

- (b) Rights of an Employee to Open Positions. This aspect of the proposal deals with the right of the employee with a permanent disability to come back to open permanent positions which have been posted.
 - The procedure will apply only to permanent positions, not to light duty or restricted work. The current method of returning people to light duty will not be affected.
 - (2) The list will include only those who have permanent restrictions.
 - (3) Employees on the list will be considered for open positions which they are physically capable of performing.

All open positions will be considered, those within a grouping, division and also those which have cleared the division and have been sent to Human Resources. For purposes of award of the position, the injured employee will have total company seniority considered for all jobs. This will be an exception to divisional seniority, in that the employee could capture a job based on total company seniority in another division, where the normal rule says that

seniority is not counted until no qualified person in the division is eligible for the position.

- (4) Each division will compare those on the list with open positions in that division. A great deal of discretion will be invested in those who have this responsibility, particularly in determining whether permanent medical restrictions are consistent with job requirements. Decisions to award or not to award positions will be subject to the grievance procedure, but not to arbitration.
- (5) The length of time that an employee will have a right to be considered for open positions will be the same as under 5.03(e), that is:
 - Time for time for those with less than one year of seniority at the time of injury.
 - b. One year for those with more than one, but less than five, years of seniority.
 - Two and one-half years for those with five years of seniority.
 - d. The time periods stated herein will start from the date of injury.
 - e. The above time periods may be extended if the employee can obtain a physician's certification that he will be able to return to work within a definite and reasonable period beyond the stated time period.
- (6) Employees must accept positions offered to them within their physical restrictions, regardless of area or shift.
- (c) In case there is any disagreement as to whether a sick leave shall be granted or continued and such disagree-

ment cannot be settled by the grievance procedure, the matter may be referred by either party to an impartial physician to be appointed by the State of Wisconsin/Department of Workforce Development. The decision of such impartial physician, to be rendered in writing, will be final and binding on both parties. The parties will share the expense of such impartial physician's charge equally.

A nonprobationary employee temporarily partially disabled due to a nonindustrial accident or injury who is returned to a job other than his or her regular job, shall be paid a wage loss. The payment will be computed in the same manner and under the same conditions as worker's compensation temporary, partial benefits. No benefit shall be paid for a disability which is permanent in nature. The wage loss will be included in determining payments for vacation, holidays, bereavement and jury duty leaves. An employee assigned to the physically unable classification shall be paid the minimum of labor grade 3, provided however, that the physically unable rate shall not exceed the employee's regular rate. There shall be no length of service or merit progression steps.

6.03. Union Officials and Members on Leaves of Absence:

Members of the Union at the written request of the Union will be granted a leave of absence for a period of time sufficient to enable them to hold office in the International Union or the Local Union.

Union officials or members who are granted leaves of absence by the Company to perform union duties and who return to work after the beginning of such leaves of absence will have their seniority date back to their last hiring date before such leaves of absence. Local union officials will be returned to the classification, position and shift they held prior to such leave of absence. However, Union officials will be included in the transfer to avoid layoff procedure under Section 5.05.

6.04. Union Members:

Leaves of absence will be granted at the discretion of the Company to Union members for the period of time necessary for them to attend Local, State, Regional, or International Union conferences or conventions. Any objection of the Company to the Union's written request for leave of absence shall be taken up in Step 4 of the grievance procedure.

6.05. Family and Medical Leave:

The provisions of the Federal and Wisconsin Family and Medical Leave Laws will be followed. Leave taken shall not be paid except for periods during which the employee is actually disabled and is eligible for short-term disability pay, which in the case of the birth of a natural child shall be presumed to be no less than four weeks

6.06. Military Service:

Any employee who enters active service in the armed forces of the United States shall be granted a leave of absence, and upon termination of such service shall be reinstated in accordance with and pursuant to all rights and privileges to which he may be entitled under the Uniformed Services Employment and Reemloyment Rights Act, provided that such employee makes application for reemployment within the period prescribed by said Act.

6.07. Refusal of Leave of Absence Subject to Grievance Procedure:

When the Company refuses a leave of absence to an employee for any reason whatsoever and the Union is of the opinion that a leave of absence should be granted, the matter will be subject to Step 4 of the grievance procedure, but will not be subject to arbitration except that claimed violations of Section 6.03 will be subject to arbitration.

6.08. Bereavement Leave and Pay:

Where an employee misses work due to the death of a spouse, the Company will pay the employee for five (5) consecutive days to attend or arrange for the funeral. Where an

employee misses work due to the death of a child, stepmother or stepfather, stepchild or grandchild of an employee, parent, mother-in-law, father-in-law, brother or sister, the Company will pay the employee for three (3) consecutive days to attend or arrange for the funeral. The employee will not be excused from work for any day after the day of the funeral. Provided, however, if the employee has not been excused for three or five days on or before the day of a funeral, the employee can request, and will be granted, one day before or after a holiday which is celebrated during the period starting with the date of the death and ending the calendar day after the funeral.

The Company will pay for one (1) day of absence from work necessary to attend the funeral of a brother-in-law, sister-in-law, daughter-in-law, son-in-law, grandparent of an employee, grandparent of the employee's spouse, stepbrother or stepsister of an employee.

The pay for each such day of work lost shall be eight (8) hours at the employee's regular straight time hourly rate of pay for the most recent payroll quarter as defined in Section 7.03 upon proof of death satisfactory to the Company. Provided, however, compensation will be based on the first five (5) paydays of the previous quarter if the day of bereavement falls within the first fifteen (15) days of a quarter. Provided, however, pay shall be ten (10) hours for twelve (12) hour shift employees only if:

- (i) One day is lost due to attendance at the funeral of a relative in the one-day category, and
- (ii) That day is a regularly scheduled workday for that employee.

The Company will not consider a claim for bereavement pay unless made during the year of death or the year following.

6.09. Jury Service:

Employees selected for jury duty will be excused for the time necessary to serve on a jury and will be paid the difference, if any, between the pay they receive for jury duty (excluding mileage allowance) and their regular straight time hourly rate, for the hours lost from work. The regular straight time hourly rate will be for the most recent payroll quarter as defined in Section 7.03 provided, however, compensation will be based on the first five (5) paydays of the previous quarter if the day of jury duty falls within the first fifteen (15) days of the quarter.

The pay for each such day of work lost shall be no more than eight (8) hours at the employee's regular straight time hourly rate of pay. Provided however, employees scheduled to work a permanent 12-hour shift will be paid for hours actually lost from work due to jury duty, but not to exceed ten (10) hours at the employee's regular straight time hourly rate of pay.

A third shift employee who is required to report for jury duty will have eight (8) hours off of the following shift with pay.

A second shift employee who serves a half day until noon will report for the first four (4) hours of work with pay and will be compensated for his actual wage loss, but not to exceed four (4) hours. A second shift employee who serves a full day of jury duty will not be required to work and will be compensated for his actual wage loss, but not to exceed eight (8) hours.

In the event an employee is assigned to other work for the days excused for jury duty, he will be paid the differential, if any, between his regular straight-time earnings, as defined in paragraph one, minus the sum of his jury duty pay plus his earnings for the day.

Employees will be required to provide satisfactory evidence of the time spent on jury duty.

Employees may be required to work a part day or part shift when their absence as jurors is not required for the entire day or shift.

Employees chosen for jury duty will notify their supervision as soon as possible thereafter. After consultation with Human Resources, supervision will advise the employee as to what portions of his regular working schedule he will be required to work when his jury duty does not require his absence for an entire day or shift.

6.10. Leaves for Government Service:

An employee campaigning for or holding a full-time government position shall be granted a leave of absence equal to the term of the office to be held This provision shall not apply to appointed positions of an indefinite term which are the equivalent of a career change. No benefits will be extended during a leave. Seniority shall not be credited for the time spent on leave. The employee's seniority shall remain in the grouping and division in which he worked immediately prior to taking the leave of absence. The employee will have the same rights to open positions as otherwise provided herein provided the employee advises the company of his desire to return to work within thirty (30) calendar days following the end of his term in office.

ARTICLE VII

Premium and Overtime Rates

7.01. Premium Pay for Second and Third Shifts:

- (a) Extra compensation for second and third shifts will be as follows:
 - (1) Employees who work on a regularly established second-shift operation, or on irregular shifts during hours which would normally constitute a second-shift operation, shall receive thirty-five cents (\$.35) per hour shift premium pay.

- (2) Employees who work on a regularly established eight (8) hour third-shift operation, or on irregular shifts during hours which would normally constitute a third-shift operation, shall receive forty-five cents (\$.45) per hour shift premium pay.
- (3) Employees who work on a regularly established seven and one-half (7-1/2) hour third-shift operation shall receive seventy-five cents (\$.75) per hour shift premium pay.

This premium will not apply to truck drivers whose hours of work are subject to regulations issued by the Interstate Commerce Commission.

This premium will not be added to the rates but will be computed on an hourly basis and included with the paycheck.

Specific times for shift premium payments shall be:

First Shift 7 a.m. to 3 p.m. Second Shift 3 p.m. to 11 p.m. Third Shift 11 p.m. to 7 a.m.

- (b) All regularly scheduled shifts will have grace periods of four hours, as follows:
 - (1) Regular first shift employees may have a start time between 3 a.m. and 11 a.m. If they start at 3 a.m. or earlier, all hours worked prior to 7 a.m. will be paid third shift premium.
 - (2) Regular second shift employees may have a start time between 11 a.m. and 7 p.m. Hours worked prior to 11 a.m. will be nonpremium hours.
 - (3) Regular third shift employees may have a start time between 7 p.m. and 3 a.m. Hours worked prior to 7 p.m. will receive second shift premium.

Shift starting and ending times will not be established by management to deprive employees of shift premium.

Note that these practices do not apply to employees assigned to 12-hour continuous shifts which exist now or will be established in the future. These employees will be paid per separate agreements between Kohler Co. and UAW Local 833.

7.02. Workweek and Work Day:

(a) **Workweek** – The workweek will begin at 11:00 p.m. Sunday night and end at 11:00 p.m. the following Sunday night, regardless of the time the employee actually begins work, except in the case of truck drivers whose hours of work are subject to regulation by the Interstate Commerce Commission.

The workweek of truck drivers whose hours of work are subject to regulation by the Interstate Commerce Commission will begin at 12:00 midnight on Sunday. The workday will begin at 12:00 midnight and end twenty-four (24) consecutive hours later. Saturday will begin at 12:00 midnight on Friday evening and end twenty-four (24) hours later at 12:00 midnight on Saturday evening. Sunday will begin at 12:00 midnight on Saturday evening and end twenty-four (24) hours later at 12:00 midnight on Sunday evening. Holidays will begin at 12:00 midnight/of the day preceding the holiday and end twenty-four (24) hours later at 12:00 midnight of the holiday.

(b) Work Day – For the purpose of computing overtime over eight (8) hours per day, the work day will begin at the time the employee actually begins work or reports for work in accordance with instructions, and will terminate twenty-four (24) hours thereafter with the exception of the last day of the week, which will terminate at the end of the workweek even though the twenty-four-(24) hour period may not have expired.

12-Hour Continuous Shift

- (i) Two twelve-hour shifts will be established, on starting at or about 6:30 p.m. on Sunday and the other starting at or about 6:30 a.m. on Monday.
- (ii) Work schedules will be set up according to the requirements of the department. (Example: 4 days on, 4 days off).
- (iii) All work in excess of ten hours per day will be considered overtime and will be paid at time and one-half.
- (iv) Hours in excess of 40 straight-time hours per week will be paid at time and one-half the regular rate.
- (v) Sunday and holiday work will be paid at double time. Sunday will begin at 6:30 p.m. Saturday. Holidays will begin at 6:30 p.m on the day preceding the holiday.
- (vi) Work on a scheduled Saturday, up to ten hours per day, will be paid at straight time. Saturday work in excess of ten hours per day will be paid at time and one-half. Contract provisions for Saturday overtime (Sec. 7.06) will not apply.
- (vii) Non-scheduled workdays (both Saturday and days other than Saturday) will be paid according to Section 7.08 of the contract between the Company and the Union.
- (viii) Scheduled overtime over 12 hours per day will not be mandatory. The Company may schedule up to four 12-hour shifts in a workweek for a given crew using normal contract procedures. For scheduling of more than four 12-hour shifts in a workweek for a given crew, the following procedure will be followed:

Supervision will initially ask for volunteers with the needed skills and ability to work. If sufficient volunteers are not obtained, supervision will schedule the required number of employees on a mandatory basis. Work will be mandatory for those who volunteer and, if required, those who are scheduled.

(ix) The four-hour grace period for calculation of shift premium as stated in Section 7.01 of the contract between the Company and the Union will not apply. Shift premium for 12-hour continuous shifts will be paid as follows:

Day Shift

- (a) Hours worked during the first eight hours of the shift will not receive shift premium.
- (b) Hours worked after eight hours form the start of the shift will receive second shift premium. (Example: if the shift begins at 6:15 a.m., hours worked after 2:15 p.m. receive second shift premium.)

Night Shift

- (a) Hours worked during the first four hours of the shift will receive second shift premium.
- (b) Hours worked after four hours from the start of the shift will receive third shift premium. (Maximum of 8 hours third shift premium per day, after which no shift premium would be paid.) (Example: if the shift begins at 6:30 p.m., hours worked after 10:30 p.m. receive third shift premium. If the employee continues to work after 6:30 a.m., no shift premium would be paid.)

- In no case will premium pay be duplicated or pyramided.
- (xi) Vacation will be allocated as shown:

1 day vacation - 10 hours pay

2 days vacation – 20 hours pay

3 days vacation – 30 hours pay

4 days vacation – 40 hours pay

Note: Any unpaid vacation time less than 10 hours will be paid in lieu (on the first payday in December) and cannot be applied as a vacation day. Employees may, however, apply vacation time of less than 10 hours to days when work is cancelled as a result of an Act of God.

It is agreed that any person transferred into or out of a 12-hour continuous shift job will be governed by the established practices of the job and the employee is transferred to for the remainder of the year.

(xii) Vacation scheduling will be done according to the provisions of the contract between the Company and the Union (Section 11.06).

In cases where a 12-hour continuous shift is implemented subsequent to this agreement, vacations already approved will be reviewed immediately after the new crew is established and will be adjusted to the closest calendar days scheduled for work. If more employees have requested a certain period off than can be spared, the provisions of section 11.06(c) and (1) will apply.

(xiii) Holiday pay will be per contract.

(xiv) The shift will have two paid 10-minute breaks and one unpaid 20-minute lunch recess.

A 10-minute wash-up period will be provided at the end of the shift.

- (xv) If the need for 12-hour continuous shifts diminishes, the Company may cancel this shift and go back to a 5-day, 40-hour work schedule. Unless the need arises for reduced hour workweeks (such as 32 hours), the Company will not schedule less than 36 hours per week. If 36 hours are scheduled this will be three 12-hour day, paying 30 straight hours and 6 hours at time and one-half to equal 39 hours of straight pay.
- (xvi) The Company may change the hours of work and the schedule at any time pursuant to the Management Functions Clause (Art. II). The Union may terminate the schedule upon two weeks written notice within the first six months of implementation of a 12-hour continuous shift in a given area.
- (xvii) If a 12-hour continuous work schedule is cancelled within 6 months of implementation, all bargaining ; unit personnel will go back to the shift and job classification from which they came.
- (xviii) All other provisions will be governed by the contract between the Company and the Union.
 - (xix) This agreement will supersede any other agreements previously executed by the Company and the Union regarding 12-hour continuous shifts.

12-Hour Non-Continuous Shift

- (i) Two twelve-hour shifts will be established, one starting at or about 6:30 p.m. (or 10:30 p.m. for start up days) and the other starting at or about 6:30 a m
- (ii) Work schedules will be set up according to the requirements of the department.
- (iii) All work in excess of ten hours per day will be considered overtime and will be paid at time and one-half.
- (iv) Hours in excess of 40 straight-time hours per week will be paid at time and one-half the regular rate.
- (v) Sunday and holiday work will be paid at double time. Sunday will begin at 6:30 p.m. Saturday. Holidays will begin at 6:30 p.m. on the day preceding the holiday.
- (vi) Work on a scheduled Saturday, up to ten hours per day, will be paid at straight time. Saturday work in excess of ten hours per day will be paid at time and one-half. Contract provisions for Saturday overtime (Sec. 7.06) will not apply.
 - Work on a non-scheduled Saturday (employee called in on a Saturday when he is scheduled to be off) will be paid at time and one-half providing the employee has worked on at least two days, on days other than Saturday, during the week.
- (vii) Work on all other days will be straight time for the first ten hours, unless payable as time and one-half under (iv) above.

- (viii) Employees who "trade" schedules with other employees, for the convenience of the employee(s) will be paid according to the schedule of the employee being replaced, i.e., an employee working for another employee on Saturday will be paid for the first 10 hours at straight time.
 - (ix) Scheduled overtime over 12 hours per day will not be mandatory. The Company may schedule up to four 12-hour shifts in a workweek for a given crew using normal contract procedures. For scheduling of more than four 12-hour shifts in a workweek for a given crew, the following procedure will be followed:

Supervision will initially ask for volunteers with the needed skills and ability to work. If sufficient volunteers are not obtained, supervision will schedule the required number of employees on a mandatory basis. Work will be mandatory for those who volunteer and, if required, those who are scheduled.

- (a) Employees who are asked to volunteer, but refuse, will be charged with the hours they would have worked for purposes of computing equalization of overtime.
- (x) The four-hour grace period for calculation of shift premium as stated in Section 7.01 of the contract between the Company and the Union will not apply. Shift premium for 12-hour non-continuous shifts will be paid as follows:

Day Shift

(a) Hours worked during the first eight hours of the shift will not receive shift premium. (b) Hours worked after eight hours from the start of the shift will receive second shift premium. (Example: if the shift begins at 6:15 a.m., hours worked after 2:15 p.m. receive second shift premium.)

Night Shift - 6:30 p.m. start

- (a) Hours worked during the first four hours of the shift will receive second shift premium.
- (b) Hours worked after four hours from the start of the shift will receive third shift premium. (Maximum of 8 hours third shift premium per day, after which no shift premium would be paid.) (Example: if the shift begins at 6:30 p.m., hours worked after 10:30 p.m. receive third shift premium. If the employee continues to work after 6:30 a.m., no shift premium would be paid

Night Shift - 10:30 p.m. start

- (a) Hours worked during the first eight hours of the shift will receive third shift premium.
- (b) Hours worked after eight hours from the start of the shift will not receive shift premium.
- (xi) In no case will premium pay be duplicated or pyramided.
- (xii) Vacation for those crews whose regular schedule is three 12-hour shifts per workweek will be allocated as follows:
 - 1 day vacation 8 or 16 hours pay
 - 2 days vacation 24 hours pay
 - 3 days vacation 40 hours pay

Note: Any unpaid vacation time less than 10 hours will be paid in lieu (on the first payday in December) and cannot be applied as a vacation day. Employees may, however, apply vacation time of less than 10 hours to days when work is cancelled as a result of an Act of God.

It is agreed that any person transferred into or out of a 12-hour non-continuous shift job will be governed by the established practices of the job the employee is transferred to for the remainder of the year.

(xiii) Vacation scheduling will be done according to the provisions of the contract between the Company and the Union (Section 11.06).

In cases where a 12-hour non-continuous shift is implemented subsequent to this agreement, vacations already approved will be reviewed immediately after the new crew is established and will be adjusted to the closest calendar days scheduled for work. If more employees have requested a certain period off than can be spared, the provisions of section 11.06(c) and (f) will apply.

- (xiv) Holiday pay will be per contract.
- (xv) The shift will have two paid 10-minute breaks and one unpaid 20-minute lunch recess.

A 10-minute wash-up period will be provided at the end of the shift.

(xvi) If the need for 12-hour non-continuous shifts diminishes, the Company may cancel this shift and go back to a 5-day, 40-hour work schedule. Unless the need arises for reduced hour workweeks (such as 32 hours), the Company will not schedule less than 36 hours per week. If 36 hours are scheduled this will be three 12-hour days, paying 30 straight hours and 6 hours at time and one-half to equal 39 hours of straight pay.

- (xvii) The Company may change the hours of work and the schedule at any time pursuant to the Management Functions Clause (Art. II). The Union may terminate the schedule upon two weeks written notice within the first six months of implementation of a 12-hour non-continuous shift in a given area.
- (xviii) If a 12-hour non-continuous work schedule is cancelled within 6 months of implementation, all bargaining unit personnel will go back to the shift and job classification from which they came.
 - (xix) All other provisions will be governed by the existing agreement between the Company and the Union.
 - (xx) This agreement will supersede any other agreements previously executed by the Company and the Union regarding 12-hour non-continuous shifts.

Maintenance Weekend Crew

- Work schedules are set up according to the requirements of the department.
- (ii) Work on all days except Sunday and Holidays will be straight time for the first eight hours. Normal shift premium will apply per section 7.01 of the contract.
- (iii) Vacation pay will be allocated on an hour for hour basis on Monday through Saturday and twentyfour hours will be charged when vacation is allocated to Sunday.

- (iv) If the need for a weekend Crew schedule diminishes, the Company may cancel this shift and go back to a 5 day, 40 hour workweek schedule. The company may change the hours of work and the schedule at any time pursuant to the Management Rights Clause (Art. II) In the event that the company terminates this schedule in a given area within 90 days of implementation, affected employees would go back to the shift and job classification from which they came.
- (v) All other provisions will be governed by the contract.
- (c) **Saturday** Saturday will begin at 11:00 p.m. Friday and end at 11:00 p.m. Saturday.
- (d) **Sunday** Sunday will begin at 11:00 p.m. Saturday and end at 11:00 p.m. Sunday.
- (e) Holidays Holidays will begin at 11:00 p.m. on the day preceding the holiday and end at 11:00 p.m. on the date of the holiday. Third-shift employees shall celebrate holidays on the shift which begins on the day preceding the calendar day of the holiday. Provided however:
 - (i) The July 4th holiday for third shift workers shall begin on July 4th, rather than the preceding day, with the further provision that, in a year that July 4th falls on Friday, Saturday, Sunday, or Monday, the Company will canvass third shift employees prior to January 31, by division, to determine which day shall be celebrated as the July 4th holiday. The majority shall rule. Areas servicing other areas will vote with and shall be bound by the results of the work areas they service.
 - (ii) Good Friday for third shifts shall be celebrated on Easter Sunday night.

7.03. Definition of "Regular Rate:"

For the purpose of this contract, the term "regular rate" shall have the same meaning as the term "regular rate" as used in the Fair Labor Standards Act as amended (Wage-Hour Law).

In summary, this is the hourly straight-time earnings average over the hours worked each workweek. The shift premium, if any, will be included in computing such average, but there will not be included any overtime premium pay; any Sunday or holiday premium pay; or any other payment which may be excluded from the computation of the regular rate under the Fair Labor Standards Act as amended.

The computation of the regular rate will be in accordance with the applicable regulations of the Administrator of the Wage and Hour Division.

7.04. Premium Pay for Overtime Work:

All work in excess of forty (40) hours per week shall be considered overtime and will be paid for at one and one-half (1-1/2) times the regular rate.

All work in excess of eight (8) hours per day shall be considered overtime and will be paid at one and one-half (1-1/2) times the regular rate. Third-shift employees will receive overtime premium pay for hours worked immediately before their normal starting time if they are sent home before completing their scheduled shift for that day. This exception to the computation of overtime over eight (8) hours during a workday will apply only to third-shift employees and will not apply if the employee is offered, but refuses, work for the full hours scheduled on that date even though the work is not in his regular classification or job.

Where an employee works overtime over eight (8) hours per day, and also over forty (40) hours per week, he will be paid overtime for all hours worked in excess of eight (8) per day or forty (40) per week, whichever method of computation will yield the greater compensation for that workweek, but will not

be paid double overtime for hours which are both over eight (8) per day and forty (40) per week.

Premium pay over 8 hours in a 24-hour period will not apply where the beginning of the shift is delayed due to an act of God or condition totally beyond the control of the Company, and also where the starting time is delayed due to inclement weather.

7.05. Premium Pay for Sunday Work:

(Reference Supplement "D")

Except as provided in Section 7.08, Sunday work will be paid for at double the regular rate.

Specific times for Sunday premium payments shall be:

First Shift 7:00 a.m. to 3:00 p.m. Second Shift 3:00 p.m. to 11:00 p.m. Third Shift 11:00 p.m. to 7:00 a.m.

Only employees working their regular daily shifts on Sundays will have the four-hour grace period. No double time will be paid prior to 7 p.m. the day preceding the Sunday – or after 3 a.m. the day following the Sunday.

Employees (except Pottery Kiln) working a scheduled third shift operation of eight (8) hours or more on the shift beginning Saturday night will be paid at double time from 7:00 p.m. 'to the end of the shift. Hours prior to 7:00 p.m. will be paid at straight time or time and one-half if applicable.

All hours worked shall be treated as if worked in the employee's "home department" for purposes of Sunday premium payments.

7.06. Premium Pay for Saturday Work:

(Reference Supplement "D")

Except as provided in Section 7.08, Saturday work will be paid for at one and one-half (1-1/2) times the regular rate.

Saturday premium will not apply unless the employee has worked on at least three (3) days, other than Saturday, during the week. For purposes of calculating hours worked under this section (but not Section 7.04), all time for which the employee received "wages", but did not actually perform work (e.g., vacation, holiday, bereavement, and jury duty) shall be included.

7.07. Premium Pay for Holiday Work:

Specific times for Holiday premium payments shall be:

First Shift 7:00 a.m. - 3:00 p.m. Second Shift 3:00 p.m. - 11:00 p.m. Third Shift 11:00 p.m. - 7:00 a.m.

Only employees working their regular daily shifts on holidays will have the four-hour grace period (the same as the shift premium). No double time will be paid prior to 7 p.m. the day preceding the holiday – or after 3 a.m. the day following the holiday.

Employees (except Pottery Kiln) working a scheduled third shift operation of eight (8) hours or more on the shift beginning Saturday night or the night preceding a Company observed holiday will be paid at double time from 7:00 p.m. to the end of the shift. Hours prior to 7:00 p.m. will be paid at straight time or time and one-half if applicable.

Compensation for work performed on any of the holidays as designated in Section 10.01 will be at two (2) times the regular rate. In the event that the actual date of a holiday falls on a Saturday or Sunday, but is scheduled for observance on another day of the week in Section 10.01, compensation at two (2) times the regular rate will be paid for work performed on the date the holiday is observed and not on the date on which the

holiday actually falls. However, the normal and applicable overtime premium pay for work performed on a Saturday or Sunday will be paid if the holiday is designated to be observed on any other day of the workweek.

All hours worked shall be treated as if worked in the employee's "home department" for purposes of Sunday premium payments.

7.08. Premium Pay for Continuous Shifts:

Premium pay for continuous shifts will be as follows:

Holidays	Double Time
Sundays Worked	Double Time
Scheduled Saturdays	Straight Time
Nonscheduled Saturdays (Employee is called in on a Saturday he is scheduled to be off)	Time and One-half
The first Nonscheduled Day Worked (other	
than Saturday)	Time and One-half
All Other Days	Straight Time

7.09. Premium Pay Not to be Duplicated or Pyramided:

When two (2) or more types of premium or extra pay (other than shift premium) are applicable to the same hours of work, as, for example, when work on a holiday is also work over forty (40) hours per week, only one (1) – the higher – will be paid. In no case will premium pay (other than shift premium) be duplicated or pyramided. Hours compensated at premium rates under any provisions of this contract will not be counted as hours worked in determination of overtime.

7.10. Equalization of Work Opportunities:

Opportunity for overtime work and for work on a fifth day during a four-day work schedule shall be equalized among the employees in designated areas within a division as far as is practical amongst those individuals holding the classification performing the work and who are capable of performing the work.

Department foremen shall keep a record of overtime hours and work on a fifth day while on a four-day schedule. This shall include hours worked by each individual and also hours offered, but not worked. A copy of such record shall be provided to the Chief Steward on a monthly basis. If an imbalance occurs over a period of time (not less than three months), an employee who has received less opportunities for overtime or opportunities to work on the fifth day of a four-day schedule will be offered on an accelerated basis until the imbalance is corrected.

ARTICLE VIII

Working Schedules

8.01. Basic Workweek:

The basic workweek for all factory departments shall be forty (40) hours per week, and the basic work day shall be eight (8) hours per day. This workweek will be spread over not more than five (5) consecutive working days with two (2) consecutive days off in seven (7), Sunday included. Normal shift starting times shall be, first shift 7:00 a.m., second shift 3:00 p.m., third shift 11:00 p.m. It is recognized that there will be exceptions to normal starting times and to the basic workweek. At no time will an employee be scheduled less than four (4) consecutive hours in a twenty-four (24) hour period, unless the employee voluntarily agrees to do so.

8.02. Notification of Modification of Working Schedules:

(a) Casual Overtime.

Notices of overtime work, changes in starting time and changes from one shift to another will be given to the Union steward of the employees involved as far in advance as possible. Such notice will include the names of the employees involved, number of hours to be worked, and changes in starting time or in shift, if any.

(b) Fixed or Indefinite Shift Changes.

One (1) week's advance notice will be given to the Union of any increase or reduction in the working schedule or change in starting or quitting time. The foregoing will not apply in the case of overtime or emergency beyond the control of the Company, in which case notice will be given as soon as practicable under the circumstances.

The Union will be given an opportunity to discuss any change in the working schedule, upon request direct to the Company bargaining committee, and to raise any question it may have because of increase or decrease in the working schedule or change in starting or quitting time, but any such change will not be subject to arbitration.

8.03. Reduced Schedules:

During periods when a department is operating, the opportunity to work shall not be reduced below thirty-two (32) hours per week without the mutual consent of both parties to this contract. After six weeks, the Union may bring to the Company's attention situations where they believe transfers or layoffs should occur, rather than to continue short weeks. Those situations will be seriously considered on a case by case basis and transfers or layoffs made, if in the mutual interests of employees and Company. Layoffs or transfers will be enacted if 32-hour workweeks continue for 13 weeks in any rolling 12-month period.

This provision shall apply only to reductions in working schedules due to business reasons and shall not apply to reductions in working schedules due to major breakdowns of machinery or equipment, or to reductions in working schedules due to the necessity of shutting down machinery or equipment for needed repairs or maintenance.

Except as provided in this Article VIII, Article IX, Section 9.02 (c)(3), and Article XIII, nothing in this contract shall be construed as a guarantee of any specific number of hours of work per day or per week, nor shall anything in this contract be construed to prevent the Company laying off employees if necessary to maintain any working schedule.

ARTICLE IX Rates of Pay

9.01. Incentive Rates:

- (a) Permanent Rates.
 - (1) Base Rates. "Base Rates" on incentive jobs will be as specified for the various jobs in Supplement "B." The base rate will apply to all work except work on which a special rate is applicable as provided by this contract.

The Company guarantees that incentive paid employees will not receive less than the base rate times the number of hours worked in the shift, provided the employee gives reasonable effort based on his or her individual capabilities.

No hourly rate other than the base rate or a special hourly rate as shown in Supplement "B" shall be applied without specific approval of the applicable manager and the chairman of the Company bargaining committee.

Under no condition will more hourly paid time

(base rate, shutdown time or experimental rate) be reported than was actually worked.

- (2) New and Changed Rates. Base rates, incentive time allowances or "standard hours," group rates and other incentive rates on new and changed jobs will be established as follows:
 - a. When any additional job classifications are necessary, or significant changes occur in the job content of any job classification, base rates or hourly rate ranges will be established by the Company in relation to rates on other jobs entailing comparable skill, physical effort, working conditions, and responsibility.
 - b. When an incentive time allowance is to be changed by the Company as a result of a change or an accumulation of changes over a period of time in methods, material, design, or equipment, the Union shall be notified by the Company, and the job will be studied as soon as practicable.

In establishing incentive time allowances on changed operations it will be the policy of the / Company not to reduce earnings which are due / to increased performance, effort, or worker's / efficiency on the job.

c. The Company will give written notice to the chief steward of the division and the Union President whenever any base rate or rate range is established, changed or cancelled.

The Company will give written notice to the Chief Steward and division steward whenever any incentive time allowance is established, changed or cancelled. Such written notice will include the piece or plate number, the operation and the time per piece. The description of the elements of the work to be performed and the time record in question will be made available for the inspection of the steward or chief steward upon request.

- (3) Establishment of New Base Rates and Incentive Time Allowances
 - a. In General. A new incentive job, on which no incentive time allowance has been established, shall be studied as soon as practicable.
 - b. Time Periods. In the event the incentive time allowance cannot be established by the Company within ten (10) working days, the Union will be so notified and the Company will have an additional ten (10) working days in which to establish the incentive time allowance.

The intent of this provision is to enable the Company to have an additional ten (10) working days in which to establish an incentive time allowance because of the occurrence of unforeseen circumstances. If the incentive time allowance is not established within the extended period of time, the worker or workers involved will be paid retroactively to the date the job was placed in production at a special rate established for the occasion until such time that an incentive time allowance is established.

c. Rates Set Within Twenty (20) Days. If the incentive time allowance is established within either period of time, that is, within the first ten (10) working days or within the extended ten (10) working day period, the worker or workers involved will be paid at the base rate for all time prior to the establishment of the incentive time allowance.

When the incentive time allowance is established, the worker or workers involved will be paid retroactively the amount, if any, by which the incentive earnings exceed the amount which they have been paid.

This provision will apply to new incentive jobs of a type regularly performed on incentive. In the case of a new type of work dissimilar to that customarily performed on incentive or a job formerly performed on hourly pay basis, the first period of ten (10) working days will begin when the job is designated by the Company as being ready for incentive

- d. Setting Incentive Rates. Incentive rates will be set to yield per the MOE agreement.
- e. Standard Data. In establishing new incentive time allowances, the Company will make time studies of the operations or base the time allowance on standard data computed from time studies of similar operations.
- (4) Time Periods for Changing Rates. During the period between the removal of the old incentive time allowance and the establishment of the new incentive time allowance, which in no case shall exceed twenty (20) working days, employees shall be paid their base rate. The incentive time allowance, when established, shall be made retroactive to the time of the removal of the old incentive time allowance and the employees will be paid the amount, if any, by which their earnings on the incentive time allowance exceed the base rate. Such adjustment will be made on a daily basis. If the time for establishment of the new incentive time allowance exceeds twenty (20) working days, the employees will be paid a special rate established for the occa-

- sion, retroactive to the time of removal of the old incentive time allowance.
- (5) Grievances Concerning Incentive Rates. Complaints regarding base rates, rate ranges, incentive time allowances, or temporary time allowance established or changed by the Company may be handled by the same procedure as established herein for the handling of grievances, but will not be subject to arbitration. When, as a result of a grievance, a newly established base rate or incentive time allowance is adjusted, the adjustment will be made retroactive to the date the job was placed in production, provided the grievance is filed within ten (10) working days after the Union receives notice of the base rate or time allowance. For the purpose of this provision a working day will be any day on which production is scheduled in the department where the base rate or incentive time allowance applies, regardless of whether or not the particular operation to which the base rate or time allowance applies is actually performed on that day. Established time allowances will not be subject to the provisions of Section 4.04 and grievances thereon may be filed at any time, but no adjustment will be made retroactive prior to the time of filing the grievance thereon.
- (6) Retiming in Presence of Chief Steward. Where, as a result of a grievance on an incentive time allowance, the job is retimed or restudied, the chief steward shall be permitted to accompany the time study man to observe and check the time study while the restudy is being made. The chief steward and time study man shall be permitted to use a stopwatch during the restudy.
- (7) Preservation of Time Records. The Company will keep the time record relating to any incentive time or standard allowance which is in effect. This time

record shows the sequence of elemental operations to be performed and the time or standard hour allowance for each elemental operation.

In case any time or standard allowance is cancelled or superseded, the original time record may be kept for a period of not less than thirty (30) days.

It is understood that this provision applies only to the time record and does not require the preservation of the time study man's work sheets after the time record has been compiled.

(b) Temporary Incentive Time Allowances.

In case of a reorganization of equipment or facilities, major change of product or major change of method, temporary hourly rates or incentive times may be set until conditions become permanent.

Any time allowance which is specifically stated by the Company to be a temporary time allowance may be replaced by a new time allowance. A new time allowance replacing a temporary time allowance shall be set without reference to such temporary allowance. A time allowance may be designated as a temporary time allowance, applicable to designated maximum lot sizes or limited runs, or applicable only for a designated time. or applicable only during the continuance of certain designated conditions. All temporary time allowances shall specify a definite time of not more than sixty (60) days when they shall expire unless renewed. If renewed, the Union will be given notice of the renewal which shall be for a definite period. Temporary time allowances will not be effective for more than a total of six (6) months unless the Union agrees to a further extension.

9.02. Rates for Special Circumstances:

(a) Special Rates.

All rates not shown in Supplement "B" will be known as "special rates."

No special rate will be established without the approval of the applicable manager and chairman of the Company bargaining committee.

Special rates will include jobs on which the company does not intend to establish a permanent incentive rate. Special rates will ordinarily be limited for a specific period of time. Special rates will normally be set at the employee's straight time average hourly rate. Exceptions will be where traditionally a special rate has been set lower than the employee's straight time average hourly rate or otherwise agreed to by the parties. The time period and earnings used to set the special rate shall be the latest four (4) week period, or, if that is not representative, a period of time which would reflect a normal situation for specific departments as computed from the Earnings Analysis Summary. If any employee has any grievance because of a special rate such grievance may be taken up through the grievance procedure.

Special rates authorized to be effective will be made available to the Union upon its specific request therefor.

(b) Incentive Operations Performed Under Handicap. When an employee is directed to continue the operation of an incentive job in the face of evident handicaps, such as hard or defective stock or materials, tool or machine difficulties, etc., which were not allowed for in the incentive time allowance, a temporary incentive time allowance covering the conditions will be set if practicable, and if not practicable an hourly allowance will be made by supervision equivalent to the time lost.

Incentive workers experiencing an evident handicap,

such as hard or defective material, tool or machine difficulties, etc., which is in excess of those allowed for in the incentive time allowance shall report such handicap immediately to their foreman.

Incentive workers shall record the time and number of pieces produced before the handicap commenced, the time worked and the number of pieces produced while working under the handicap, and the time worked and the number of pieces produced after the handicap has ended.

(c) Wages During Shutdowns.

When breakdowns of equipment or lack of material throw men out of work, the following basis of compensation will apply:

- (1) If work is resumed within six (6) minutes of the shutdown, there will be no payment for time lost.
- (2) If the shutdown lasts six (6) minutes or longer, or if there are a number of shutdowns totaling six (6) minutes or more in any working shift, the workmen involved will be paid for shutdown time including the first six (6) minutes at the base rate. The base rate will apply only if, when a shutdown occurs, the employee remains at his place of work and, if assigned work by his foreman, does such work.
- (3) If a shutdown occurs during the first four (4) hours of a shift, the employees affected will be transferred to available jobs if practicable. However, the Company may release the employees for the balance of the shift, in which case the employees so released will receive not less than four (4) hour's pay, provided that the employees affected reported to their work stations on time. This provision shall be inoperative if the Company notifies the affected employees not to report for work no later than one-half (1/2) hour prior to the shift starting time, or if

the lack of work is caused by any conditions considered to be an act of God or a condition totally beyond the control of the Company. Employees reporting to their work stations late will have the four (4) hours' pay reduced by the amount of time they report late to their stations of work. All hours not actually worked will be paid for at the base rate. (Reference Supplement "D")

- (4) If a shutdown occurs after the first four (4) hours, the Company may: a) release the employees for the balance of the shift without further pay; b) assign the employees to available jobs at the rates applicable to such jobs; c) require the employees to remain on the Company premises pending the resumption of production. In the event the employees are required to remain on the Company premises pending the resumption of production, they will be paid their base rate for all time spent.
- (d) Rates for Instructor, Crew Operation.

When, at the request of the Company, an employee is taken from his regular incentive job to serve as an instructor, he will receive a special rate established for the occasion, and approved by the applicable manager and the chairman of the Company bargaining committee. This provision will not apply to breaking in a new man where the employee doing the breaking in is not taken from his regular incentive job.

On a group or team incentive rate the man being broken in will be paid his hourly rate. As the man being broken in progresses to where his efforts contribute to the production of the crew, supervision will credit him with the number of pieces on incentive work which fairly represent his production.

The rest of the crew will be credited with the balance of the pieces on an incentive basis. When the man is sufficiently broken in, the entire crew will work on incentive work. The intent of this provision is that the older employees will not lose earnings because of breaking in the new man.

(e) Rework of Defective Work.

When an employee is taken from his regular incentive job to rework another employee's defective work, he will receive a special rate established for the occasion and approved by the applicable manager and the chairman of the Company bargaining committee.

This provision will not apply to employees regularly assigned to salvage work nor to employees required to rework their own work which is defective due to their own fault or in the case of work performed and paid for on a group basis which is defective due to the fault of one or more of the individuals working in the group.

Incentive paid employees required to rework or complete their own work which is defective due to their own fault or omission will not receive pay therefor in addition to the incentive rate unless their earnings for the shift are less than the base rate, in which case they will receive the base rate. Incentive paid employees required to rework or complete their own work which is defective due to causes other than their own fault or omission will receive a special rate established for the occasion and approved by the applicable manager and the chairman of the Company bargaining committee.

(f) Grievances.

Any grievances relating to Section 9.02 shall be initiated at Step 3 of the grievance procedure as outlined in Section 4.02.

9.03. Transfer of Incentive Employees:

(a) Incentive to Incentive (Permanent).

When an employee on incentive work is transferred to a

higher or lower rated job, the established rates and incentive times for the job to which he is assigned will automatically apply except as otherwise provided for in this agreement.

- (b) Incentive to Incentive (Temporary).
 - (1) For Convenience of the Company. When an employee is temporarily transferred from one incentive operation to another incentive operation during the shift for the convenience of the Company, he will be paid the higher of his actual earnings or a special rate.
 - (2) Not for the Convenience of the Company. When the transfer is not for the convenience of the Company, the employee will be paid the higher of actual earnings or the base rate on the job transferred to for the time spent on such operation.

A transfer to another job shall not be considered for the convenience of the Company if it is necessitated by the absence of the employee's partner or other crew members. The transfer also will not be considered for the convenience of the Company where there is no work for the employee on his regular job, nor to employees who work in addition to their regular schedule at an operation other than their regular job, nor to employees who are classified on two or more job classifications, and are part time piece workers and part time hourly paid workers.

(c) Incentive to Hourly (Permanent).

An employee who is permanently transferred to an hourly paid job will receive the rate which he would have received after thirty (30) days had he been originally hired on the job to which he is transferred or the in-plant transfer rate for those jobs which do not have length of service increases. He will thereafter be progressed on the same schedule as he would have pro-

gressed according to Article XII had he been hired on the job to which he is transferred thirty (30) days prior to the date of his transfer.

Transferred employees having special qualifications or experience may be transferred at a higher rate similar to new employees under Section 12.03. They may also be eligible for merit increases not above the maximum of the rate range of the job to which transferred and may be progressed on a merit basis faster than the schedule.

(d) Incentive to Hourly (Temporary).

- (I) For the Convenience of the Company. When an incentive worker is temporarily transferred to an hourly paid job in a different job classification for the convenience of the Company, he will receive the higher of a special rate or the midpoint of the rate range for the hourly job.
- (2) Not for the Convenience of the Company. If the transfer is not for the convenience of the Company, the employee will receive his base rate for his regular job classification or the thirty (30) day level on the day rated job to which he is transferred, or the in-plant transfer for those jobs which do not have length of service increases, whichever is higher.

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9.04. Rates for Hourly Paid Jobs and Transfer of Hourly Employees:

(a) Rate Ranges.

A trained employee on a regularly performed nonincentive operation will receive an hourly rate (to be shown on his rate card) within the minimum and maximum rate range shown in Supplement "B." Employees may be classified on two or more hourly rated jobs in which case they will receive their hourly rate for the job being performed. The Union will be notified of employees who are classified on two or more hourly rated jobs.

When any additional hourly job classifications are necessary or significant changes occur in the job content of any hourly job, hourly rate ranges will be established in relation to rates on other hourly jobs entailing comparable skill, physical effort, working conditions, or responsibilities.

(b) Minimum and Maximum Rates, Midpoint.

The minimum rate for trained employees will be the minimum hourly rate specified in Supplement "B." The rate range will be the spread between the minimum and the maximum rates for the job. New employees will be compensated according to the provisions of the hiring rates set forth in Article XII.

The term "Midpoint" will be the point one-half way between the minimum and maximum of a daywork rate range even though that point does not coincide with a length of service schedule. A midpoint which does not compute to an even cent will be raised to the next highest cent.

(c) Hourly to Hourly (Permanent).

An employee who is permanently transferred to an hourly paid job or a different hourly paid job will receive the rate which he would have received after one month had he been originally hired on the job to which he is transferred, or the in-plant transfer rate for those jobs which do not have length of service increases. He will thereafter be progressed on the same schedule as he would have progressed according to Article XII had he been hired on the job to which he is transferred one month prior to the date of his transfer.

Transferred employees having special qualifications or experience (such as holding a utility classification that includes the job to which the person is transferring) may be transferred at a higher rate similar to new employees under Section 12.03. They may also be eligible for merit increases not above the maximum of the rate range of the job to which transferred and may be progressed on a merit basis faster than the schedule.

(d) Hourly to Hourly (Temporary).

- (1) For the Convenience of the Company. A trained employee who is temporarily transferred for the convenience of the Company to an hourly rated operation other than his regular hourly rated operation will receive his regular hourly rate or the midpoint for the job to which he is transferred, whichever is higher.
- (2) Not for the Convenience of the Company. The employee will receive the thirty (30) day level of the day rated job to which he is transferred, or the inplant transfer rate for those jobs which do not have length of service increases. Provided, however, that any employee in an alphabetical classification who is transferred to another job in an alphabetical classification on which he has had prior experience will be paid the midpoint of the rate range of the classification to which he is transferred.
- (e) Hourly to Incentive (Permanent). When an hourly paid employee is permanently transferred to an incentive job, the established rates and incentive times for the job to which he is assigned will automatically apply except as otherwise provided for in this agreement.

(f) Hourly to Incentive (Temporary).

(1) For the Convenience of the Company. A trained employee who is temporarily transferred to an incentive rated operation will receive his regular hourly rate or the earnings he has made on the incentive rated operation, whichever is higher.

- (2) Not for the Convenience of the Company. When the transfer is not for the convenience of the Company, the employee will be paid the higher of his actual earnings or the base rate on the job transferred to for the time spent on such operation.
- (g) Retransfer to Hourly Job.

An employee who is permanently or temporarily retransferred to a daywork job classification which he formerly held will be paid not less than the rate he last held provided the retransfer occurs within two years, and further provided that the employee is retransferred to the same division and department in which he previously held this classification.

ARTICLE X

Holiday Pay

10.01. Eligibility Requirements:

(Reference Supplement "D")

An employee on an hourly or incentive pay basis, who (a) has actually worked at least thirty (30) days for the Company prior to the holiday, and (b) has worked on his last scheduled workday prior to and on his next scheduled workday after such holiday, will be paid for the following holidays as designated below.

The following interprets the preceding paragraph:

The Company recognizes that there are circumstances wherein the requirement of working the day before and the day after the holiday will not be required. These will be very limited and will cover only the following: (a) the employee is excused because of paid jury duty, bereavement, or union business, and (b) the employee is hospitalized or a statement is provided by a physician dated on or immediately before the day in question certifying that the employee is disabled and unable to work. The requirement that the notice be dated on or immediately

before the day in question shall not be applicable where the employee suffers an accident rendering it impossible to provide such an excuse. In such cases, the excuse shall be provided as soon as possible. Doctors' statements which do not specify inability to work on the shift in question will not be accepted nor will excuses given retroactive to the day in question or if the physician has not seen the employee. The Company may also accept excuses given for emergency situations. Any hours excused by supervision based on the employee's request or because of lack of work shall be considered excused.

If the employee works part, but not all, of the day in question, the following will apply: An employee who works four (4) or more hours shall be deemed to have met the contractual requirement provided the employee does not walk off the job. An employee who works less than four (4) hours and is not excused does not meet the contractual requirement and will lose holiday pay.

The loss of holiday pay in multiple holiday situations shall be limited to two (2) days for a failure to meet the requirement. If the employee fails to meet the requirement on either the day before or day after, the maximum number of days lost shall nevertheless be limited to two (2).

In no event would an employee be paid if the day before or after a holiday, or any portion thereof, is missed due to a strike, lockout, or any type of work stoppage.

Holiday & Date Celebrated	2002	2003	2004	2005	2006	2007
New Year's Day		Jan. 1 Wed.	Jan. 1 Thurs.	Dec. 31 (2004) Fri.	Dec. 30 (2005) Fri.	Jan. 1 Mon.
Designated Holiday			Jan. 2 Fri.			
Good Friday	{	April 18 Fri.	April 9 Fri.	Mar. 25 Fri.	April 12 Fri.	April 6 Fri.
Memorial Day		May 26 Mon.	May 31 Mon.	May 30 Mon.	May 29 Mon.	May 28 Mon.
Designated Holiday					July 3 Mon.	
July 4		July 4 Fri.	July 5 Mon.	July 4 Mon.	July 4 Tues.	July 4 Wed
Labor Day		Sept. 1 Мол.	Sept. 6 Mon.	Sept. 5 Mon.	Sept. 4 Mon.	Sept. 3 Мол.
Thanksgiving	Nov. 28 Thurs.	Nov. 27 Thurs.	Nov. 25 Thurs.	Nov. 24 Thurs.	Nov. 23 Thurs.	
Day after Thanksgiving	Nov. 29 Fri.	Nov. 28 Fri.	Nov. 26 Frì.	Nov. 25 Fri.	Nov. 24 Fri.	
Designated Holiday	Dec. 23 Mon.					
Day before Christmas	Dec. 24 Tues.	Dec. 24 Wed.	Dec. 24 Frì,	Dec. 26 Mon.	Dec. 25 Mon.	
Christmas	Dec. 25 Wed.	Dec. 25 Thurs.	Dec. 27 Mon.	Dec. 27 Tues.	Dec. 26 Tues.	
Designated Holiday	Dec. 26 Thurs.	Dec. 26 Fri.	Dec. 28 Tues.	Dec. 28 Wed.	Dec. 27 Wed.	
Designed Holiday	Dec. 27 Fri.	Dec. 29 Mon.	Dec. 29 Wed.		Dec. 28 Thurs.	
Designed Holiday	Dec. 30 Mon.	Dec. 30 Tues.				
Day before New Year's	Dec. 31 Tues.	Dec. 31 Wed.	Dec. 30 Thurs,	Dec. 29 Thurs.	Dec. 29 Fri.	

Except in departments operating on a continuous shift, when a holiday falls on either Monday, Friday, or that weekend, production and shipping will not be scheduled for the Saturday, Sunday and holidays. If production or shipping is engaged in on such a weekend, employees will not be required to work on such a weekend, except on a voluntary basis. Employees who do not choose to work on a voluntary basis on such a weekend will not be subject to warning, or other disciplinary measures taken and will not lose their holiday pay. If, however, an employee agrees voluntarily to work on such a weekend and is absent without reasonable prior notice or reasonable excuse, he will be subject to discipline, including possible loss of holiday pay. Requests for employees to work on a voluntary basis will be made as far in advance of such a weekend as is reasonable under the circumstances.

An employee who is granted a leave of absence by the Human Resources Department or who is on layoff will not be considered as having been scheduled to work during the period of his leave of absence or layoff unless such leave of absence or layoff is for a period of more than thirty (30) days, or unless such leave of absence is on condition that the holiday pay be waived by the employee.

An employee on sick leave, leave for pregnancy, or who is temporarily totally disabled and receiving worker's compensation benefits will receive holiday pay for a given holiday if the employee has not been absent from work for a period of sixty (60) consecutive calendar days on the date of such holiday.

An employee on sick leave, leave for pregnancy, or who is temporarily totally disabled and receiving worker's compensation will not receive holiday pay for a given holiday if he has not actually worked for a period of more than sixty (60) consecutive calendar days on the date of such holiday.

An employee receiving worker's compensation for temporary total disability who has not actually worked for a period of more than sixty (60) consecutive calendar days on the date of

such holiday will be paid the difference between holiday pay and worker's compensation for any holiday falling outside of the first sixty (60) consecutive calendar days up to a period of one (1) year subsequent to the date of an industrial injury or ailment. Holiday pay will be computed as specified in Section 10.04 except that the last complete workweek prior to an injured employee's date of injury shall be used to determine his straight time hourly rate.

All computations in this section shall be made from the last date on which the employee actually performed work. The receipt of vacation pay shall not serve to extend the thirty (30) or sixty (60) day period.

Military service, except for routine yearly training periods in the National Guard or Reserve which do not interrupt the continuity of employment, will not be considered leave of absence for the purpose of holiday pay.

Prior leave of absence must be obtained with the exception that where an employee supplies ample proof that such application for a leave of absence could not possibly have been made for reasons beyond his control, such holiday pay shall be granted.

10.02. Holiday on Saturday or Sunday:

- (a) Holiday on Sunday. When a holiday, except December 24 and December 31, falls on Sunday it will be observed on Monday. When December 24 or December 31 falls on a Sunday, an employee will receive holiday pay provided he otherwise qualifies hereunder.
- (b) Holiday on Saturday. When a holiday, except December 24 and December 31, falls on a Saturday it will be observed on the following Monday. When December 24 and December 31 fall on a Saturday, an employee will receive holiday pay provided he otherwise qualifies hereunder. For weekend crew or continuous, and non-continuous shifts, if July 4 falls on a

10.03. Holiday During Vacation Period or on a Day Off:

- (a) Holiday During Vacation Period. When one of the above holidays falls within an eligible employee's approved vacation period and he is absent from work for such vacation period, he will be paid for such holiday. The remaining vacation day/days may be allocated to the preceding Friday or the following Monday. The day/days selected must be included on the Vacation Request Form. As in the case of all vacation allowances, approvals for vacation during these weeks will be dependent on the number of employees that can be spared during these periods.
- (b) Employee on Day Off Weekend Crew, Non-Continuous or Continuous Operation. An employee whose work is in necessary continuous operation will receive holiday pay in the event the holiday falls on one of his regularly scheduled days off and he meets the eligibility requirements.

10.04. Basis of Holiday Pay:

Employees eligible under these provisions shall receive eight (8) hours pay for each of the holidays specified in Section 10.01 based on the employee's straight-time average hourly earnings for the previous quarter, excluding overtime. Any clock hour add-ons in effect on the day of the holiday and shift premium shall be added to the holiday pay.

The Company will agree to use the negotiated general wage increase and add appropriate language to current provision, if needed, based on the general wage increase negotiated.

An exception to this method of computation will be that fourth quarter holidays for incentive paid enamelers and designated support people will be computed using weeks included in book 11 of the Earnings Analysis Summary (four weeks). A further exception will be that earnings for any holiday falling

within the first fifteen (15) days of a quarter will be based on the first five (5) paydays of the previous quarter to allow for timely payment, rather than on the full previous quarter.

Holiday pay for New Year's Day and any holidays immediately following New Year's Day will be paid at the same rate as Christmas holidays.

10.05. Work on a Holiday:

- (a) Employee Absent on a Holiday on Which He Is Scheduled to Work. If an employee is scheduled to work he will not receive holiday pay as provided herein if he absents himself from scheduled work on such holiday without reasonable cause acceptable to management.
- (b) Pay for Work Done on a Holiday. If an employee works on a holiday he will receive pay for the hours worked on such holiday in accordance with Section 7.07, and, in addition, will receive the holiday pay to which he is entitled under the terms of this contract.

An employee who works part of the day on a holiday will receive pay in accordance with Section 7.07 for the hours worked plus the holiday pay provided herein.

ARTICLE XI

Vacation With Pay

11.01. Eligibility:

Employees in the bargaining unit will be eligible for vacation with pay or pay in lieu of vacation according to the terms of this Article as follows:

Vacation Year (January 1 to December 31):

One to three years continuous service	One week
Three to eight years continuous service	Two weeks
Eight to fifteen years continuous service	Three weeks
Fifteen to twenty-five years continuous service	Four weeks
Twenty-five or more years continuous service	Five weeks

Employees will become eligible for vacations as of the anniversary date of their last hiring; for example, an employee will become eligible for one (1) week's vacation at the expiration of one (1) year from the date of his last hiring, for two (2) week's vacation at the expiration of three (3) years from the date of his last hiring.

11.02. Status of Persons Transferred:

The status of a person transferred from the office or any of the branches to the factory will be determined as of the date of transfer and his total office or branch employment will be included in his service record in determining his vacation allowance.

11.03. Definition of "Continuous Service:"

For the purpose of computing vacation allowance an employee's service will be considered as having been continuous unless:

(a) The employee quits or is discharged. Former employees who have left the Company's service under any of the foregoing circumstances and are subsequently rehired will be considered as new employees.

- (b) The employee shall have been permanently laid off. Permanent layoff will be as defined in Section 5.03(e).
- (c) An employee who has been absent with leave or because of illness, or other just cause recognized by the Company, will be considered as having been continuously employed during the period of his absence.

The provisions of this paragraph will apply only during the year in which an absence caused by illness or other just cause is recognized by the Company. The provisions of this paragraph will not apply to any vacation year (January 1 to December 31) where an employee has not rendered actual service for the Company.

(d) Vacation allowances will vest for the succeeding year for employees on the active payroll on December 31 of a given year. For example, 1991 vacation allowances will be vested for employees on the active payroll on December 31, 1990. Vesting will not apply to additional vacation the employee may become entitled to by virtue of reaching an anniversary during the year.

Vacation allowances will not vest for any employee on layoff or leave of absence on December 31. Leaves of absence include, but are not limited to, special sick leave, worker's compensation leave, and personal leave. Provided, however, vacation will vest for an employee not on the active payroll on December 31 in the event the employee performs work in the succeeding year. And provided further that if an employee dies following his last scheduled work day, but prior to December 31 in a given year, his vacation allowance will be deemed to have vested for the succeeding year and will be paid to his family or estate.

Employees who die or retire after their vacation vests on December 31 of a given year and prior to taking their full vacation, will receive vacation pay for any unused vacation. The pay will be paid to the employee (or in the case of a deceased employee to his family or estate) as soon as practicable after the retirement or death occurs.

The provisions of this subparagraph will apply only during the year in which retirement or death occurs.

(e) An employee who has received sick leave pay for the last ten (10) or more weeks of the year will not receive vacation pay for the succeeding year in which he retires unless he performs regular work at least thirty (30) calendar days during the year of retirement.

11.04. Vacation Pay:

(a) Pay for vacation shall be based on the quarter preceding the time the vacation is taken as described in Section 10.04 of this contract. A day's vacation pay will be eight (8) times the employee's average straight-time hourly earnings for the quarter preceding the time the vacation is taken. A week of vacation will be five (5) times a day's vacation pay. Shift premium and negotiated wage increases under Article 12.05 of this agreement shall be included, but all overtime shall be excluded. Vacation which overlaps two (2) quarters will be at the same rate for all days as is applicable for the first day of vacation.

Employees who did not work in the quarter preceding the time the vacation is taken will receive vacation pay based on the most recent quarter worked.

Vacation taken within the first fifteen (15) days of a quarter shall be based on the average straight-time earnings for the first five (5) paydays only of the preceding quarter. A week of vacation pay will be five (5) times a day's vacation pay.

All payments due employees for pay in lieu of vacation will be included in the pay period which includes December 1. Payment will be based on the quarter preceding December 1.

11.05. Plant Shutdown:

(a) The Company, by division, may schedule a shutdown to include the last week in July and the first week of August. Employees with two weeks of vacation or less (other than in Maintenance) will be required to take vacation during the shutdown period. Provided, however, some areas may schedule no shutdown or a one-week shutdown, rather than a two-week summer shutdown. Each division will announce any exceptions to the July/August two-week shutdown period by December 1 of the preceding year.

Where less than two weeks are scheduled, the Company will make a good faith effort to allow employees to schedule the vacation time normally taken during the shutdown (one or two weeks) during the summer season (June-August) if they so desire.

In cases where it is impossible or impracticable for business or other reasons for the Company to allow any employee or employees part or all of their vacation the Company will allow vacations at some other time or, at its option, will make payments as computed above to such employees in lieu of vacation.

Nothing in this Article shall be construed to prevent the Company from shutting down all or a portion of the plant during other periods when business conditions make it desirable or practicable and designating such periods as vacation periods.

11.06. Vacation Scheduling:

(Reference Factory Vacation Policy)

(a) Employees who are eligible for vacation other than days allocated to summer shutdown will make written application for such time off on forms provided by the Company, specifying the amount of time desired and the dates. These forms will be signed by the foreman and supervisor of the department. Supervision may deny the application. Employees will receive a copy of all vacation request forms, indicating either approval or denial of the request.

- (b) Employees who do not make such a written request before thirty (30) days before the pay period which includes December 1 will be considered as not desiring any vacation time off in addition to the periods specified in subsection (a) of this section.
- (c) If more employees request a certain period off than can be spared during that period, the Company may require some employees to take their vacation at a different period.

Where more employees request time off during a given period than can reasonably be released, the following order of preference will be observed:

- (1) Employees having an emergency situation.
- (2) Employees who have applied for vacation of three or more days on or before February 1 of the vacation year will be scheduled on the basis of seniority.
- (3) Employees not able to obtain vacation of three or more days of their choice by February 1 will be given until February 15 to apply or reapply for any weeks not previously filled. Such requests will be granted on the basis of seniority.
- (4) Between February 15 and March 15, employees may apply for not more than two vacations of one or two days. Such requests will be scheduled on the basis of seniority.
- (5) By date of application for all employees without an emergency who apply after March 15 of the vacation year regardless of seniority.

- (6) Vacation calendars will be posted in all divisions.
- (d) An employee's request for vacation time off will not ordinarily be granted for any period prior to the time when he will be eligible for the vacation; e.g., an employee who does not become eligible for three weeks' vacation until August 15 will ordinarily not be granted vacation time other than during the plant shutdown period prior to August 15. This provision will apply only during the year in which an employee becomes eligible for vacation or additional vacation and not to succeeding years after the employee becomes eligible.
- (e) If an employee's request for vacation time off is rejected, he will be notified before the expiration of thirty (30) days from the date of the request unless the request is made less than forty-five (45) days before the beginning of the vacation time desired, in which case the employee shall be notified at least fifteen (15) days before the beginning of the vacation time desired.
- (f) In case later developments require cancellation of an employee's request for time off which has previously been granted, he will be given notice of such cancellation at least thirty (30) days in advance of the beginning of the date of the time off for which his request has been allowed, unless some emergency situation develops which prevents such thirty (30) days' notice, in which case he will be given notice as soon as practicable.
- (g) In the event an employee desires to reduce a vacation granted for three or more days to one or two days, he shall be required to cancel the entire number of days and then submit a new application for one or two days which will be handled in accordance with the procedure outlined above.
- (h) The company may, where it deems that the circumstances warrant, allow employees to credit absences

due to serious illness, national guard or military reserve duty, leaves of absence, etc., to vacation time.

 (i) Payments to employees for vacations taken will be made on the regular payday including such vacation period.

Employees entitled to one (1) week of vacation pay during the plant shutdown will have said pay applied to the first week of the shutdown period provided they do not work the first week. Employees with one (1) week vacation allowance who work the first week of the plant shutdown, will have their vacation pay applied to the second week of the plant shutdown.

- (j) The parties have agreed that a one and two day vacation policy will be continued as fully stated in a document dated September 21, 1994. Brief highlights of that procedure are as follows:
 - Employees with vacation allowance that does not have to be allocated to a designated plant shutdown may schedule, subject to the procedures in Section 11.06, a minimum of five (5) one or two day vacations.
 All vacation not allowed in one or two day increments will be given in full weeks unless otherwise approved at the sole discretion of supervision.
 - 2. One or two day vacations need not be granted on the basis of seniority. The granting of one or two day vacations should not deprive other employees of vacations of three consecutive days or more.
 - 3. From February 15 to March 15, employees may apply for not more than two (2) vacations of one (1) or two (2) days each. Such requests will be considered on the basis of seniority.
 - Other requests for one or two day vacations should normally be made a minimum of seven (7) days prior

to the date desired to be off. Supervision will have the sole discretion to grant days off with shorter notice or retroactive application of vacation to a day of illness. Requests for three or more consecutive days of vacation in a workweek will have preference over requests for one or two days not scheduled by March 15 per paragraph 3. After March 15, all vacation requests will be considered on a first-come, first-serve basis.

The Company may, at its option, pay all, or certain classes of, employees their pay in lieu of vacation prior to that date.

Any pay for vacation made in advance of the time when vacation is scheduled or payment therefor due, as provided in this Article, shall be considered as having been paid as of the time when the vacation is scheduled or payment due.

(k) Except in departments operating on a continuous shift, where a scheduled vacation period is designated, the last scheduled workday will be the Friday preceding the scheduled vacation period. Production or shipping will not be scheduled for the Saturday immediately preceding or the Saturday of the vacation week, if the Saturday adjoins the vacation period. Employees will be required to work on the regular shift to which they are assigned on the Friday preceding such Saturday even though it extends into the calendar day of Saturday. The Company agrees that it shall not schedule overtime on Friday for employees having a scheduled vacation period or on the day preceding a holiday, except in case of emergency.

The above will apply to the scheduled vacation period during the factory shutdown and also, in the case of employees entitled to more than two (2) weeks of vacation, to any additional vacation week which has been requested by the employee and approved as provided by this contract.

If production or shipping is engaged in on such a Saturday, employees will not be required to work on such Saturday except on a voluntary basis.

Employees who do not choose to work on a voluntary basis on such Saturday will not be subject to warnings or other disciplinary measures and will not lose their holiday pay if a holiday falls within the vacation period. If, however, an employee agrees voluntarily to work on such Saturday and is absent without reasonable prior notice or reasonable excuse, he may be subject to discipline including possible loss of holiday pay. Requests for employees to work on a voluntary basis will be made as far in advance of such Saturday as is reasonable under the circumstances.

(1) Scheduled Saturdays off. As part of their scheduled Saturdays off agreement, divisions will not, except in case of emergency, schedule any hours the Friday prior to a scheduled Saturday off in excess of the regular scheduled workweek. Example: Monday through Thursday 10 hours, Friday cannot be more than 10 hours (except for emergency).

11.07 Vacation Allocation - Indefinite Layoff:

Employees placed on indefinite layoff status will have their unused vacation pay allocated and paid out as follows:

- (a) Employees placed on indefinite layoff status prior to the annual two-week plant shutdown will have their unused vacation pay allocated to weeks of unemployment starting with the first week of the annual plant shutdown until it is gone.
- (b) Employees placed on indefinite layoff status after the two-week annual plant shutdown will have their unused vacation pay allocated to the first weeks of unemployment.

The allocation of vacation pay to any week an employee is on indefinite layoff will not serve to extend an employee's seniority or extend any time periods for the determination of benefit eligibility or recall rights.

Employees who have approved vacation scheduled for any time period following their effective date of placement on indefinite layoff will have said vacation cancelled and allocated as specified in paragraphs a and b. The only exception to this rule would be employees whose last day of work prior to placement on indefinite layoff is the Friday preceding the annual two-week shutdown, their vacation will be allocated pursuant to paragraph (a).

11.08. Allocation of Vacation - Weekly Shutdowns:

(a) Shutdowns Prior to March 1.

An employee with three weeks of vacation or more shall be permitted to preserve one week of vacation in the event of a weekly shutdown prior to March 1 in a given year. Employees with more than three weeks of vacation shall be required to allocate the additional weeks to the shutdown.

- (b) Shutdowns On or After March 1.
 - An employee with three weeks of vacation or more shall be permitted to preserve one week of vacation in the event of a weekly shutdown on or after March 1 in a given year, but only if that week has been selected prior to March 1 and selection is approved by supervision. Employees with more than three weeks of vacation shall be required to allocate the additional weeks to the shutdown even if a selection for a specific week was made and approved.
- (c) An employee preserving a week under (a) or (b) may designate a specific week of his choice on the vacation request, even though not the first week selected or actually taken. If a specific week is not so designated, the

first week taken will be deemed to be the preserved week.

(d) Limitations.

The previous two subsections will not apply to noneconomic shutdowns of a division or portion thereof.

(e) Maintenance Employees.

All Maintenance employees who work during the plant shutdown shall be allowed to schedule one week of vacation during the summer period.

11.09. Effective Period:

The provisions of this contract with respect to vacations will extend to January 2 of the succeeding year regardless of whether or not the contract may have terminated prior thereto. This provision will not be considered to extend the terms of the contract in any respect other than with reference to vacations.

ARTICLE XII

Hiring Rates

12.01. Hiring Rates for Hourly Paid Employees:

Rates for employees hired into numerical hourly paid jobs in Labor Grade 19 and below will be hired at the 85% level of their current rate range, after one year they will be paid at 90%, after two years at 95%, and at three years will be paid at 100% of the current rate range. Summer college students, will continue to be hired at the 85% level. The parties have agreed to separate provisions relating to Injection Molding and for Corporate Truck Drivers.

Rate ranges for new hires are shown in Supplement "B" as Rates for New Hires (NH), (NH1), and (NH2).

This provision does not apply to employees assigned jobs in the Powerhouse, Herman, Osborn, Electric Melt, and Setup operations. New hourly rated employees will be hired at the minimum rate of the job for which they are hired and will be progressed thereafter according to the provisions of Supplement "C." Any increase above the schedules specified in Supplement "C" will be on a merit basis.

The Company will endeavor to provide each eligible employee with a merit review, regardless of whether or not the employee receives a merit increase. Provided, however, the failure to provide such a review shall result in a discussion with the employee as to his performance, not in a merit increase being granted.

12.02. Hiring Rate for Incentive Paid Employees:

New incentive paid employees will be hired at an hourly rate equivalent to the base rate applicable to their incentive job and will be paid the incentive rates applicable to their incentive job as soon as their incentive rate earnings exceed the applicable base rate.

12.03. New Employees Having Special Qualifications:

New employees having special qualifications or experience may be hired at rates higher than the minimum rate of the job for which they are hired.

New employees hired above the minimum rate of the job for which they are hired shall thereafter progress from such higher rate of pay in accordance with the length-of-service schedule as specified in Supplement "C."

12.04. Application of Length-of-Service Increases:

The length-of-service increases specified in Supplement "C" will not apply to employees in temporary jobs nor to single-rate jobs not having a rate range.

An employee who is permanently transferred to an hourly paid job or a different hourly paid job will receive the rate which he would have received after thirty (30) days had he been originally hired on the job to which he is transferred. He will thereafter be progressed on the same schedule as he would have progressed according to this Article XII had he been hired on the job to which he is transferred thirty (30) days prior to the date of his transfer.

Increases above the length-of-service increases specified in Supplement "C" and up to the maximum of the classification will be made on a merit basis upon recommendation of the superintendent of the division. Merit increases will become effective on the date granted, unless specified otherwise.

When an employee receives a merit increase on their primary classification, the amount of the increase shall be also added to any secondary classification, unless either of the following two conditions exist.

- (a) An employee is still in the length of service progression in their secondary classification.
- (b) An employee is already at the maximum of the rate in their secondary classification.

When the employee reaches the end of length of service progression on their secondary, he will receive any primary merits. However, the employee can never be paid above the maximum of the secondary rate range. This means that, for ranges which have no merit, there will never be any additions.

Merit increases added to secondaries will not be charged to the maximum merit "pool."

New employees having unusual aptitude or ability may, in the discretion of management, be progressed on a merit basis faster than the length-of-service increases specified in Supplement "C."

If the Union believes that an employee is entitled to a merit increase and has not received it, the matter may be brought up through the grievance procedure but will not be subject to arbitration. In case an employee subject to the length-of-service increases specified in Supplement "C" is absent from work for more than five (5) working days (not including any authorized absence for vacation) during any period specified above to qualify him for a scheduled increase, the qualification period, and all subsequent qualification periods, shall be extended until he has actually worked the number of working days (not including any overtime days) which he would have worked during such qualification period had he not been absent.

Increases as above provided during the ninety (90) day probationary period may be withheld if the employee's supervision deems that his performance fails to meet the requirements of the job at the training and experience level involved. However, if one or more scheduled increases during an employee's probationary period are withheld and he is retained at the end of the end of the probationary period he will nonetheless receive the ninety (90) day pay level at such time. The fact that an employee has received one or more scheduled increases during his probationary period will not affect the decision as to whether to retain him or release him before the end of the probationary period.

Increases as above provided for any period after ninety (90) days (not including the ninety (90) day increase) may be withheld if the employee's supervision deems that his performance fails to meet the requirements of the job at the training and experience level involved, provided that the employee and the Union are notified prior to the date that the increase becomes due that it will be withheld, the reasons why the employee's performance or progression is not satisfactory, and that the employee will not continue the scheduled wage progression until he has demonstrated satisfactory improvement in the area of his unsatisfactory performance. An unsatisfactory record of attendance may be considered unsatisfactory performance within the meaning of this provision.

Complaints arising under the scheduled progression system will be subject to the grievance procedure, but not including arbitration.

12.05. Wage Increases:

General wage increases, described by the Union as a general wage increase, will be:

Effective September 30, 2002, the Company shall grant a (\$0.34) per hour general wage increase.

Effective September 30, 2002, the Company shall grant employees in double alphabetical labor grades the (\$0.34) per hour general wage increase plus an additional (\$0.10) per hour increase.

Effective October 6, 2003, the Company shall grant a (\$0.35) per hour general increase.

Effective October 6, 2003, the Company shall grant employees in double alphabetical labor grades the (\$0.35) per hour general wage increase plus an additional (\$0.10) per increase.

Effective October 4, 2004, the Company shall grant a (\$0.35) per hour general wage increase.

Effective October 4, 2004, the Company shall grant employees in double alphabetical labor grades the (\$0.35) per hour general wage increase plus an additional (\$0.07) per hour increase.

Effective October 3, 2005, the Company shall grant a (\$0.40) per hour general wage increase.

Effective October 3, 2005, the Company shall grant employees in double alphabetical labor grades the (\$0.40) per hour general wage increase plus an additional (\$0.07) per hour increase.

Effective October 2, 2006, the Company shall grant a (\$0.40) per hour general wage increase.

Effective October 2, 2006, the Company shall grant employees in double alphabetical labor grades the (\$0.40) per hour general wage increase plus an additional (\$0.07) per hour increase.

For incentive jobs, all of the above increases will be implemented as a clock hour add-on

ARTICLE XIII

Emergency Work

When an employee is called or scheduled outside his regular shift he will be given at least four (4) continuous hours of work, unless the employee voluntarily agrees to less than four (4) continuous hours.

ARTICLE XIV

Recess and Washup

14.01. Recess:

Employees will be allowed a ten-minute recess, to be considered part of the percentage time allowance allowed in the rate, except in the following departments:

- Mill Room Melters
- · Pottery Kilns
- · Die Casting and Forging
- · Brass Plating Department
- · Powerhouse

One twenty-minute recess period will be allowed Enamel Shop Enamelers and designated Enamel Shop support personnel, to be considered part of the percentage time allowance allowed in the rate.

Time of recess will be designated by the supervision of each department. Where the nature of the work requires, the recess of various employees may be staggered so that operations are not interrupted.

Where practicable, whistles will be blown to mark the beginning and end of the recess. The recess may be utilized for

lunch, rest, or personal requirements. Where a recess period is allowed, time out for lunching will be permitted only during the designated recess and at the mid-shift period. Where a recess period is not allowed, employees will be permitted to eat their lunch on the job provided that it does not interfere with production. No other lunchtime will be allowed except where specifically designated by the Company.

Employees will be required to remain on the premises during the recess.

Smoking will be permitted during the recess in the designated smoking areas only.

Employees will be required to remain on their job and continue at work until the beginning of the recess and to be back on the job promptly at the end of the recess. Violations of this rule will be cause for discipline.

If any new three-shift departments are added or any other departments are placed on a three-shift basis, the matter of any lunchtime allowance for such departments will be negotiated.

When employees are required to work a shift of ten (10) or more hours, whether regularly scheduled or because of overtime, they will be given an additional ten-minute recess, to be taken at the end of the eighth working hour, and to be subject to the same provisions as hereinabove provided for recess time.

No other recess or lunchtime will be allowed except for the mid-shift lunchtime.

14.02. Washup Period: (Reference Supplement "D")

A ten-minute washup period, to be considered a part of the percentage time allowance, will be permitted only at the end of each shift for all personnel in all divisions.

No other washup time will be allowed except where specifically designated by the Company.

Where practicable, a washup whistle will be blown to indicate the beginning of the washup period. Employees will be required to remain on their job and continue work until the beginning of the washup period. Violations of this rule will be cause for discipline. However, when shop floor control is in effect the employee may leave the plant after he badges out at the end of the shift.

14.03. Distribution of Deposit Notices:

All payments to employees for wages, (including vacation, bereavement, jury duty, etc) shall be made by direct deposit. If available, deposit notices will be distributed by supervisors on paydays during the first lunch break.

In the event of a scheduled 32-hour week where Thursday is the last scheduled workday, the Company will make a reasonable effort to deliver the deposit notice on the Thursday of the payday week.

ARTICLE XV

Production Tools and Health and Safety Equipment

15.01. Production Tools and Equipment:

The Company will furnish the tools and equipment necessary for production workers to perform their operations, including pottery sponges, steel and plastic pallets, slip and dusting brushes, etc.

The practice of making an allowance in incentive rates for necessary tools will be discontinued in all future incentive rates or standard hour allowances.

Tools and equipment will be provided to new employees. The employee will be responsible for their custody and protection. When a tool or piece of equipment becomes too worn to be usable, a new tool or piece of equipment will be furnished without cost to the employee provided that he returns the piece of equipment formerly furnished to him. Employees who are unable to return the tool or piece of equipment will be required to pay the cost of the new tool or piece of equipment.

This provision will apply only to production employees. The separate Skilled Trades Tool Policy will remain in effect.

15.02. Protective and Safety Equipment:

Where the Company requires special protective clothing or safety devices for the performance of the work, it will furnish such equipment without cost to the employee, including the cost of safety glasses or goggles requiring corrective lenses (to include Double D Bifocals if required on the employee's job) for defective eyesight. If an examination is needed for corrective lenses, the examination will be covered to the extent defined by the Kohler Co. Vision Plan. The Company will not pay for the cost of corrective lenses more often than once every two (2) years except for Faucet Hand Finishers and Auto Buff Operators, Die Casters, Foundry and Casting Finishing

and Enamel Rework which will be not more often than once every year unless such corrective lenses are damaged by an accident while at work. In all cases where a replacement is requested, the employee must provide the old glasses to the Division Safety Coordinator.

The Company will contribute fifty percent (50%) of the cost of certain styles of safety work shoes which have been designated by the parties. The Company will pay \$10 toward the cost of all other safety shoes provided, however, the type and style has been approved in advance by the Safety Department. Further, the Company will pay \$10 toward the cost of metatarsal guards included in safety shoes if required in the employee's work area. For those styles where the Company pays fifty percent (50%) of the cost of the shoes, the \$10 metatarsal fee will be deducted from the cost prior to determining such fifty percent (50%).

The employee will be responsible for the custody and protection of such protective clothing and devices. Protective clothing and safety devices which become too worn to be usable will be replaced without cost to the employee provided that he returns the protective clothing or safety devices formerly furnished to him. Employees who are unable to return protective clothing or safety devices will be required to pay the cost of a replacement.

ARTICLE XVI

General Provisions

16.01. Scope of Agreement:

This contract, together with Supplements "A" through "D" and any other supplementary agreements executed in writing referring to this contract, constitute the entire agreement between the parties. No alleged agreement, oral or written, and no practice will be recognized as varying or adding to the terms of this agreement unless in the form of an amendment executed by both parties hereto.

No Company practice which is not in conflict with any specific provisions of this contract shall be deemed a violation of this contract.

The Union shall not be considered to have contractually agreed to any provision or practice not set forth in this contract.

In the event of an inconsistency between contracts for pensions, insurances and other benefits, the collective bargaining contract, memorandums of interpretation, and descriptions of benefit plans, the documents shall be controlling in the following sequence:

- (1) Collective bargaining contract,
- (2) Memorandums of interpretation,
- (3) Insurance policies,
- (4) Employee benefit plan booklets and descriptions.

The Company reserves the right to provide for employee benefits under any funding methods, administrative methods, concepts, or actuarial assumptions permitted by law.

The Company will notify the Union prior to changing any current funding method, administrative method, concept, or actuarial assumption permitted by law.

16.02. Waiver:

The parties acknowledge that during the negotiations which resulted in this agreement each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining.

Therefore, the Company and the Union for the life of this agreement each voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated, to bargain collectively with respect to any subject or matter referred to or covered in this agreement, or with respect to any subject or matter not specifically referred to or covered in this agree-

ment, even though such subjects or matter may not have been within the knowledge or contemplation of either or both of the parties at the time that they negotiated or signed this agreement.

16.03. Discrimination:

The Company will continue its present policy of no discrimination on the basis of race, color, creed, national origin, sex, age, disability, union involvement or veterans status.

16.04. Shop Rules:

Any shop rule considered by the Union to be inequitable will be subject to Step 4 of the grievance procedure but will not be subject to arbitration.

16.05. Bulletin Boards:

Upon the request of the Union, the Company agrees to furnish bulletin boards of adequate size for the use of the Union, not to exceed in number the number of bulletin boards used by the Company for posting of bulletins of general information, throughout the factory at locations to be mutually agreed upon.

The following Union notices may be posted on said bulletin boards:

- a. Notices of Union meetings.
- Notices of Union nominations, elections and appointments.
- c. Notices of results of Union elections.
- d. Notices of Union recreational and social affairs.
- e. Any other material approved in advance by the Company.

The bulletin boards shall not be used for disseminating propaganda, advertising, or derogatory statements.

These bulletin boards are the property of the Company. The privilege of using the bulletin boards may be discontinued by the Company for violation of these provisions.

The Union will not post or exhibit literature of any kind in the plant except upon authorized bulletin boards.

16.06. Meaning of Words:

When the words "he," "him," or "his" are used in this agreement, they shall refer to and mean both male and female employees.

ARTICLE XVII

Effective Period

This agreement shall become effective when signed by the parties hereto and ratified by the Local Union membership and approved by the International Executive Board of the Union.

This contract will remain in full force and effect until October 1, 2007, and thereafter from year to year unless sixty (60) days prior to the expiration hereof, or sixty (60) days prior to the expiration date of any extension hereof, the Company notifies the Company notifies the Company of its desire to terminate or change the contract shall terminate sixty (60) days after such notice, unless further extended by mutual agreement of the parties.

IN WITNESS WHEREOF, the parties have caused these presents to be executed by their duly authorized representatives this 1st day of October 2002.

KOHLER CO.

Paul H. Ten Pas

Vice President-Labor Relations/ Director-Human Resources,

PS/4.TR

Senior Attorney

Richard C. Homiston

Power Systems

Stephen C. Hokanson Senior Project Engineer

Ata 7. Ou L Steven T. Adamavich Manager-Employee Relations

> Debra J. Hoeppner Debra J. Hoeppner Compensation Analyst

Paul F. Bartelt

Director Operation, Cast Iron & Stainless Steel

John Widstrand
Manager-Maintenance
& Tooling

Ann L. Daane
Manager-HR,
Vitreous & Plastics

Amy L. O'Rourke Staff Engineer Mark E. Feick
Superintendent
Manufacturing, Engines

John T. Anad John T. Arends Manager-Distribution Center

Peter J. DeVries
Superintendent Manufacturing

John E. Schwantes Manager-Human Resources, Engines

Karl A. Luebke
Director-WI Faucet
Operation

Kelly Tintelmarn
Kelly J. Fintelmann
Manager-Human
Resources/Global Faucets

Karen L. Garvey
Director-Benefits

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA

LOCAL UNION NO. 833, UAW BY:

Peter G. Behrensprung President

Ellen R. Schleicher Recording Secretary

Jeffrey C. Denning Benefit & Safety Representative

David J. Bergene David J. Bergene Chief Steward, Group 2

Gary L. Wilkens Chief Steward, Group 4

Jim E. Brock Chief Steward, Group 6

Gene P. Davis Chief Steward, Group 8 Wary Hamelin T Darryl J. Harmelink Vice President

William E. Stephen Financial Secretary-Treasurer

Stanley G. Rauwerdink

Chief Steward, Group 1

Kevin H. Kotarek Chief Steward, Group 3

Mark T. Scefeldt Chief Steward, Group 5

Mark E. Hudson Chief Steward, Group 7 INTERNATIONAL UNION - UAW BY:

Dennis D. Williams Director - Region 4, UAW Robert F. Lettre, Sr. Sub-Region Director -Region 4, UAW

SUPPLEMENT "A"

JOB CLASSIFICATIONS INCLUDED IN AND EXCLUDED FROM THE BARGAINING UNIT

JOB CLASSIFICATIONS INCLUDED IN THE BARGAINING UNIT

PLANNING AND GENERAL CLERICAL

Production Planning Clerk or Stock Control Clerk.

Record Clerk.

Receiving - all operations except supervisory.

Storeskeeping - all operations except supervisory.

Tool Crib - Tool Crib Attendant.

Shipping Clerks – Shipping Clerk Sr.

Shipping Clerk Jr.

PRODUCT INSPECTION

All operations except technicians and supervisory.

MAINTENANCE

Garage - All operations except supervisory.

Industrial Salvage - All operations except supervisory.

Yard - All operations except supervisory.

Miscellaneous - Maintenance Inventory Control Clerk, Maintenance Stores.

Sanitation - All operations except supervisory.

Buildings & Grounds - All operations except supervisory.

Maintenance – all tool shop, pattern shop, machine shop, central maintenance, north maintenance, south maintenance, nance, Herman maintenance, Electric Melt maintenance, Generator maintenance, and miscellaneous operations except technicians, analysts, order clerks, and supervisory.

Corporate Trucking and Fleet Services – All operations except supervisory.

UTILITIES ENGINEERING

Powerhouse - all operations except supervisory.

Gas Utilities – all operations except technicians and supervisory.

IRON FOUNDRY

All molding, pouring, shakeout, (including Herman Foundry and Osborn), sand treating, core room, electric melt foundry, and miscellaneous operations except technicians and supervisory.

CASTING FINISHING

All cleaning, grinding, finishing, de-enameling, welding, handling and trucking, drilling, and miscellaneous operations except supervisory.

MILL ROOM

All operations except technicians and supervisory.

ENAMEL SHOP

All ground coating, enameling, buffing, safeguarding, enamelware packing, and miscellaneous operations except supervisory.

DISTRIBUTION CENTER

All packing, shipping, storage, service parts, and miscellaneous operations except supervisory.

BRASS

Brass Foundry – all molding, pouring, shakeout, melting, casting finishing, core room, sand handling, gravity cast, low-pressure die cast, hydromold, and miscellaneous operations except supervisory.

Brass – all machine, polishing, buffing, plating, gold plating, assembly, packing, stockroom, whirlpool and leisure products, heat treating, special finish, wood fixtures, leisure product component assembly, environmental chamber assembly, acrylic bar sinks, injection molding, materials,

elevator, and miscellaneous operations except supervisory.

Die Cast – all die casting, die cleaning, melting, casting finishing, and miscellaneous operations except supervisory.

POTTERY

All mold shop, slip making, casting, dry finishing, glaze making, grinding, kilns, spraying, preparatory glost, glost line, packing, Artists Editions, and miscellaneous operations except technicians and supervisory.

ENGINE

All machine, carburetor, assembly, test, paint, pack, shipping, service parts, stock room, and miscellaneous operations except technicians, manufacturing control coordinators, and supervisory.

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GENERATOR

All winding, assembly, test, paint, pack, stock room, shipping, metal stamping, tool room, and miscellaneous operations except technicians and supervisory.

JOBS EXCLUDED FROM THE BARGAINING UNIT

Supervisory and Administrative Exempt and Administrative Non-Exempt Employees

General Office and Clerical

Draftsmen

Engineers

Employees in Industrial Engineering

Technicians

Doctors, Nurses, and Clerical Employees in Medical

Employees in Personnel, Training, Employee Benefits, Safety, Wage and Salary, and Recreation Departments

Employees in Chemical and Physical Laboratories, Research and Development Departments

Confidential Employees

Product Reliability Technicians and Timekeepers

Security Guards, Custodians, Aircraft Maintenance, Corporate Fleet Coordinator, Corporate Fleet Clerk, Building and Grounds Inspector, Tooling Coordinator

Employees in Real Estate Group

SUPPLEMENT "D"

INTERPRETATIONS, LETTERS TO THE UNION, AND MEMORANDUMS OF UNDERSTANDING

The following documents, agreed to by the Company and Union during 1974, 1977, 1980, 1983, 1986, 1990, 1994, 1998 and 2002 negotiations are incorporated into this Agreement.

INDEX

Do	cument Page No.
1.	Interpretation of the Transfer to Avoid a Layoff Provision, Dated October 1, 2002
2.	Memorandum of Understanding on Scheduling of Maintenance Employees, Dated October 1, 1974
3.	Interpretation of Phrase "Notifies the Affected Employees Not to Report for Work No Later Than One-Half Hour Prior to the Shift Starting Time," Dated October 1, 2002
4.	Memorandum of Understanding on Wash-Up Periods Dated October 1, 1974
5.	Letter to Union, Dated October 10, 19778
6.	Memorandum of Understandings on Four Subjects Dated October 1, 1980
7.	Letter to Union, Dated June 29, 198311
8.	Memorandum of Understanding on Return From Layoff Dated October 1, 2002
9.	Memorandum of Understanding on Informational Meetings, Dated October 1, 1986
10.	Memorandum of Understanding of Utilization of Maintenance Employees, Dated September 28, 1990

11.	Memorandum Of Understanding on Upgrade, Layoff, or Transfer to Avoid Layoff Procedures for Alphabetical Classifications for Maintenance Groupings Dated September 28, 1990	. 16
12.	Memorandum of Understanding on Recall After Expiration of Unemployment Compensation Benefits Dated May 21, 1991	. 18
13.	Letter to the Union on Understanding of 4M Rate System Dated September 30, 1994	, 19
14,	Statement of Principles on Incentive Rate Systems Dated September 22, 1998	. 20
15.	Statement of Principles on Safety Teams and Incentive Rates In Wisconsin Operations, Dated March 30, 1994	. 21
16.	Statement of Principles on Daywork and Measured Daywork Dated September 15, 1998	. 22
17.	Letter to the Union, Dated September 22, 1994	. 23
	Memorandum of Understanding on Pay for Knowledge Dated September 22, 1998	
19.	Memorandum of Understanding on Scheduling of Distribution Center Employees During Christmas Shutdown Dated September 23, 1998	. 25
20.	Memorandum of Understanding, Dated September 8, 1998	27
21.	Statement of Principles on Secondary Classifications Dated September 23, 1998	27
22.	Memorandum of Understanding, Dated August 24, 1998	28
23.	Practices and Procedures for Paying Union Time Dated September 22, 1998(Section 4.06)	29
24.	Memorandum of Understanding, Dated September 15, 1998 (Section 9.02 $(c)(3)$)	31
25.	Letter to the Union, Dated October 1, 2002	32
26.	Health & Safety Language	33

Interpretation of the Transfer to Avoid a Layoff Provision (Section 5.05)

October 1, 2002

Where feasible, the following procedure will be followed in effecting the provisions of contract Section 5.05, Transfers to Avoid a Layoff:

- Employees in a grouping who are to be transferred will be identified and a list (List A) given to the Union. Where capability, efficiency, and reliability are substantially equal, seniority will determine who will be transferred.
- 2. Employees on List A will first be given the option of displacing the least senior employees holding the same classification in the grouping, but on a different shift. Employees on List A will next be given the option of displacing the least senior employees in the grouping if the employee on List A is capable of performing the job. Any employees that are displaced through such process will then be substituted on List A in place of the original employee.
- 3. Employees to be transferred will be offered, in order of seniority, the opportunity to select any open job in the same and other divisions which they are capable of performing. The term open job will include jobs held by temporary or summer employees, and any job that has cleared the upgrade procedure.
- 4. After Steps 1, 2 and 3 have been completed, a list (List B) will be compiled of employees who have not been placed. A second list (List C) will be compiled of an equal number of jobs held by the least senior employees in the division. Employees on List B will be offered, in order of seniority, the opportunity to select jobs on List C which they are capable of performing.

For example, if five employees (List B) are to be removed from Casting Finishing grouping, the jobs held by the five least senior employees in the Foundry Division will be identified (List C). Employees on List B will be offered, in order of seniority, the jobs on List C.

- 5. Any employee from the laying off grouping not placed in Steps 1 through 4 will be placed on layoff status or terminated if there are positions open which they refused.
- 6. Employees on List C who have been displaced under Step 4 will be offered open jobs in the division and other divisions which they are capable of performing. Surplus employees on List C will be placed on layoff status or terminated if there are positions open which they refused.
- 7. The Company will contest applications for Unemployment Compensation benefits by employees who refuse transfers to jobs they are capable of performing.
- 8. It is recognized that the preceding sets forth a normal system of transfer to avoid a layoff. The procedure may not be applicable to all areas and situations. The parties reserve the right to negotiate a different procedure for any given situation.

Memorandum of Understanding on Scheduling of Maintenance Employees (Sections 7.05, 7.06, 10.01, 11.05(j))

October 1, 1974

The increasing need for performing maintenance work during nonproduction time results in a corresponding need for scheduling maintenance employees during these periods. The parties agree to the following method of scheduling such employees on Saturdays preceding or following a holiday or vacation, Sundays and holidays.

Supervision will initially ask for volunteers with the needed skills and ability to work on Saturdays preceding or following a holiday or vacation, Sundays and holidays. If sufficient volunteers are not obtained, supervision will schedule the required number of employees on a mandatory basis. Work will be mandatory for those who volunteer and, if required, those who are scheduled.

Employees who are asked to volunteer, but refuse, will be charged with the hours they would have worked for purposes of computing equalization of overtime.

Interpretation of Phrase "Notifies The Affected Employees Not to Report for Work No Later Than One-Half Hour Prior to the Shift Starting Time" (Section 9.02(c)(3))

Revised October 1, 1974 Revised October 1, 1994 Revised October 1, 2002

Section 9.02(c)(3) provides for payment of the balance of four hours at base rate if an employee is sent home prior to completing four hours of work. Language added to this section as a result of 1974 negotiations recognizes that this provision was not intended to require four hours of pay where a snow or other storm prevents effective production, even though certain employees do arrive at work and punch in. The Company recognizes its obligation to give notice of plant closings in the following manner:

- 1. Security will be notified and all Security Officers instructed not to permit affected employees to enter the plant. Exceptions will be those employees working in certain designated areas such as the Pottery, Powerhouse, etc. These employees will receive prior notification that they are to disregard any plant closing announcement. Security will be furnished a list of designated areas for employee admittance.
- 2. Vice President Labor Relations will notify local radio stations (WHBL, WTMJ, WCUB, WJUB, WXER) to announce plant closing or departments not scheduled to work. Attempts will be made to contact WHBL initially; announcement on WHBL prior to one-half hour before the start of the shift will suffice as adequate notice to all employees. Kohler Co. will not be held accountable for misinterpretations or failure to make the announcement by radio stations, or failure to hear or misinterpretation by employees.

- Employees who clock in and/or report to their work station, except in those designated areas, will not be compensated for time spent on the premises where actual work is not performed or be eligible for report-in pay.
- Whenever possible, supervisors and Security will notify affected employees who report to their work station that they are not scheduled.

Memorandum of Understanding on Washup Periods (Section 14.02)

October 1, 1974

During the course of 1974 negotiations, the parties recognized that employees in certain specific areas were being allowed to leave their work areas 15, rather than 10, minutes prior to the end of the shift. Areas where this has occurred are the Iron Foundry and Mill Room.

The Company agrees to continuance of this practice with the express understanding that the practice will not be extended to any additional area. Agreement is also predicated on the understanding that the pay allowance for washup, either as a daywork or incentive adjustment, will not exceed ten minutes. The current practice of allowing employees to leave floors after scraping in Pottery casting areas is also included in this understanding.

Document 5 Letter to Union

October 10, 1977 (#2 Amended October 1, 1990) (#3 Amended October 1, 1998) (#2 and #4 Amended October 1, 2002)

Dear Sir:

During the negotiating sessions of September 27, 1977, a number of matters were reconciled. The basis of agreement was as follows:

1. Premium Pay Over Eight Hours For Third-Shift Employees.

The Union effectively argued that an unfair situation occurs when a third-shift employee is brought in before the beginning of the regular shift starting time to work overtime and the overtime hours are then cancelled. Cancellation is not always within the control of supervision. However, to recognize the inconvenience to the employees and to provide an incentive for more effective scheduling, the Company agrees that the hours the employee works prior to the regular starting time shall be considered overtime hours for the purpose of premium pay for over eight hours a day.

For example, a third-shift employee regularly scheduled to begin at 10:00 p.m. is required to report at 9:00 p.m. to provide a nine-hour shift. If the employee is sent home prior to working the full nine hours, the first hour will be paid at time and one-half. Thus, if the employee is sent home after four hours he would be paid three hours at straight time and one hour at time and one-half. This exception to the normal computation of overtime over eight hours during a workday will apply only to third-shift employees and will not apply if the employee is offered, but refuses, work for the full hours scheduled on that date even though the work is not in his regular classification or job.

2. Reduced Schedules.

The impact on employees of lengthy periods below 40 hours of work is recognized. After six weeks, the Union may bring to the Company's attention situations where they believe transfers or layoffs should occur, rather than to continue short workweeks. Those situations will be seriously considered on a case by case basis and

transfers or layoffs made, if in the mutual interests of employees and Company. Layoffs or transfers will be enacted if 32 hour workweeks continue for 13 weeks in any rolling 12 month period.

3. Extensive Overtime.

An opposite problem to short workweeks is extensive periods of mandatory overtime. Because of disadvantages which Kohler Co. faces, we simply cannot continue as a viable competitive entity in our industries if extensive overtime is not utilized when sales demands so require.

But the effects on employees of long periods of overtime are also appreciated. As in the case of reduced schedules, a mechanical rule will not fit all situations. As an alternative, we propose that the Union contact the cognizant Manufacturing Manager where it is felt that some accommodations should be made in lengthy scheduling of overtime. Consideration will be given to the number of hours scheduled on both a daily as well as weekly basis together with the length of time for which overtime has been scheduled. It being understood that extensive overtime shall not become a substitute for the use of continuous shifts. If an accommodation cannot be agreed to, the matter should be brought to the attention of the Vice President — Labor Relations, who will use his best efforts to arrive at a solution acceptable to employer and employees.

4. A related situation is the scheduling of overtime in a grouping when there are employees from that grouping on layoff. Increasing customer demands and decreasing order lead times have made it more difficult to accurately forecast production requirements more than a few weeks, or in some cases even a few days, in advance. While management will use its best efforts to crew areas at a level consistent with anticipated sales demands, there may nonetheless be occasions where the use of overtime is required in a grouping even when employees from that grouping are on layoff in order to meet higher sales demands. At the same time, use of overtime in such circumstances should not continue for lengthy periods of time. Alternatives such as recalling laid off employees to temporary or permanent positions will be considered in lieu of extensive overtime. Again, a mechanical rule will not fit all situations. The Manufacturing Manager will discuss a given situation with the Chief Steward in an effort to come to a consensus as to best alternative under the particular circumstances. If a resolution cannot be agreed to, the matter should be brought to the attention of the Vice President - Labor Relations, who will use his best efforts to arrive at a solution acceptable to employer and employees.

5. Release of Employees After Four Hours.

A fourth item of concern is that employees are not released after four hours when there is no work on their regular jobs. The Union recognizes that the Company can properly provide alternative work assignments to avoid pay pursuant to Sec. 9.02(c)(3) of the contract, but argues that the employees are often retained beyond the four hours on jobs that need not be performed when the employees wish to be released.

We cannot agree to allowing the employee to exercise his or her option as to working beyond four hours on alternative job assignments. In most instances, the jobs are necessary and are not makework. However, we agree to impress upon supervision that they can, and should, release employees after four hours unless supervision truly desires to have the alternative work performed.

Document 6

Memorandum of Understandings on Four Subjects

October 1, 1980 (#2 Amended October 1, 1990) (#3 Amended October 1, 1994) (#4 Amended October 1, 2002)

a. Acting Foremen

The Company shall continue to use acting and temporary foremen. The continuation of an employee as an acting foreman will be reviewed by the Company after three months. Except in cases where the employee is substituting for a member of supervision on illness or injury leave, individuals in a department will not be continued as an acting foreman for more than six months.

b. Gatorade

The Company will continue to supply gatorade in work areas now served. No new areas will be added.

c. Shift Transfers for Instructors and Temporarily Transferred Employees

An employee temporarily assigned to instruct, train or work on another shift shall be told the term of the assignment. The employee shall be returned to the original shift no later than the end of that term unless he or she agrees to an extension.

d. Vacation During Inventory

In the event the Company reduces the number of days scheduled for inventory during the course of taking inventory, vacation will not be allocated to those days not worked by an employee participating in inventory.

Document 7 Letter to Union

June 29, 1983 Revised October 1, 2002

Pursuant to our meeting of June 27, 1983, the following sets forth agreement reached on the recall of employees from layoff.

Insurance Coverage and Benefits

Employees recalled from layoff will reestablish benefits on a time-for-time basis through six (6) weeks, to a maximum of 90 days if again laid off. After completion of six (6) weeks of work (42 calendar days), the employee will be entitled to a maximum of 90 days extension of insurance coverage from their last day of work should they again be laid off.

Holiday Pay

Employees recalled from layoff will be entitled to holiday pay for all holidays which fall during their period of recall only. Time off will be granted only for the holidays when all other employees are off. Employees recalled temporarily will not receive pay for holidays which fall after their temporary job ends unless they have worked at least six (6) weeks (42 calendar days). Days worked to include all calendar days between the date the employee returned to work and the last day prior to layoff.

Disability Benefits

Employees who become disabled following recall from layoff will be returned to layoff status, with a time-for-time accumulation of benefits. Short-term disability benefits will be paid only until the employee requalifies for U.C. benefits. Short-term disability benefits will not be paid for a condition that existed prior to recall.

Seniority

Employees recalled from layoff to temporary jobs will build seniority based on actual time worked in such temporary jobs. However, while they are assigned to a temporary job, they will not be allowed to accumulate seniority in the grouping or division assigned, nor to replace any other less senior employee who may be working in the plant except pursuant to the provisions of Section 5.06(b) of the contract. Recall to a temporary job will not affect an employee's right to recall under contractual provisions for 90-day job rights, 6-month divisional rights, or the general plant recall list. Seniority for recalls to permanent jobs will be governed by Section 5.03 of the contract.

Vacation Allowance

Because of the vested vacation policy, employees recalled will accrue vacation benefits they may be entitled to by working in a subsequent calendar year or additional vacation allowance acquired as a result of reaching vacation anniversary dates. Employees will not be allowed to schedule this vacation while assigned to a temporary job. The vacation pay so accumulated will be allocated to shutdown weeks or subsequent layoff periods only.

The preceding is based on establishing 6 consecutive

weeks of employment during any recall period and not an accumulation of 6 or more weeks based on successive recalls to temporary position and subsequent layoffs.

Document 8

Memorandum of Understanding on Return from Layoff

June 13, 1985 Revised October 1, 2002

A. Interpretation of Sec. 5.06 (b) a, Performance Capability
The parties are in agreement that the provisions of the
contract pertaining to return from layoff will not allow
employees to return to the following classifications, unless
they were laid off from those classifications; Double
Alphabetical, Manual Enamelers, Hand Finishers in the
Brass Division, Over-the-Road Truck Drivers (Team Driver,
Truck Driver Interstate and Intrastate, and Single Driver)
and Equipment Operator. Other employees who have
proven experience or schooling in these areas will be considered for open positions before the company hires from
outside.

B. Limitations on Return from Layoff

- Employees recalled from layoff who give a good effort, but are not capable of performing assigned work, will be returned to layoff status. Those who do not give an honest effort will be terminated. Any such termination may be grieved.
- 2. Employees who are returned to layoff status will be subject to Article V, Section 5.06 of the contract.
- Employees will be given adequate training to learn the specific job assigned. Employees recalled the second time who do not succeed, regardless of reason, will be

terminated. Provided, however, an exception will be made where the employee experiences a disabling illness or injury separate and distinct from a previous injury or illness. For example, an employee who has a continual back problem would be terminated if that problem prevents adequate performance on the second job. If, however, the employee cannot work because an automobile accident causes a broken leg, the employee would not be terminated.

- 4. A subsequent layoff will not cause this procedure to start anew unless the employee has been actively at work for one year at the time of the layoff. That is, the employee will be in no better, but no worse, situation if subsequently laid off. He/she will be allowed to return to one position, but not two, upon termination of the economic layoff.
- 5. This agreement will also be applicable for employees with five or more years of seniority who exercise their rights under Article 5.06 of the contract.
- Employees recalled may refuse the job offered if they feel they are incapable of adequately performing.
- This agreement will be explained to employees who are returned to work a second time and they will be given a copy.

Memorandum of Understanding on Informational Meetings

October 1, 1986

It is agreed to by the parties that the Chief Steward of each division, or his appointed replacement, and the Union Vice President shall be excused for the purpose of conducting monthly informational meetings. The specific dates for these meetings shall be submitted to the Manager-Hourly Personnel in a timely fashion. The dates of these meetings shall not coincide with a Holiday Weekend. The only exceptions to this shall be the following: the Thursday and Friday immediately preceding the annual plant shutdown, as defined in Article 11.05(a), and the Thursday and Friday immediately preceding the Thanksgiving Holiday.

Document 10

Memo of Understanding of Utilization of Maintenance Employees

September 28, 1990

The Company will make a reasonable effort to utilize its skilled trades employees to accomplish contracted work performed within the plant as long as such work can be performed on the lowest cost basis within required time limits and by employees possessing the necessary skills and utilizing available required equipment.

The Company's Maintenance and Purchasing managers will periodically meet to review the in-house assignment of contracted work. The Union may periodically raise issues as to work being performed by outside concerns and projects that are contemplated for sub-contracting. The Union agrees that grievances will not be filed relating to work assignments.

Memo of Understanding on Upgrade, Layoff, or Transfer to Avoid Layoff Procedures for Alphabetical Classifications for Maintenancs Groupings

September 28, 1990 (B) Revised October 1, 1994 (A) Revised September 10, 1998 (B and C) Revised October 1, 2002

- A. Maintenance Groupings: Maintenance Groupings will consist of the following eight separate groupings:
 - 1. Engine Maintenance
 - 2. Generator Maintenance
 - 3. Pottery Maintenance
 - 4. Faucet Maintenance
 - 5. Cast Iron Maintenance
 - 6. Central Maintenance
 - 7. Plant Utilities
 - 8. Tooling Services

Alphabetical Classifications in the above groupings will not be listed with any other division or groupings for the purpose of upgrades.

- B. Upgrades: Upgrades will be per Section 5.04, with the exception of tooling services which will be filled first by mini postings within the division.
- C. Work Force Reduction: In the event of an indefinite work force reduction, employees in alphabetical classifications in those groups will be allowed to displace the least senior employees in the same classification in all other groupings. Following are the procedures that will be followed for Skilled Trades layoffs company wide:

If there are open positions within the classification(s) being laid off, open positions will be awarded based upon choice with the most senior person getting first choice, next senior person second choice, etc.

If there are no open positions within the classification(s), the least senior person in the classification company wide is bumped with the most senior person getting first choice, next senior person second choice, etc.

If there is no one to bump and there are open positions outside of the classification, person being laid off will have 48 hours to test for an open skilled trades position outside of the classification. If a passing score is not received, person is laid off.

If there is no one to bump and there are no open positions, person will then be laid off. Employees in alphabetical classifications will be given priority recall rights to openings in their classification in all of the above listed groupings. They would then be restricted from further upgrade pursuant to present contract language for a period of one year or recall to their prior job.

Memorandum of Understanding on Recall After Expiration of Unemployment Compensation Benefits

May 21, 1991 Revised October 1, 2002

Section 5.06 of the Contract, Layoffs, provides for the recall of an employee with five years or more seniority who has been on layoff for 120 days. The following sets forth the procedure to be followed:

- Employees will be eligible on an individual basis as they report to Personnel to review jobs held by the junior employees in the plant.
- 2. They will not be required to select offered jobs which they cannot reasonably physically perform. If an employee returns to a job and then decides that he cannot perform or does not want that job, he shall be returned to layoff and his only right to another job shall be on the basis of a transfer request.
- 3. Employees who exercise the option of displacing the most junior employee on the plant seniority list shall have divisional seniority immediately, but shall be frozen from upgrade for 6 months within the division and for one year outside the division. Employees who choose not to exercise the option of displacing the most junior employee shall remain on layoff and their only right to another job shall be on the basis of a transfer request.

Letter to Union on Understanding of 4M Rate System

Dated September 30, 1994

Dear Sir:

When the 4M Rate System was initially implemented a number of years ago, the Company did not do so for the purpose of decreasing earnings. This basic philosophy continues today.

However, this is not to say that a reduction in earnings may not occur when a 4M rate is implemented (whether the study is performed because of a change in operation or audit). The maintenance of earnings guidelines relating to the justification for changes in earning levels will continue to apply.

Very truly yours,

Kenneth W. Conger

Chairman, Bargaining Committee

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Robert F. Lettre, President Local 833, UAW 5425 Superior Avenue Sheboygan, WI 53083

cc: Bernie Lepianka, Intl. Rep., Region 4, UAW

Statement of Principles on Incentive Rate Systems

September 22, 1998

On September 30, 1994, the Company issued a letter confirming that implementation of the 4M Rate System was not done for the purpose of decreasing earnings. The content of that letter remains valid today.

In addition, to amplify the principles stated therein, the Company acknowledges that if properly utilized, the rate system should neither increase nor decrease the rate. That is, different rate systems, if valid, should yield the same rate for a given function. This principle applies not only to 4M, but other rate systems as well.

As a result, in the absence of unreported changes in operation, method, material, design, equipment or the like, or other circumstances which have not been factored into an existing rate, if a job is restudied using a rate systems different from the one which was used to establish the existing rate, the new rate as well as the yield on that job should remain unchanged. If a change in earnings level does occur, the maintenance of earnings guidelines originally signed in 1974 will continue to govern the justification for any such change.

The Company also agrees to add the following language to paragraph 8 of the 1974 MOE guidelines in order to clarify the intent of that paragraph:

"Based on the above principles, changes in earnings resulting form an audit must be attributable to a change in method, material, design or equipment or inappropriate time elements. That is, if earnings were inflated because the rate was incorrect as a result of unreported change, the yield may be reduced as a result of account-

ing for such unreported changes. But such reduction will be limited to the extent the unreported changes affected the yield. The existing earnings level as reflected in representative earnings analysis reports will not be reduced to the extent the earnings is due to increased performance, effort or efficiency on the part of the employee."

Document 15

Statement of Principles on Safety Teams and Incentive Rates in Wisconsin Operations

March 30, 1994 Revised August 31, 1994

The parties have discussed the impact of safety and ergonomic changes on individual incentive rates. The Union is of the opinion that employees should not be requested to give suggestions which, in fact, result in lost employee earnings due to reductions in rates. The Company agrees with this in principle, but is concerned that rate adjustments which are made independently will be challenged, even where they are not connected to safety or ergonomic changes. Accordingly, the parties agree to the following statements of principle:

- If there is a change in an incentive operation as a result of a safety or ergonomic suggestion, the rate may be restudied by the Company and the rate can be reduced or increased by any actual time saved or added. Under these circumstances, the employee can get back to the prior level of individual earnings by producing more or less pieces.
- Supervision will try, to as great a degree as is feasible, to do general audits and restudies of rates independent of safety team suggestions. Where this is not possible, the principles in No.3, below, will apply.
- 3. If an audit or a restudy determines that there are reductions

in time not attributed to the safety or ergonomic elements, the rate can be readjusted and the normal maintenance of earnings guidelines will apply. The guarantee of no reduction in earnings will apply only to elements having to do with safety or ergonomics. The parties can continue to agree or disagree as to the independent elements.

4. All safety-related training for incentive workers shall be paid at the applicable rates for training. Union Stewards or Chief Stewards attending accident investigations or other safety meetings as Union representatives shall be paid under Article 4.06.

Document 16

Statement of Principles on Daywork and Measured Daywork

September 15, 1998

The Company acknowledges that the evaluation of the labor grade for daywork and measured daywork classifications is based on total job content. This includes the combination of knowledge, skills, physical effort, working conditions, duties, responsibilities and the like. In evaluating daywork or measured daywork classifications, the Company will rank the function of the job based on these criteria. The appropriate labor grade will then be determined in relation to the labor grades for other daywork or measured daywork classifications where these criteria are comparable. The Company also acknowledges that if the job content for a given classification changes after the labor grade has been initially established, the job must then be re-evaluated on the basis described above taking into account the revised job content.

Letter to the Union

September 22, 1994

During negotiations on September 20th, the Company agreed to the following:

- The proposed change of the term now used in the collective bargaining agreement "hospitalization and surgical" to "medical coverage" in the new agreement is not intended to change any of the substantive terms of the contract nor the medical plans. Our intent is simply to use a more update description of the medical plan than is currently found in the agreement.
- 2. The parties agreed to proposed changes to Sec. 7.06, stated on the Company's page 18. We further added that the language was not intended to change the result in arbitration cases FMCS 87K-18420 and 94-13014, and that wages will continue to be calculated and paid in accordance with the decisions in those cases. This confirms our intent so that inclusion of this language in the contract will not be necessary.

Very truly yours,

Kenneth W. Conger

Chairman, Bargaining Committee

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Robert F. Lettre, President Local 833, UAW 5425 Superior Avenue Sheboygan, WI 53083

cc: Bernie Lepianka, Intl. Rep., Region 4, UAW Neil Pahl Paul Ten Pas

Memorandum of Understanding on Pay For Knowledge

September 22, 1998 Revised October 1, 2002

During the term of the contract, the Company has established a number of job classifications where increases in compensation are a function of employees acquiring greater knowledge and skills – commonly referred to as "pay for knowledge" systems. The Union acknowledges the Company's right to implement additional systems of this type in the future.

In pay for knowledge systems, there may not be a need to have all employees test to higher skill levels. As a result, the Company has the right to determine the number of employees at a given level based on manufacturing needs. This necessarily means that employees do not have an absolute right to test to higher skill levels in a pay for knowledge system and that some employees may not be automatically allowed to test to higher levels if there is not a need for additional employees at such higher levels.

The Company agrees, however, that employees must be notified in advance of seeking an upgrade to a given job if they will or may be restricted from testing to higher levels. For example, the Company must place a statement to that effect on the job posting. To the extent that there are existing pay for knowledge systems already in place where the Company has not given employees such notice (Brass cells), the employees currently in such job classifications will be permitted to automatically test to higher levels. Said employees will not be subject to any restrictions on testing to higher levels which the Company may place on job postings for positions within the applicable cell.

In addition, the Company acknowledges that it will not utilize

the system to unfairly reduce the pay for employees. That is, an employee at a lower skill level will not be required to regularly perform the duties of a higher skill level without receiving the rate of pay for such higher level.

The Company further acknowledge that if it has restricted employees from testing to higher skills and a need for additional employees at higher levels arises, employees will be tested for such higher levels based on seniority.

Document 19

Memorandum of Understanding on Scheduling of Distribution Center Employees During Christmas Shutdown

September 23, 1998

Supervision will initially ask for volunteers with the needed skills and ability to work during the normal Christmas shutdown. If sufficient volunteers are not obtained, department supervision will schedule the required number of employees on a mandatory basis, but not to exceed 50% of any department on any given day, with the exception of the trailer spotter which will not exceed one (1) per shift.

The scheduling of employees on a mandatory basis shall generally be done by job classification in order of reverse seniority. Selection of employees shall be done without regard to the shift they normally work during the normal Christmas shutdown on a shift other than the one they otherwise work.

Employees working during the Christmas shutdown will earn a paid day of vacation for each day worked. These days will be subject to the Contract's Vacation Policy.

All hours worked during the Christmas shutdown will be paid at straight time plus holiday pay, except hours worked on a non-holiday Saturday, which will be paid at time and one-half. Provided that the Company agrees that it will not schedule employees to work on December 24, December 25, January 1, or any Sundays during the normal Christmas shutdown on a mandatory basis. If work is required on any such days during the shutdown, it shall be strictly on a voluntary basis and will be paid at double the regular rate (plus the earned vacation day(s)).

This agreement shall apply only to the following departments and classifications and shall not be precedent setting for any other areas:

Department 1422
Parts Order Processor
Department 1424
Shipper
Shipper Verifier
Product & Supplies Handler
Towline Loader/Unloader

Department 1425 Order Picker Unit Picker & Stocker

Department 1432 Brass Order Processor Brass Picker & Stocker

Department 8797 Trailer Spotter

Memorandum of Understanding

September 8, 1998 Revised October 1, 2002

The Company agrees that if it requires employees to attend mandatory meetings or training on subjects such as safety, quality, Kaizen, ISO or other similar topics related to their employment (therefore excluding for example, workplace education classes, life long learning classes, United Way meetings, etc.) employees shall be paid their overall average (i.e. total straight earnings divided by total straight time hours) for the time actually spent in such meetings or training at straight time.

Document 21

Statement of Principles on Secondary Classifications

September 23, 1998

The Company recognizes that the use of secondary classifications, if abused, could effectively circumvent the integrity of the seniority system and the job classification system. The Company further acknowledges that it is not its intent to use secondary classifications for such purpose. At the same time, the parties understand that because a certain degree of flexibility is required, assignment of secondary jobs cannot be done by reverse seniority in every instance. Therefore, the Company agrees to the following principles for the application of secondary classifications:

 a. In general, when individuals on the same shift hold the same primary and secondary classifications, assignment to the secondary job(s) shall be done in order of reverse seniority.

- b. In addition, the Company agrees that it will make a concerted effort to train the least senior employee(s) on secondary classifications which are already held by more senior individuals on the same shift after such employee(s) has become qualified on his primary classification.
- 2. The Company nonetheless reserves the right to assign secondary jobs out of line of reverse seniority based on legitimate manufacturing needs. However, assignment out of line of reverse seniority shall be on an exception basis to the general rule.
- 3. If the Union believes that assignments to secondary jobs are not being done in accordance with the above guidelines, it shall initially bring any particular instances to the attention of supervision. If the matter cannot be resolved with supervision, the Union may then contact the Vice President Labor Relations. If it is determined that the assignment of secondary jobs has not been done in accordance with the above guidelines, the affected employee(s) will be special rated at average earnings to the extent there have been deviations from these guidelines.

Document 22 Memorandum of Understanding

August 24, 1998

The Company agrees that if a number of employees are called to active military duty outside of their normal training schedule, it will give consideration to compensating such employees for the difference, if any, between their actual military earnings and their regular rate of pay at Kohler Co. This shall be limited to situations similar to Desert Storm, which occurred in 1991.

Practices and Procedures for Paying Union Time

September 22, 1998

The basic contractual provision limits Company pay to union stewards/chief stewards for time lost "in investigation or presentation of grievances." The contract also specifically provides:

"The Company shall have the right to confine the interruption of production, if any, for the investigation or presentation of grievances to an absolute minimum, and may have a Company representative present at the investigation of any grievance."

The practices and procedures to be followed in reporting and paying of Kohler Co.'s portion of union time are:

1. Prior to leaving the department, the steward/chief steward will obtain a Permit to Leave Work Area card from his foreman. The steward/chief steward will inform his foreman as to where he is going, with whom he will meet, and the approximate length of time of this absence. His foreman shall verify the steward/chief steward's need to be excused, after which the absence will be granted without unreasonable delay. His foreman will then write on the card the time the steward/chief steward is leaving the department.

Upon entering a department other than his own to investigate or present a grievance, the steward/chief steward will notify the foreman of that department of his presence and purpose and will present his Permit to Leave Work Area card to the foreman. The foreman will record the exact time the steward/chief steward arrives. After any such meeting is concluded, the foreman will record the exact leaving time and sign the Permit to Leave Work Area card as proof that the steward was present in the area and on Union business. The

steward/chief steward's foreman will indicate on the card the time of return to the steward/chief steward's own department.

The steward/chief steward will not, upon receiving an absence card from his foreman, use that card for meeting with anyone other than the one originally approved by his foreman without his foreman's or supervisor's consent. Consent may be obtained through a telephone call.

2. Section 4.06 provides that "the Company will pay for time lost from work." This means that a steward/chief steward working a shift from, for example, 6:30 a.m. to 3:00 p.m. is not paid for any Union time prior to 6:30 a.m. nor after 3:00 p.m., unless approved by a member of management.

Chief stewards will not be paid for any Union time on days not scheduled to work unless called in at the request of management or for safety and health issues of an emergency nature.

- 3. Stewards/chief stewards who are called in or who choose to come in at a time other than their regular shift will not be paid for such time unless he has a card signed by a member of management. This includes meetings called by management regardless of location.
- 4. Stewards/chief stewards who attend meetings, seminars, or conduct any other Union activities outside of the plant will not be paid for time lost while out of the plant unless scheduled by management.
- 5. Section 4.06 provides payment for the "investigation and presentation of grievances." This section does not provide for time spent in the writing of grievances. However, the Company will provide a reasonable amount of time to the extent needed to investigate and analyze a grievance.
- Stewards/chief stewards who, at the request of an employee, are called to Personnel to represent an employee, will be paid only for the time to the end of their normal work shift.

Provided that if the meeting is continued beyond such time at the request of or with the approval of Personnel, the steward/ chief steward will be paid through the end of the meeting. Stewards/chief stewards representing themselves at meetings in Personnel will not receive any pay for Union time.

- 7. Phone calls, within the plant or to the outside, will not be permitted during regular work shift without the approval of a member of management. Approved phone calls should be kept to a minimum.
- Only the chief steward of the division involved in an arbitration hearing will be paid for the time in attendance at the hearing.
- 9. It is recognized that doubling up of stewards at a meeting may be necessary, but should be confined to 2nd step meetings and above. Only those stewards/chief stewards with a card signed by a member of management will be paid.
- 10. Travel time which is necessary for a steward/chief steward in the course of investigating a grievance or representing an employee will be paid as lost time.

Document 24

Memorandum of Understanding

September 15, 1998

The parties agree that in interpreting the requirement in Section 9.02 that employees must have reported to their work stations on time in order to receive four (4) hours pay if released early, the intent is to cover situations where the employee has reported to work on time and further, is available for work. Accordingly, if an employee has not reported to his work station as a result of instructions from supervision, or similar circumstances within the control of the Company, he shall nonetheless be eligible to receive four (4) hours pay provided he reported to work on time and was available for work.

Letter to the Union

October 1, 2002

Dear Mr. Behrensprung:

During the four years of the current collective bargaining agreement, Kohler Co. has not only maintained, but has increased the size of the Wisconsin factory labor force. We face some current difficult economic and international times, but my resolve to continue this progress in the future remains firm.

The size of the work force at Kohler, Wisconsin will continue to be affected by many factors; including the economy, customer demand for Kohler products, currency exchange rates and imports, and modernization of manufacturing facilities in order to achieve competitive costs. However, it is the Company's intent to maintain the Kohler, Wisconsin facility as a prime manufacturing operation for as long as it can be cost effective relative to competition. To achieve this goal, the Company plans capital investments in this operation to make it more competitive and thus enhance employee long-term security.

Sincerely,

Peter G. Behrensprung President, Local 833, UAW 5425 Superior Avenue Sheboygan, WI 53083

Health & Safety Language

Section 1. The Company shall make reasonable provisions for the health and safety of its employees. The Union agrees to cooperate to the fullest extent in the promotion of safety and in the maintenance of safe working conditions and practices. It is the responsibility of management and all employees to observe safety and health rules.

Section 2. Joint Division Health and Safety Committee. There shall be a Joint Division Health and Safety committee established in each manufacturing division consisting of two or three employees selected by the Union and two or three management representatives selected by the Company as well as human resources. The chief steward and the plant manager or designees shall be permanent members of the committee. The Division Safety Coordinator will chair the committee. The committee shall meet on a regular basis, at least once every month, and minutes of the meeting shall be kept. The committee shall develop, review and recommend standards and rules regarding health and safety, review plant injuries and illnesses, review the use of hazardous materials, review major layout changes, significant machine modifications. and new equipment for health and safety considerations, participate in health and safety inspections, including air and noise measurements, develop, review and recommend health and safety programs, and address health and safety concerns

filed by employees.

- Section 3. Health and Safety Concerns. In the event a health and safety issue cannot be resolved between the employee and the supervisor, the employee may file a health and safety concern with the Joint Division Health and Safety Committee.
- **Section 4.** Consistent with existing federal law, no employee shall be required to perform work that involves a substantial probability that serious physical harm may occur.
- **Section 5.** The Company shall develop a comprehensive ergonomics program in each division.
- **Section 6.** The Company will maintain a system of medical monitoring and management in accordance with the OSH Act and regulations.
- Section 7. The Company shall provide personal protective equipment, devices, or clothing that are required or are necessary for particular work assignments. Employees have a responsibility to properly use and/or wear such equipment, devices or clothing as required or necessary.

FACTORY VACATION POLICY

Revised August 31, 1994 Revised September 9, 1994 Revised September 14, 1994 Revised September 15, 1994 Revised September 21, 1994 Revised October 1, 1998 Revised October 1, 2002

Employees with vacation allowance that does not have to be allocated to a designated shutdown period may schedule, subject to the procedure in Section 11.06 of the contract, a minimum of five (5) one or two day vacations.

- All vacation not allowed in single days will be given in full weeks, unless otherwise approved at the sole discretion of supervision.
- 2. In areas where a two-week summer shutdown is scheduled, employees with two weeks or less vacation allowance will be ineligible to apply for one-day vacations.
- Supervision will be responsible for monitoring vacation and conformation to company policy, departmental and divisional guidelines.
- 4. As in the past, deer hunters that have vacation which does not have to be allocated to a shutdown period should schedule vacation for the days they desire to have off.
- 5. Employees who have received a warning beyond the second step for absenteeism or tardiness will not be allowed to schedule one-day vacations.
- 6. From February 15 to March 15, employees may apply for not more than two (2) vacations of one (1) or two (2) days

- each. Such requests will be considered on the basis of seniority.
- 7. Other requests for one or two-day vacations should normally be made a minimum of 7 days prior to the day desired to be off. Supervision will have the sole discretion to grant days off with shorter notice or retroactive application of vacation to a day of illness. Requests for three or more consecutive days of vacation in a workweek will have preference over requests for one or two days not scheduled by March 15 per paragraph 7.
- Days allocated due to 32-hour workweeks, machine and/or equipment breakdowns, power failures, or plant closing because of weather conditions will not be counted against the week of one-day vacations.
- 9. The scheduling of single day vacations will be in accordance with the division's vacation policy. No employee will be allowed off on a day in which he/she cannot be spared, nor will more employees be allowed off than are consistent with production or maintenance needs. The Union may informally discuss denials, but no grievance can be filed with regard to the denial by supervision of a specific day off.

HIGHLIGHTS OF YOUR BENEFIT PLAN AT KOHLER CO.

October 1, 2002

1. MEDICAL PLAN

Kohler Co. has partnered with Aurora Health Care and Aetna to provide medical care benefits for you and your eligible dependents. A Summary Plan Description detailing the benefits will be provided to you after you have completed your enrollment. As part of your medical plan enrollment, you will have the option to elect single or family coverage, or waive out of the plan. A \$3.00 monthly employee contribution will be required if you elect single coverage; if you elect family coverage, a \$10.00 monthly contribution will be required. An identification card will also be provided to you.

2. BASIC LIFE INSURANCE

January 1, 2003 = \$23,000 January 1, 2004 = \$25,000 January 1, 2006 = \$26,000

3. **SHORT-TERM DISABILITY** = Weekly benefits are 60% of straight-time earnings to a maximum of:

January 1, 2003 = \$390 January 1, 2004 = \$400 January 1, 2005 = \$410 January 1, 2006 = \$420

4. **LONG-TERM DISABILITY** = Monthly benefits equal to the following:

1

January 1, 2003 = \$350

5. **PENSION BENEFIT** = Benefit per month as shown below times benefit service.

January 1, 2003 = \$28 January 1, 2004 = \$29 January 1, 2005 = \$30 January 1, 2006 = \$31 January 1, 2007 = \$32

- 6. 401(K) Employees can contribute up to 30% of pay. For each dollar an employee contributes (up to a maximum of 4% of employee's pay), the Company will make a matching contribution of 25 cents. Call Fidelity at 1-800-835-5091 for information on plan investment options and account balance, or to conduct plan transactions, such as loans and transfers.
- 7. **DENTAL INSURANCE** Kohler Co. has partnered with Blue Cross & Blue Shield United of Wisconsin to provide dental benefits for you and your eligible dependents. Under this Preferred Provider Organization (PPO) dental plan you will be able to choose any dentist to receive your dental services; however, a higher level of benefits will apply if you utilize network providers and a lower level of benefits will apply to out-of-network providers. A Summary Plan Description detailing the benefits will be provided to you after you have completed your enrollment. An identification card will also be provided to you.

8. **VISION INSURANCE** – The following amounts are allowed every **TWO YEARS**:

- A. Examinations = \$33
- B. Frames = \$32
- C. Lenses:
 - 1. Single vision = \$42
 - 2. Bifocal = \$65
 - 3. Trifocal = \$75
 - 4. Progressive = \$80
 - 5. Contacts = \$90 (in lieu of frames/lenses)
- D. Contact Fitting = \$20

It is understood that this is only a broad overview of the benefit plans at the Kohler Co. For more detailed information, please refer to your Employee Benefits handbook or call UAW Local 833 or the Kohler Konnect information line at these extensions:

	Extension
UAW Local 833	77833
Dental Insurance (enrollment, eligibility)	74900
Disability Insurance	74900
Life Insurance	
Medical Insurance (enrollment, eligibility)	
Pension & 401(k) Plan	. 74900
Vision Insurance	. 74900
Other Inquiries	
Medical – Managed Choice POS Plan – Aetna (claims, primary care physician,	
precertification) 1-800)-334-1435
Dental – DentalBlue PPO Plan – Blue Cross & Blue	Shield
(claims, predetermination) 1-888	3-780-2687