

AGREEMENT

Between

ArcelorMittal USA

And The

**United Steel, Paper and
Forestry,
Rubber Manufacturing,
Energy,**

**Allied Industrial and Service Workers
International Union**

Local 1010- 23

**RESEARCH DEPARTMENT
Indiana Harbor Works**

September 1, 2012

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**ARTICLE 1
PURPOSE AND INTENT OF PARTIES**

Section 1.

It is the desire of the parties hereto to set forth herein the agreement between them for the term hereof in respect to rates of pay, wages, hours of employment and other conditions of employment to be observed by the parties hereto and the employees covered hereby, and to provide procedure for the prompt and equitable adjustment of grievances arising hereunder to the end that there shall be no interruptions or impeding of work, work stoppages, slowdowns, strikes, lockouts or other interference with production and maintenance of the Company's Research Department during the term hereof.

The parties recognize that for their joint benefit, increase in wages and benefits should be consistent with the long term prosperity and efficiency of the steel industry.

The parties are concerned that the future for the industry in terms of employment security and return on substantial capital expenditures will rest heavily upon the ability of the parties to work cooperatively to achieve significantly higher productivity trends than have occurred in the recent past. The parties are acutely aware of the impact upon the industry and its employees of the sizeable penetration of the domestic steel market by foreign producers. The parties have joined their efforts in seeking relief from the problem of massive importation of foreign steel manufactured in low-wage countries. Thus, it is incumbent upon the parties to work cooperatively to meet the challenge posed by principle foreign competitors in recent years. It is also important that the parties cooperate in promoting the use of American-made steel.

Section 2. Advance Notification

The representatives of the Company and the Union shall continue to provide each other with such advance notice as is reasonable under the circumstance on all matters of importance in the administration of the terms of the Labor Agreement, including changes or innovations affecting the relations between the local parties.

**ARTICLE 2
SCOPE OF AGREEMENT**

Section 1.

The term "employee" as used in this agreement applies to all full time and regular part time non-exempt bargaining unit employees employed by the Company in its Research and Development Department located at its facility at 3001 East Columbus Drive, East Chicago, Indiana, as the unit as certified by the National Labor Relations Board in Case 13-RC-120221. The term "employee" does not include temporary employees, co-op or intern employees, non-exempt bargaining unit employees of ArcelorMittal; I/N Tek and I/N Kote employees; non-exempt bargaining unit employees of the Process Automation Department; non-exempt bargaining unit employees of the Medical Department; non-exempt bargaining unit employees of the Systems Technology-Applications Department; employees of independent contractors; Luria Scrap Yard Company employees; Burnham Trucking Company employees; managers; exempt bargaining unit and confidential employees; professional employees; guards and supervisors as defined in the National Labor Relations Act, and any other employees who are included in separate bargaining units.

Section 2. Local Working Conditions.

The term "local working conditions" as used herein means specific practices or customs which reflect detailed application of the subject matter within the scope of wages, hours of work, or other conditions of employment and includes local agreements, written or oral, on such matters. It is recognized that it is impracticable to set forth in this Agreement all of these working conditions, which are of a local nature only, or to state specifically in this Agreement which of these matters should be changed or eliminated. The following provisions provide general principles and

procedures which explain the status of these matters and furnish necessary guideposts for the parties hereto and the impartial arbitrator.

- A. It is recognized that an employee does not have the right to have a local working condition established, in any given situation where such condition has not existed, during the term of this Agreement or to have an existing local working condition changed or eliminated, except to the extent necessary to require the application of a specific provision of this Agreement.
- B. In no case shall local working conditions be effective to deprive any employee of rights under this Agreement. Should any employee believe that a local working condition is depriving him/her of the benefits of this Agreement, he/she shall have recourse to the grievance procedure and arbitration, if necessary, to require that the local working condition be changed or eliminated to provide the benefits established by this Agreement.
- C. Should there be any local working conditions in effect which provide benefits that are in excess of, or in addition to, the benefits established by this Agreement, they shall remain in effect for the term of this Agreement, except as they are changed or eliminated by mutual agreement or in accordance with paragraph (D) of this Section.
- D. The Company shall have the right to change or eliminate any local working condition if, as the result of action taken by Management under Article 3—Plant Management, the basis for the existence of the local working condition is changed or eliminated, thereby making it unnecessary to continue such local working condition; provided, however, that when such a change or elimination is made by the Company any affected employee shall have recourse to the grievance procedure and arbitration, if necessary, to have the Company justify its action.
- E. No local working condition shall hereafter be established or agreed to which changes or modifies any of the provisions of this Agreement, except as it is approved in writing by an International Officer of the Union and the Division Manager -- Labor Relations of the Company.
- F. The settlement of a grievance prior to arbitration under this Section 2 shall not constitute a precedent in the settlement of grievances in other situations in this area.
- G. Each party shall, as a matter of policy, encourage the prompt settlement of problems in this area by mutual agreement at the local level.

Section 3. Contracting Out.

The parties recognize the seriousness of the problems associated with contracting out of work both inside and outside the Research Department and have accordingly agreed as follows.

The parties have existing rights and contractual understandings with respect to contracting out. In addition, the following provisions shall be applicable to all contracting out issues subject to, and arising on or after the effective date of this Agreement.

A. Basic Prohibition

In determining whether work should be contracted out or accomplished by the bargaining unit, the guiding principle is that work capable of being performed by bargaining unit employees shall be performed by such employees. Accordingly, the Company will not contract out any work for performance inside or outside the Research facility unless it demonstrates that such work meets one of the following exceptions.

B. Exceptions

1. Work in the Research Facility

- a. Clerical, technical, service, all maintenance and repair work, all installation, replacement and reconstruction of equipment, other than that listed in Subparagraph B-1-b below, all within the

Research facility, may be contracted out if (a) the consistent practice has been to have such work performed by employees of contractors and (b) it is more reasonable (within the meaning of paragraph C of this Section) for the Company to contract out such work than to use its own employees.

- b. Major new construction including major installation, major replacement and major reconstruction of equipment at the Research facility may be contracted out subject to any rights and obligations of the parties which are applicable at the Research facility prior to October, 1972.

A project shall be deemed major so as to fall within the scope of this exception if it is shown by the Company that the project is of a grander or larger scale when compared to other projects bargaining unit forces at the Research facility are normally expected to do. Such comparison should be made in light of all relevant factors.

As regards the term "new construction" above, except for work done on equipment or systems pursuant to a manufacturer's warranty, work that is of a peripheral nature to major new construction, including major installation, major replacement and major reconstruction of equipment and production facilities and which does not concern the main body of work shall be assigned to employees within the bargaining unit unless it is more reasonable to contract-out such work taking into consideration the factors set forth in paragraph C of this Section or it is otherwise mutually agreed. For purposes of this provision, the term "work of a peripheral nature" may in certain instances, include, but not be limited to, demolition, site preparation, road building, utility hook-ups, pipelines and any work which is not integral to the main body.

2. Work Outside the Research Facility

- a. Should the Company contend that clerical, technical, maintenance or repair work to be performed outside the Research facility or work associated with the fabricating of goods, materials, or equipment purchased or leased from a vendor or supplier should be excepted from the prohibitions of this Section, the Company must demonstrate that it is more reasonable (within the meaning of paragraph C of this Section) for the Company to contract for such work (including the purchase or lease of the item) than to use its own Research facility employees to perform the work or to fabricate the item.

Notwithstanding the above, the Company may purchase standard components or parts or supply items mass produced for sale generally ("shelf items"). No items shall be deemed a standard component or part or supply item if

- (i) its fabrication requires the use of prints, sketches, or manufacturing instructions supplied by the Company or at its behest or by another company engaged in producing or finishing steel (producing iron ore) or it is otherwise made according to Company specifications.
- (ii) it involves a unit of exchange.

It is further provided that adjustments in the length, size, or shape of a shelf item, so that it can be used for a Company specific application, shall be deemed for the purposes of this Section B.2.a., to be fabrication work performed outside the Research Department.

3. Mutual Agreement

Work contracted out by mutual agreement of the parties pursuant to paragraph G of this Section.

4. General Provisions

Where at the Research facility, it is found in a case arising subsequent to 11-13-06 that the Company (i) engaged in conduct which constitutes willful or repeated violations of paragraph B. 1. or B.2. of this

Section, the first of which occurred on or after 10-01-00; or (ii) violated a cease and desist order previously issued by an Arbitrator in connection with a violation of paragraph B.1. or B.2. of this Section, arising on or after 10-01-00 or (iii) in cases the earliest of which arose on or after 11-13-05, engaged in a pattern of conduct of repeated violations of paragraph B.1 or B.2. of this Section but where no remedy was otherwise appropriate because of practical overtime limits or the unavailability of employees to perform the improperly contracted out work, the Arbitrator shall, as circumstances warrant, fashion a remedy or penalty specifically designed to deter the behavior described in (i), (ii) or (iii) of this paragraph.

C. Reasonableness

In determining whether it is more reasonable for the Company to contract out work than use its own employees, the following factors shall be considered:

1. Whether the bargaining unit will be adversely impacted.
2. The necessity for hiring new employees shall not be deemed a negative factor except for work of a temporary nature.
3. Desirability of recalling employees on layoff.
4. Availability of qualified employees (whether active or on layoff) for a duration long enough to complete the work.
5. Availability of adequate qualified supervision.
6. Availability of required equipment either on hand or by lease or purchase, provided that either the capital outlay for the purchase of such equipment, or the expense of leasing such equipment, is not an unreasonable expenditure in all the circumstances at the time the proposed decision is made.
7. The expected duration of the work and the time constraints associated with the work.
8. Whether the decision to contract out the work is made to avoid any obligation under the Collective Bargaining Agreement or benefits agreements associated therewith.
9. Whether the work is covered by a warranty necessary to protect the Company's investment. For purposes of this subparagraph, warranties are intended to include work performed for the limited time necessary to make effective the following seller guarantees:
 - a. Manufacturer guarantees that new or rehabilitated equipment or systems are free of errors in quality, workmanship, or design.
 - b. Manufacturer guarantees that new or rehabilitated equipment or systems will perform at stated levels of performance and/or efficiency subsequent to installation.

For equipment or systems ordered after 11-13-05, and for the purposes of this factor only, the warranties referenced in a. and b. above may not be relied upon by the Company for more than 18 months following acceptance; provided, however, warranties of a longer duration may be relied upon if the Company (i) demonstrates that at the time of the sale such longer warranties are the manufacturer's published standard warranties actually offered to customers in the normal course of business; and (ii) reviews the documents relating to the warranty and the sales price with the Union members of the Contracting Out Committee at or near the time of the purchase.

Warranties are commitments associated with a particular product or service in order to assure that seller representations will be honored at no additional cost to the Company. Long-term service contracts are not warranties for the purposes of this subparagraph.

10. In the case of work associated with leased equipment, whether such equipment is available without a commitment to use the employees of outside contractors or lessors for its operation and maintenance.
11. Whether, in connection with the subject work or generally, the Local Union is willing to waive or has waived restrictive working conditions, practices, or jurisdictional rules (all within the meaning of local working conditions and the authority provided by this Agreement).

D. Contracting Out Committee

1. A regularly constituted committee consisting of not more than four persons (except that the committee may be enlarged to six persons by local agreement), half of whom shall be members of the bargaining unit and designated by the Union in writing to the Research facility management and the other half designated in writing to the Union by the Research facility management, shall attempt to resolve problems in connection with the operation, application, and administration of the foregoing provisions.
2. In addition to the requirements of Paragraph E of this Section, such committee may discuss any other current problems with respect to contracting out brought to the attention of the committee.
3. Such committee shall meet at least one time each month.

E. Notice and Information

Before the Company finally decides to contract out an item of work as to which it claims the right to contract out, the Union committee members will be notified. Except as provided in Paragraph J of this Section (Shelf Item Procedure), such notice will be given in sufficient time to permit the Union to invoke the expedited procedure described in Paragraph H of this Section, unless emergency situations prevent it. Such notice shall be in writing and shall be sufficient to advise the Union members of the committee of the location, type, scope, duration, and timetable of the work to be performed so that the Union members of the committee can adequately form an opinion as to the reasons for such contracting out. Such notice shall generally contain the information set forth below:

1. Location of work.
2. Type of work:
 - a. Service
 - b. Maintenance
 - c. Major Rebuilds
 - d. New Construction
3. Detailed description of the work.
4. Crafts or occupations involved.
5. Estimated duration of work.
6. Anticipated utilization of bargaining unit forces during the period.
7. Effect on operations if work not completed in timely fashion.

Within ninety (90) days following the effective date of this Agreement, headquarters representatives of the parties shall develop a form notice for the submission of the information described above.

Either the Union members of the committee or the Company members of the committee may convene a prompt meeting of the committee. Should the Union committee members believe discussion to be necessary, they shall so request the Company members in writing within five (5) days (excluding Saturdays, Sundays, and holidays) after receipt of such notice and such a discussion shall be held within three (3) days (excluding Saturdays, Sundays, and holidays) thereafter. The Union members of the committee may include in the meeting the Union representative from the area in which the problem arises. At such meeting, the parties should review in detail the plans for the work to be performed and the reasons for contracting out such work. Upon their request, the Union members of the committee will be provided any and all information in the Company's possession relating to the reasonableness factors set forth in Paragraph C of this Section. Included among the information to be made available to the committee shall be the opportunity to review copies of any

relevant proposed contracts with the outside contractor. This information will be kept confidential. The management members of the committee shall give full consideration to any comments or suggestions by the Union members of the committee and to any alternate plans proposed by Union members for the performance of the work by bargaining unit personnel. Except in emergency situations, such discussions, if requested shall take place before any final decision is made as to whether or not such work will be contracted out.

Should the Company committee members fail to give notice as provided above then not later than thirty (30) days from the date of the commencement of the work a grievance relating to such matter may be filed under the grievance and arbitration procedure. Should it be found in the arbitration of a grievance alleging a failure of the Company to provide the notice or information required under this Paragraph E that such notice or information was not provided, that the failure was not due to an emergency requirement, and that such failure deprived the Union of a reasonable opportunity to suggest and discuss practicable alternatives to contracting out, the arbitrator shall have the authority to fashion a remedy, at his/her discretion, that he/she deems appropriate to the circumstances of the particular case. Such remedy, if afforded, may include earnings and benefits to grievants who would have performed the work, if they can be reasonably identified.

F. Remedy for Repeated Notice Violations

Notwithstanding any other provision of this Agreement, where, at a particular Research Department, it is found that the Company (i) committed violations of Paragraph E of this Section that demonstrate willful conduct in violation of the notice provision or constitutes a pattern of conduct of repeated violations or (ii) violated a cease and desist order previously issued by the arbitrator in connection with a violation of Paragraph E of this Section, the arbitrator may, as circumstances warrant, fashion a suitable remedy or penalty.

G. Mutual Agreement and Disputes

The committee may resolve the matter by mutually agreeing that the work in question either shall or shall not be contracted out. Any such resolution shall be final and binding but only as to the matter under consideration and shall not affect future determinations under this section. No agreement or any grievance settlement entered into after 11-13-05, whether or not reached pursuant to this section, which directly or indirectly permits the contracting out of work on a ongoing basis, shall be valid or enforceable unless it is in writing and signed by both the Union Step 4 representative and the Step 4 representative of the Company.

If the matter is not resolved, or if no discussion is held, the dispute may be processed further by submitting the matter to the Expedited Procedure set out in Paragraph H of this Section.

H. Expedited Procedure

In the event that either the Union or the Company members of the committee request an expedited resolution of any dispute arising under this Section, except Paragraph J (Shelf Item Procedure), it shall be submitted to the expedited procedure in accordance with the following:

1. In all cases except those involving day-to-day clerical, technical, maintenance and repair work and service, the expedited procedure shall be implemented prior to letting a binding contract.
2. Within three (3) days (excluding Saturdays, Sundays and holidays) after either the Union or Company members of the committee determine that the committee cannot resolve the dispute, either party (Chairperson of the Grievance Committee in the case of the Local Union and the Division Manager -- Labor Relations in the case of the Company) may advise the other in writing that it is invoking this expedited procedure.
3. An expedited arbitration must be scheduled within three (3) days (excluding Saturdays, Sundays and holidays) of such notice and heard at a hearing commencing within five (5) days (excluding Saturdays, Sundays, and holidays) thereafter. An arbitrator (regular arbitrator if available) shall hear the dispute and, if the arbitrator is not available to hear the dispute within five (5) days, another arbitrator shall be selected

by mutual agreement of the Step 4 Representative of the Union and the Step 4 Representative of the Company.

4. The arbitrator must render a decision within forty-eight (48) hours (excluding Saturdays, Sundays and holidays) of the conclusion of the hearing. Such decision shall not be cited as a precedent by either party in any future contracting out disputes.
5. Notwithstanding any other provision of this Agreement, any case heard in the Expedited Procedure before the work in dispute was performed may be reopened by the Union in accordance with this paragraph if such work, as actually performed, varied in any substantial respect from the description presented in arbitration except where the difference involved a good faith variance as to the magnitude of the project. The request to reopen the case must be submitted within seven (7) days of the date on which the Union knew or should have known of the variance and shall contain a summary of the ways in which the work as actually performed differed from the description presented in arbitration. As soon as practicable after receipt of a request to reopen, an arbitration hearing date shall be scheduled. In a case reopened pursuant to this paragraph, the arbitrator shall determine whether the work in dispute, as it actually was performed, violated the provisions of Section 3 of this Article and, if so, the remedy. The prior decision regarding the subject work shall be considered in the determination and given weight in the subsequent dispute, except to the extent that it relied on an erroneous description.

I. Contractors Testifying in Arbitration

No testimony offered by an outside contractor may be considered in any proceeding alleging a violation of Section 3 of this Article unless the party calling the contractor provides the other party with a copy of each contractor document to be offered at least forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the commencement of the hearing.

J. Shelf Item Procedure

1. No later than 8-1-02, and except as provided herein, annually thereafter, the Company shall provide the Union members of the committee with a list and description of anticipated ongoing purchases of each item which the Company claims to be a shelf item within the meaning of Paragraph B-2-a of this Section. If the Union members of the committee so request, the list shall not include any item included on a previous list where the status of that item, as a shelf item, has been expressly resolved. Within sixty (60) days of the submission of the list, either the Union members of the committee or the Company members may convene a prompt meeting of the committee to discuss and review the list of items and, if requested, the facts underlying the Company's claim that such items are shelf items.
2. Notwithstanding the provisions of paragraph F of this Section to the contrary, the committee may resolve the matter by mutually agreeing that the item in question either is or is not a shelf item. With respect to any item as to which the Union members of the committee agree with the Company's assertion that it is a shelf item, the Company shall be relieved of any obligation to furnish a contracting out notice until the next review following such agreement and thereafter, if the Union has requested that a resolved item be deleted from the shelf item list.
3. If the matter is not resolved, any dispute may be processed further by filing, within thirty (30) days of the date of the last discussion, a grievance in Step 3 of the grievance procedure and, thereafter, in accordance with the grievance and arbitration procedure described in Articles 6 and 7. Except as provided in M.P. 2.12.4, such a grievance shall include all items in dispute. However, where a number of items raise the same or similar issues, those items may be grouped in a single class of category.
4. An item which the Company claims to be a shelf item, but which was not included on the list referred to above because no purchase was anticipated, shall be listed and described on a contracting out notice provided to the Union not later than the regularly scheduled meeting of the Contracting Out Committee next following purchase of the item. Thereafter, the parties shall follow the procedure set forth in Paragraphs 2 and 3 above.

5. The Union may file a grievance in accordance with Paragraphs G or H of this Section 3 with respect to any unresolved item of maintenance, repair work or work associated with the fabrication of goods, material or equipment performed outside the Research Department notwithstanding the inclusion of such item on the shelf item list previously furnished to the Union by the Company, provided such grievance is filed within thirty (30) days of the date on which the Union knew or should have known of the performance of the work.

K. Annual Review

Commencing on or before October 1 of each year, the Company committee members shall meet with the Union committee members for the purpose of (i) reviewing all work whether inside or outside the Research facility which the Company anticipates may be performed by outside contractors or vendors at some time during the following calendar year, (ii) determining such work which should be performed by bargaining unit employees, and (iii) identifying situations where the elimination of restrictive practices would promote the performance of any such work by bargaining unit employees. The Union committee members shall be entitled in conducting this study to review any current or proposed contracts concerning items of work performed for the Company by outside contractors and vendors and shall keep such information confidential.

By no later than November 1 of each year, these Local Union and Company committee members shall jointly submit a written report to the Co-Chairperson of the Negotiating Committee or their designees describing the results of this review. Specifically, the report should list (a) all items of work which the parties agree will be performed by bargaining unit employees during the following year, (b) all items of work which the parties agree should be performed by outside contractors and vendors, and (c) those items on which the parties disagree. If the parties disagree, the report will state the reason for such disagreement.

As to individual items of work, the Co-Chairperson(s) of the Negotiating Committee may (a) affirm the Research facility recommendations, (b) disagree with respect to the Research facility recommendation as to specific items and either (i) refer their dispute to arbitration under a procedure to be established by the parties or (ii) refer the matters back to the Research facility without resolution in which event the specific disputes will be handled under the provisions of this section at the time they may arise.

L. District Director/Director, Industrial Relations

It is the intent of the parties that the members of the Joint Plant Contracting Out Committee shall engage in discussion of the problem involved in this field in a good-faith effort to arrive at a mutual understanding so that disputes and grievances can be avoided. If either the Company or the Union members of the committee feel that this is not being done, they may appeal to the District Director-Director, Industrial Relations for review of the complaint about the failure of the committee to properly function. Such appeal shall result in a prompt investigation by the District Director or his/her designated representative and the Company's Division Manager, Labor Relations or his/her designated representative for such review. This provision should in no way affect the rights of the parties in connection with the processing of any grievance relating to the subject of contracting out.

M. Oversight and Work Subject to Transfer

- a. **Notwithstanding any other provisions of this Section, a Company wide Oversight and Work Subject to Transfer Committee (Committee) will be established comprised of two union members (as designated by the Union Negotiating Committee Chairman) and two company members (as designated by the Company Negotiating Committee Chairman).**
- b. **An initial review of all outstanding issues at all plants covered by this Agreement will be conducted within one hundred twenty (120) days of the ratification of this Agreement. After the initial review the Committee will meet at least monthly to address issues that may arise during and after the review. After each meeting the Committee will prepare a written report for the Co-Chairs of the**

Negotiating Committee including any issues the local parties are unable to resolve, for review by the Co-Chairs.

- c. **The parties recognize that in addition to ongoing concerns regarding the Commitment provisions of this Section there also exists a significant amount of work that is performed inside the plants that is being performed by Outside Entities that may not meet an exception as defined in this Section. The substantial level of work inside the plants that is currently (as of the Effective Date) being performed on a full-time basis pursuant to agreement or by practice by Outside Entities is work that is identified as Work Subject to Transfer (WST). The parties are committed to having all work inside the plants performed by Employees as is required by this Agreement.**
- d. **The Company agrees that WST will be transferred to Employees pursuant to the procedures in paragraph f below unless the Company can clearly demonstrate that the work meets both of the exceptions outlined below.**
 1. **The Outside Entity performing such work has a significant (in the context of the relevant Company facility and the number of Outside Entity employees performing the WST) investment in either equipment, facilities, proprietary technology, or business and administrative infrastructure; and**
 2. **That to transfer such WST to Employees would, under all the circumstances, subject the Company to a material economic disadvantage measured over time and taking into account the size of the initial required investment (and without comparing wage and benefit costs).**
- e. **The Company shall provide the members of the Committee with any relevant resources or information including arranging meetings with Outside Entities, in addition the Company will:**
 1. **Identify Outside Entities who have employees performing WST;**
 2. **Examine the type and amount of WST done by each Outside Entity and identify the contract termination dates of any contracts between the Company and such Outside Entities;**
 3. **Identify those Outside Entities which meet the exception outlined in paragraph d above.**
 4. **Develop plans to transfer the WST to Employees. In developing such plans, the objective of the Committee shall be to do so as expeditiously as possible without interfering with the orderly operation of the plant.**
- f. **After completing the tasks set forth in this Section, the Committee will develop schedules and procedures to transfer any WST which does not meet the exception outlined above to Employees. Progress on such schedules and procedures will be monitored monthly. Should the Union Co-Chair conclude that a dispute cannot be resolved; the dispute may be referred directly to arbitration under the relevant provisions of Article 7 of this Agreement.**

ARTICLE 3 PLANT MANAGEMENT

Section 1.

Except as limited by the specific provisions of this Agreement, management of the plant and the direction of the working forces, which include the right to hire, layoff, recall, assign positions as well as work, transfer, discharge and or discipline for cause, promote, demote, introduce new and improved methods or facilities, and/or change existing methods or facilities, schedule and require overtime work, and manage the properties and Company assets are vested exclusively with the Company. In the exercise of these functions, the Company shall not discriminate against employees because of membership in or legitimate activity on behalf of the Union.

ARTICLE 4
RESPONSIBILITIES OF THE PARTIES

Section 1.

Each employee, regardless of whether he/she is a member, non-member, officer, grievance committee person, agent or other representative of the Union, shall observe and abide by the terms and conditions of this Agreement. All representatives of Management shall observe and abide by the terms and conditions of this Agreement.

Section 2.

The Company recognizes, and will not interfere with, the right of its employees to become members of the Union, and there shall be no discrimination, interference, restraint or coercion by the Company or any of its agents against any employee because of membership in the Union.

Section 3.

The Union agrees that it, its officers, agents, representatives, and members will not (a) intimidate or coerce employees into membership or into continuing their membership in the Union, or (b) solicit membership, hold meetings, or carry on any Union activity, except as provided in Article 6, Section 9-b, either (i) on Company time, or (ii) on the property of the Company in any manner which shall interfere with the Company's operations.

Section 4.

It is the continuing policy of both the Company and the Union that there shall be no discrimination against any employee because of race, color, religious belief, sex, Vietnam era veterans, disability, age, or national origin. The representatives of the Union and the Company in all steps of the grievance procedure and in all dealings between the parties shall comply with this provision.

A joint committee on Civil Rights shall be established. The Union representation on the committee shall be no more than three (3) members of the Union, in addition to the President and Chairperson of the Grievance Committee. The Union members shall be certified to the Plant Manager by the Union and the Company members shall be certified to the Union.

The Company and Union members of the joint committee shall meet at mutually agreeable times, but no less than once each month. The joint committee shall review matters involving Civil Rights including a review of hiring efforts in respect to minorities and females. The joint committee shall also review and investigate complaints filed with it by employees or their Union representatives involving Civil Rights and attempt to resolve same.

In the event that a Civil Rights complaint reviewed by the joint committee is not resolved it may be processed as a grievance. It is not intended by the parties that this Committee shall displace the normal operations of the grievance procedure. Such grievances may be filed by the Chairperson of the Grievance Committee, or his/her designated representative, in the third step of the grievance procedure within thirty (30) calendar days from the date of the initial joint committee meeting in which the matter was discussed, unless the parties mutually agree to an extension; provided, however, the complaint was filed with the joint committee within thirty (30) days from the date the cause of the complaint occurred, or within thirty (30) calendar days from the time the employee should have known of the occurrence of the event upon which the complaint is based. The Joint Committee shall have no jurisdiction over the filing or processing of grievances. This provision shall not affect any existing right to file a complaint or grievance nor does it enlarge the time limits for filing and processing complaints or grievances.

Section 5.

The Union agrees that neither it nor its officers, agents, representatives, or members will authorize, instigate, cause, aid, sanction or take part in any strike, sympathy strike, work stoppage, sit-down, stay-in, slowdown, or other interruption or impeding of work.

Should there be a violation of the above-mentioned paragraph of this Section 5, there shall be no discussion or negotiation regarding the difference or dispute during the existence of such violation, or before normal work has been resumed.

The Union representatives will take affirmative action to prevent employees from engaging in the prohibited activities set forth in this Section 5, it being understood, however, that the Company shall not have the right to discipline such representatives for failure to take such affirmative action but may discipline them for participating in any such activities as an employee. The Union shall have the exclusive right to discipline such representatives for failure to take such affirmative action as a representative of the Union. The Company shall have the exclusive right to discipline its representatives.

Section 6.

There shall be no lockout of employees by the Company.

Section 7.

The Local Union President will be permitted access to the Research Department at reasonable times when necessary to transact legitimate Union business pertaining to the administration of the Collective Bargaining Agreement between the parties after notice to the Division Manager -- Labor Relations or his/her designated representative.

The District Director USWA and the representative of the Union who customarily handles grievances from the Research Department in Step 4 shall have access to the Research Department, subject to established rules of the Research Department, at reasonable times to investigate grievances with which he/she is concerned.

**ARTICLE 5
UNION RECOGNITION AND UNION MEMBERSHIP**

Section 1.

Having been designated the exclusive collective bargaining representative of the employees of the Company as defined in the Scope clause, the Company recognizes the Union as such exclusive representative. Accordingly, the union makes this agreement in its capacity as the exclusive collective bargaining representative of such employees. The provisions of this agreement constitute the sole procedure for the processing and settlement of any claim by an employee or the Union of a violation by the Company of this agreement. As the representative of the employees, the Union may process complaints and/or grievances and adjust or settle same through the complaint and grievance procedure, including arbitration, in accordance with this agreement.

The occupations included within the above-described bargaining unit shall continue in force for the duration of this Agreement. The Union shall be advised promptly as occupations are added to or removed from said unit by reason of the establishment of new occupations or the changing or discontinuance of existing occupations. Should any dispute arise as to whether a new or changed occupation is within or excluded from the bargaining unit above described, such dispute may be taken up under the grievance procedure set forth in Article 6 hereof, beginning with Step 3.

When Management establishes a new or changed job in the Research Department so that duties involving a significant amount of clerical, office or technical work, or any combination which is performed on a job within the bargaining unit (or, in the case of new work, would be performed on such a job) are combined with duties not normally performed on a job within the bargaining unit, the resulting job in the Research Department shall be

considered as within the bargaining unit. This provision shall not be construed as enlarging or diminishing whatever rights exist in respect of withdrawal of non- bargaining unit duties from a job in the bargaining unit, provided that where non-bargaining unit duties are placed in a job in the bargaining unit under this provision, such duties may be withdrawn at any time. Management shall, on request, furnish to the Union reasonable information to permit determination of questions of compliance with this provision.

Section 2.

A. Union Membership.

Each employee, who on the date of this Agreement, is a member of the Union in good standing and each employee who becomes a member after that date shall, as a condition of employment, maintain his/her membership in the Union.

Unit nonexempt employees employed as of December 2, 1999, or unit non-exempt employees hired subsequent to this date shall, as a condition of employment, beginning on the thirtieth (30th) day following the beginning of such employment or the date of this Agreement, whichever is the later, acquire and maintain membership in the Union.

Within twenty (20) days from the date of this Agreement the Union shall submit to the Company a notarized list showing separately the name, department and check number of each employee who shall have been a member of the Union in good standing on the date of this Agreement. On or before the last day of each month the Union shall submit to the Company a notarized list showing separately the name, department and check number of each employee who shall have become a member of the Union in good standing other than pursuant to the next preceding paragraph since the last previous list of such members was furnished to the Company.

For the purposes of this Section, an employee shall not be deemed to have lost his/her membership in the Union in good standing until the International Secretary-Treasurer of the Union shall have determined that the membership of such employee in the Union is not in good standing and shall have given the Company a notice in writing of the fact.

B. Service Charge.

In States in which the foregoing provisions may not lawfully be enforced, the following provisions, to the extent that they are lawful, shall apply:

Each employee who would be required to acquire or maintain membership in the Union if the foregoing Union security provisions could lawfully be enforced, and who fails voluntarily to acquire or maintain membership in the Union, shall be required as a condition of employment, beginning on the thirtieth (30th) day following the beginning of such employment or the date of this Agreement, whichever is later, to pay to the Union each month a service charge as a contribution toward the administration of this Agreement and the representation of such employees. The service charge for the first month shall be in an amount equal to the Union's regular and usual initiation fee and monthly dues, and for each month thereafter in an amount equal to the regular and usual monthly dues.

C. The foregoing provisions shall be effective in accordance and consistent with applicable provisions of Federal and State laws.

Section 3. Checkoff.

The Company will check off dues in each pay period, assessments and initiation fees each as designated by the International Secretary-Treasurer of the Union, as membership dues in the Union, (on the basis of individually signed voluntary checkoff authorization cards in forms agreed to by the Company and the Union.)

At the time of his/her employment the Company will suggest that each new employee voluntarily execute an authorization for the checkoff of Union dues in the form agreed upon. A copy of such authorization card for the checkoff of Union dues shall be forwarded to the Financial Secretary of the Local Union along with the membership application of such employees.

New checkoff authorization cards other than those provided for by the next proceeding paragraph will be submitted to the Company through the Financial Secretary of the Local Union at intervals no more frequent than once each month. On or before the last day of each month the Union shall submit to the Company a summary list of cards transmitted in each month.

Deduction on the basis of authorization cards submitted to the Company shall commence with respect to dues for the month in which the Company receives such authorization card or in which such card becomes effective, whichever is later. Dues for a given month shall be deducted from the first pay closed and calculated in the succeeding month.

In cases of earnings insufficient to cover deduction of dues, the dues shall be deducted from the next pay in which there are sufficient earnings, or a double deduction may be made from the first pay of the following month, provided, however, that the accumulation of dues shall be limited to two (2) months. The International Secretary-Treasurer of the Union shall be provided with a list of those employees for who double deduction has been made.

The Union will be notified of the reason for non-transmission of dues in case of layoff, discharge, resignation, leave of absence, sick leave, retirement, death or insufficient earnings.

Unless the Company is otherwise notified, the only Union membership dues to be deducted for payment to the Union from the pay of the employee who has furnished an authorization shall be the monthly Union dues. The Company will deduct initiation fees when notified by notation on the lists referred to in the third paragraph of Section 2.A. (Union Membership) above, and assessments as designated by the International Secretary- Treasurer. With respect to checkoff authorization cards submitted directly to the Company, the Company will deduct initiation fees unless specifically requested not to do so by the International Secretary-Treasurer of the Union after such checkoff authorization cards have become effective. The International Secretary-Treasurer of the Union shall be provided with a list of those employees for whom initiation fees have been deducted under this paragraph.

The parties shall make such arrangement as may be necessary to adapt the foregoing checkoff provisions to the checkoff of the service charge referred to in Section 2.B. (Service Charge) above pursuant to voluntary authorizations therefore.

The provisions of this Section 3 shall be effective in accordance and consistent with applicable provisions of Federal law.

Section 4. Indemnity Clause.

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 Sections 2 and 3 above, or in reliance on any list, notice or assignment furnished under any of such provisions.

ARTICLE 6 ADJUSTMENT OF COMPLAINTS AND GRIEVANCES

Section 1. Purpose.

The purpose of this Article is (a) to provide opportunity for discussion of any request or complaint and (b) to establish procedures for the processing and settlement of complaints or grievances as defined in Section 2 of this Article.

Section 2. Definition of Grievance.

“Grievance” as used in this Agreement is limited to a complaint or request which involves the interpretation or application of or compliance with the provisions of this Agreement.

Section 3. Grievance Procedure.

A. Step 1.

Any employee who believes that he/she has a justifiable complaint or request may discuss it with the Supervisor, Design Maintenance and Lab Services, or with his/her designated representative, with or without the Union representative being present, as the employee may elect, in a serious effort to resolve the problem. Except for complaints involving reprimands or disciplines, or unless the Supervisor and the Union representative agree the employee should be present, the employee need not be present at the Step 1 oral discussion. There shall be a full discussion of the complaint or request.

If, during such discussion, the Supervisor and the area Union representative feel the need for aid in arriving at a solution, they may, by agreement, invite such additional Company representatives and/or previously certified officers of the Grievance Committee or, as appropriate, members of the Plant Union Committee on Job Classification or Plant Union Incentive Committee or witnesses from the Research Department as may be necessary and available to participate in further discussion, but such additional participants shall not relieve the Supervisor and area Union representative from responsibility for solving the problem.

The Supervisor shall have authority to settle the complaint. The area Union representative shall have authority to settle, withdraw, or appeal the complaint.

At the conclusion of such discussion, the Supervisor and area Union representative, or their designated representatives, shall promptly but in no event later than three (3) days, complete and sign the oral disposition form to be furnished by the Company. If the complaint is settled as the result of such discussion, the completed form shall concisely show the nature of the complaint and the settlement reached. If the complaint is not settled as the result of such discussion, the completed form shall show the nature of the complaint, the date of the oral discussion, the name of the grievant, and the decision of the Supervisor. Three (3) copies of the completed oral disposition form shall be given to the area Union representative, and one (1) copy shall be sent to the Chairperson of the Grievance Committee by the Supervisor. The settlement of a complaint at the oral discussion in this step of the procedure shall not constitute a precedent and shall not be relied upon or cited by either party in any other situation or grievance. The foregoing procedure of direct confrontation and discussion by the parties should result in a full disclosure of the facts and must be followed in good faith by both parties in order to achieve fair and speedy solution of complaints or requests arising out of the day-to-day operation of the Research Department.

Where a complaint or request has not been satisfactorily settled in Step 1, it can be appealed, in writing, by Steward, or his/her designated representative, if he/she believes it to constitute a meritorious complaint. Such appeal shall be made in the space provided on the oral disposition form, and copies of such form shall be delivered to the department manager involved and to the office of the Division Manager-- Labor Relations within seven (7) days after copies of the completed oral step disposition form are sent to the Union representative. However, if the complaint or request concerns only the individual or individuals involved and its settlement will have no effect upon the rights of other employees, the individual or individuals involved may effectively request that the matter be dropped.

B. Step 2.

A complaint in Step 2 shall be discussed at a mutually convenient time between the Steward and the department Manager, or their designated representatives, within seven (7) days after the oral disposition is filed with the department manager. However, the Supervisor who participated in the oral discussion of the complaint at Step 1 shall not be designated as the manager's representative at the oral discussion of the complaint at Step 2. The Step 2 participants shall also include the grievant and the Supervisor involved in the case, provided, however, that, except for complaints involving reprimands or disciplines, such Steward and department manager may agree that the grievant need not be present. The department manager and Steward, or their designated representatives, may, by agreement, invite to participate in the discussion; any of the additional participants who are provided for under Step 1 as may be necessary and available for aid, but such additional participants shall not relieve the Steward and the manager of the department from responsibility for solving the problem. At the conclusion of such meeting, the department manager and area Steward shall prepare and sign a statement on the oral disposition form, setting forth the facts of the case as stated by the Company and Steward, the relief sought, and the reasons stated in support of and in opposition to granting the relief sought and the contract provisions relied upon. Within three (3) days after such meeting, the department manager shall record on the oral disposition form his/her decision as to the complaint, return three (3) copies to the grievance committee person, and send one (1) copy to the Chairperson of the Grievance Committee.

The department manager shall have authority to settle the complaint. The Steward shall have authority to settle, withdraw, or appeal the complaint.

In order for the complaint to be considered further, a written grievance shall be filed with the manager within seven (7) days after the completed oral disposition form is returned to the Steward, on forms to be furnished by the Company, and shall be dated and signed by the Steward. Six (6) copies of the grievance shall be filed with the manager, who shall acknowledge date of receipt and within three (3) days affix his/her signature to the copies and return one (1) copy to the employee, two (2) copies to the Steward, one (1) copy to the Division Manager -- Labor Relations, and one (1) copy with completed Step 1 and Step 2 oral disposition forms and any additional such forms provided for in Section 6 of Article 6 to the Chairperson of the Grievance Committee. Copies of the completed Step 1 and Step 2 oral disposition forms and any such additional forms provided for in Section 6 of Article 6 together with the grievance shall constitute the grievance record.

C. Step 3.

If the grievance remains unsettled, the Union Step 3 Representative, duly certified to the Company in writing by the Local Union Recording Secretary may, within seven (7) days after the grievance record is forwarded to the Chairperson of the Grievance Committee, request in writing a meeting with a representative of the office of the Division Manager -- Labor Relations for the purpose of reviewing the grievance. The Union Step 3 Representative may alter the Union's position as set forth in the grievance record by submitting the Union's altered position in writing at the time he requests such meeting. No grievance appealed from Step 2 shall be considered in Step 3 in the absence of a full grievance record. Grievances appealed to this step by Friday shall be heard at a meeting to be held during the following week and the representative of the office of the Division Manager -- Labor Relations shall advise the Union Step 3 Representative of his/her decision in writing within ten (10) days after such meeting.

The discussion in this Step 3 shall be limited to whether there exists a violation of the Agreement as set forth in the grievance record, except that a new violation of the Agreement may be alleged by the Union at the Step 3 meeting when the basis for the new allegation is testimony of witnesses first given at such meeting. In which event, and at the request of either party, the grievance may be held over until the Step 3 meeting in the following week in order to permit a full and complete discussion of the alleged new violation.

The designated representative of the Company at Step 3 shall have authority to resolve any case before him/her. The Chairperson of the Grievance Committee or his/her designated representative shall have authority to settle or withdraw the grievance.

Minutes of all Step 3 meetings shall be prepared by the office of the Division Manager -- Labor Relations, jointly signed by the Company and Union Step 3 Representatives and shall include the grievance record. If the Union Step 3 Representative shall disagree with the accuracy of the minutes as prepared by the Company, he/she shall set forth and designate his/her reasons for such disagreement in writing and the minutes, except for such disagreement, shall be regarded as agreed to. Copies of such minutes, together with the answer of the office of the Division Manager -- Labor Relations, shall be mailed to the Union Step 3 Representative (two [2] copies) and to the Union Step 4 Representative (one [1] copy) not later than ten (10) days after the date on which the meeting was held. Such minutes shall conform to the following general outline:

- A. Date and place of meeting
- B. Names and positions of those present
- C. Identifying number of grievance
- D. Statement of grievance
- E. Contract provisions cited
- F. Relief sought
- G. Statement of facts
- H. Brief statement of Union position
- I. Brief statement of Company position
- J. Summary of discussion
- K. Decision reached
- L. Statement as to whether decision was accepted or rejected

It is contemplated that the grievance record will usually contain most of the foregoing information. To this extent the inclusion of the grievance record in the Step 3 minutes will constitute compliance with the foregoing requirements.

D. Step 4.

If the grievance remains unsettled, the International Representative assigned to the Research Department may, within fifteen (15) days after the mailing of the Step 3 answer and minutes, request in writing a meeting with a designated representative of the Company for the purpose of discussing the grievance. No grievance shall be processed in this step until a full grievance record has been developed. In the event that a complete record has not been developed, the grievance shall be referred back for further consideration in Step 2 or Step 3 of the procedure. Any disagreement with the accuracy of the Step 3 minutes shall be filed with such request. The representatives to participate in this step shall be certified, respectively, by the Company and the District Office of the Union, and such representatives shall not have participated in the Step 3 hearing. A meeting between such Step 4 Representatives to discuss the grievance shall be held on Friday following the expiration of seven (7) days after the mailing of the notice of appeal to Step 4. Step 4 meetings shall not be postponed except in unusual circumstances. Any party requesting a postponement shall do so in writing, giving the reason therefore and stating that the meeting shall take place at a prompt later date. A copy of the written postponement request shall be included with the quarterly report provided for in Appendix J-Paragraph 1. The discussion in this Step 4 shall be limited to whether there exists a violation of the Agreement as set forth in the minutes of the Step 3 meeting, unless the written request for appeal to this step specifies a different or additional violation or unless the Union Step 4 Representative elects to specify a different or additional violation during the discussion. In the event a different or additional violation is specified in the appeal to Step 4 or during the Step 4 discussion, either party may elect to have the grievance remanded to a prior step of the procedure. The parties shall agree upon the appropriate step to which such grievance is to be remanded. In the event that such remanded grievance is not resolved within fourteen (14) days of the date upon which it was remanded, that grievance shall automatically be returned to Step 4 of the procedure. In the event that agreement is not reached as to the settlement of the grievance, the Company representative shall prepare minutes of the discussion of the grievance in this step which shall be attached to the grievance record and shall within seven (7) days following the Step 4 meeting submit two (2) copies thereof to the Union representative for his/her signature. Minutes of Step 4 meetings and the Union's response thereto shall conform generally to the outline for minutes of Step 3 meetings. If the Union representative shall disagree with the accuracy of such minutes, he/she shall set forth his/her reasons for such disagreement in writing, sign and return one (1) copy

thereof to the Company within seven (7) days after the receipt of such minutes, and such minutes, including the written reasons for such disagreement, shall be regarded as minutes of the Step 4 meeting.

The Company and Union Step 4 Representatives may agree, in writing, to adopt the Step 3 Minutes as written in lieu of Step 4 Minutes.

The Company representatives shall have full authority to settle the grievance. The designated representative of the International Union shall have authority to settle, withdraw, or appeal the grievance.

The Step 4 meetings shall be limited to the representative of the Company and the representative of the Union, unless otherwise mutually agreed upon in advance of the meeting.

E. Step 5.

Except as otherwise provided in this Agreement and subject to the limitations contained in this Agreement, if the grievance is not settled under the foregoing procedure, then the Union Step 4 Representative may, within twenty (20) calendar days after the receipt of the Step 4 minutes, request in writing that the matter be submitted to an arbitrator appointed by the parties hereto in accordance with Article 7 hereof.

Section 4. Complaints/Grievances

Except as otherwise specifically provided in this Agreement, complaints shall be presented promptly and, in all events, the Step 1 discussion of complaints must be held within thirty (30) days from the date the cause of the complaint occurred, or within thirty (30) calendar days from the time the employee should have known of the occurrence of the event upon which the complaint is based.

In the event that a Company representative does not answer a complaint or grievance in any of the steps of the grievance procedure set forth in Section 3 above within the time limit for answer therein specified, the complaint or grievance may be presented to the next succeeding step within seven (7) days from the expiration of such time limit for answer. In the event that a complaint is not filed within the time limits specified in this Section 4 or in the event a complaint or grievance is filed and an appeal is not taken in any of the steps of the grievance procedure set forth in Section 3 above within the time limits therein specified, neither it nor the same subject matter shall be further considered or made the subject of a further complaint or grievance without the consent of the Company, provided however, that in exceptional cases where Management's decision in Step 3 is not appealed to Step 4 within the prescribed time limit, and where the Union can satisfactorily demonstrate that the failure of the Union representative charged with the responsibility for such appeal was caused by conditions justifiable under the circumstances and does, in fact, appeal within ten (10) days from the date of the default, the appeal shall be accepted as though it had been timely. The Company's liability for any retroactive payments resulting from the application of the foregoing shall exclude the period of the delay in the appeal.

It is understood, however, that the time limits specified in Section 3 above may be extended by specific agreement between the parties involved in each step of the grievance procedure.

It is the understanding of the parties that any oral or grievance settlement that is resolved "without prejudice" cannot and will not be cited by either party in the future in any other situation or oral or grievance processing. In the event that either party attempts to introduce into evidence, at the arbitration step of the procedure, oral or grievance settlement(s)/ disposition(s), barred by this language, the arbitrator will be prohibited from receiving the oral or grievance settlement(s)/disposition(s) into the record.

Section 5.

Only one (1) matter shall be covered on one (1) grievance form. Written grievances shall contain a clear and concise statement of the alleged grievance, the issue involved and relief sought, and shall in each instance state the specific section or sections of the Agreement of which a violation is claimed. A grievance which does not satisfy these

requirements shall be returned to the grievance committee person who shall be entitled to refile the grievance within seven (7) days from the date the grievance is returned, upon bringing it into conformity with this Section. The present numbering system for identifying grievances shall be continued. At all steps in the grievance procedure, and particularly at Step 3 and above, the grievant and the Union representative should materially expedite the solution to the complaint or grievance by disclosing to the Company representatives a full and detailed statement of the facts relied upon. In the same manner, Company representatives should disclose all the pertinent facts relied upon by the Company. The parties may agree to return a complaint or grievance to a prior step of the grievance procedure, which shall then be processed within seven (7) days from the date remanded and shall thereafter be processed in accordance with the provisions of Article 6.

Complaints or grievances which are not filed initially in the proper step of the grievance procedure shall be referred to the proper step for discussion and answer by the Company and the Union representatives designated to handle complaints or grievances in such step.

Each of the above steps of the grievance procedure shall be followed in the order given except as otherwise specifically provided in this Agreement. If, at any time during the processing of a complaint or grievance, it appears that the requirements of Step 1 of the grievance procedure for a full discussion of the complaint or request between the Supervisor and the employee or Steward were not met, the complaint or grievance shall be returned without further answer for compliance with such Step 1 procedure and shall thereafter be processed as provided in the respective steps of the grievance procedure. Attendance of witnesses in any step of the grievance procedure shall be limited to the time required for their testimony.

Additional Union representatives invited to attend Step 1 or Step 2 meetings of the grievance procedure shall comply with established Research Department rules regarding visitations.

In any grievance settlement involving retroactive payments, the appropriate Union and Company representatives shall expeditiously determine and agree upon the identity of the payee and the specific amount owed each payee. Thereafter payment shall be made within thirty (30) calendar days after such determination and agreement, or a penalty of ten percent (10%) annually of the amount due will be assessed. In cases involving large numbers of employees, extended periods of retroactivity or complex incentive applications, in order to expedite payment, the parties shall, wherever possible, agree upon the identity of the payees and specific procedures for determining the amounts owed or equitable approximations of such amounts. After such agreement, the Company shall promptly arrange for payment at the earliest date and shall promptly notify such appropriate Union representative of the approximate date of payment.

Any employee who believes he/she has been unjustly laid off for medical reasons shall be entitled to the following preferred handling in the grievance procedure:

The grievance shall be discussed initially in Step 3 upon submission by the Union of a written statement of grievance, contract provisions cited, relief sought, statement of facts and brief statement of Union position. The grievance shall then be processed in accordance with the provisions of Article 6.

Grievances which allege violations directly affecting employees working under more than one department manager shall be discussed initially in Step 3 upon submission by the Union of a written statement containing the identifying number of grievance, statement of grievance, contract provisions cited, relief sought, statement of facts and brief statement of Union position. The grievance shall then be processed in accordance with the provisions of Article 6.

Section 6.

In order to avoid the necessity of filing numerous complaints or grievances on the same subject or event or concerning the same alleged contract violation occurring on different occasions, a single complaint or grievance may be processed and the facts of alleged additional violations (including the dates thereof) may be presented in the appropriate step and recorded on a separate oral disposition form for each such claim. Such additional claims shall be filed promptly and within the time limits applicable to the filing of complaints or grievances and shall be signed by each additional grievant. When the original complaint or grievance is resolved in the grievance or arbitration procedure, the parties resolving such complaint or grievance (the Step 4 Representatives if resolved by arbitration)

shall review such pending claims in the light of the decision in an effort to dispose of them. If any such claim is not settled, it shall be considered as a grievance and processed in accordance with the procedure and the applicable time limitations.

Section 7.

In the event an employee dies, the Union may process a grievance with respect to any monies alleged to be due under any provision of this Agreement and any monies found due shall be paid in accordance with State law.

Section 8. Time Limits.

Except where "calendar days" are specified, time limits provided for in Articles 6 and 7 hereof and Subsection "d" of Section 6 of Article 12 shall be computed by excluding Saturdays, Sundays and holidays.

Section 9. Union Representatives.

- a. The Company agrees to recognize one (1) Steward, who shall be assigned to the Research Department unit and act as its Union representative. In the event the Steward is away or unable to perform his/her duties, a duly certified Union representative from the O&T unit, Local 1010-06, may be authorized by the Union to temporarily act as Steward in the Research Department. Notice, verbal or written, of such replacement shall be provided as soon as practicable by the Union to the Supervisor, Design Maintenance and Lab Services, or his/her designated representative.

No employee shall act in any of the above capacities until his/her name, and title, shall have been certified to the Company in writing by the Local Union Recording Secretary.

The duties of the Steward shall be confined to the adjustment of complaints or grievances of employees whom they represent in their respective unit (except as otherwise specifically provided in this Agreement), and neither they nor any officer or representative of the Union shall exercise any authority or control over the functions of Management as set forth in Article 3 hereof, subject, however, to the limitations contained in said Article.

- b. The Steward shall be allowed to report off from scheduled work, without pay, (1) to attend meetings of the grievance committee (where possible, such requests to report off shall be made by Wednesday of the week preceding the week in which the meeting is to be held by the Chairperson of the Grievance Committee to the Division Manager -- Labor Relations, who shall transmit such requests to the respective departmental managers but such requests shall not relieve Steward of his/her responsibility to report off in accordance with the practice) and (2) to attend to other legitimate business of the grievance committee which cannot reasonably be delayed after notice to and permission from their department Manager, and upon reasonable notice to, and approval by, his/her immediate Supervisor and the Manager of the department to be visited, if other than his/her own, shall be afforded such time off without pay as may be required for the purpose of attending complaint or grievance meetings between the Company and Union where his/her presence is necessary for the proper handling of a complaint or grievance involving an employee from the unit. In cases of emergency, requests to report off for purposes of (1) above may be made by the Chairperson of the Grievance Committee after such Wednesday. Permission to report off for the above purposes shall not be unreasonably requested and shall not be unreasonably withheld. Except as provided in this Section, the Steward shall not leave his/her workplace during his/her regularly scheduled working hours for the purpose of transacting Union business. Where, at the request of a Company representative, a Steward leaves his/her scheduled work, he/she shall not lose time.
- c. The Union Step 3 Representative, with the permission of the Division Manager -- Labor Relations or his/her designated representative, may be allowed to visit the Research facility at reasonable times for the purposes of investigating any grievance which shall have been appealed to Step 3, subject to established Research facility rules and regulations regarding Research facility visitation. The Step 4 Representative of the Union engaged in adjusting a grievance appealed to Step 4 requiring or making desirable an examination of the premises or operations involved will, upon request, and with the permission of the Company Step 4 Representative, be

permitted to make such examination at any reasonable time, subject to established Research Department rules and regulations regarding Research facility visitation.

ARTICLE 7 ARBITRATION

Section 1.

Within thirty (30) calendar days after the request in writing that the matter be submitted to an arbitrator is delivered to the Company as provided in Step 5 of Section 3 of Article 6, the Union shall, in order to perfect the appeal, file with the arbitrator three (3) copies of a pre-hearing brief setting forth a full disclosure of the facts and its position with the issues limited to those set forth in the Step 4 minutes. The Company shall, within said thirty (30) calendar day period, file three (3) copies of a pre-hearing brief setting forth a full disclosure of the facts and its position as to the issues with respect to such grievance as set forth in the Step 4 minutes. The arbitrator shall notify the Company and the Union of the date of filing of such briefs and shall exchange copies of such briefs not earlier than seven (7) calendar days prior to the beginning of the week in which such grievance is scheduled to be heard. To the extent that such pre-hearing briefs are in fact submitted in compliance with the above, a post-hearing brief should not be necessary; it being understood, however, that such briefs may be submitted upon the request of either party with the consent of the arbitrator or in cases where the arbitrator requests such briefs. In determining grievances arising under Sections 4 and 5 of Article 9—Wages the arbitrator shall consult with a recognized industrial engineer to the extent he deems necessary. The Company agrees that it shall not subpoena or call as a witness in arbitration proceedings any employee from the bargaining unit who has not agreed to so testify. The Union agrees that it shall not subpoena or call as a witness in such proceedings any non-bargaining unit employee who has not agreed to so testify.

The arbitrator's decision shall be final and binding on both parties.

The compensation and expenses of the arbitrator, including any fees and expenses of any recognized industrial engineer consulted by the arbitrator as above provided, shall be borne equally by the Company and the Union.

It is understood and agreed that the arbitrator shall have jurisdiction and authority only to interpret, apply or determine compliance with the provisions of this Agreement. He shall have no power to add to, detract from or alter in any way the provisions of this Agreement.

The arbitrator shall also have jurisdiction and authority only to interpret, apply or determine compliance with respect to the Insurance Agreement between the parties (including the Program of Insurance Benefits [PIB]) in order to dispose of grievances properly arising under Article 18 of this Agreement. The arbitrator shall not have jurisdiction or authority to add to, detract from, or alter in any way the provisions of the Insurance Agreement (including PIB).

The decision of the arbitrator shall be restricted to the limitations as to the issues raised by the grievance which the parties have placed upon themselves in the appeal to Step 4 and as limited in such step as set forth in the Step 4 minutes and, if a violation is found, to specify the remedy in accordance with the terms of this Agreement.

When a stenographic record of an arbitration hearing is taken, the arbitrator may inform the parties at the close of the hearing that he/she will promptly render a decision without waiting for transcription of the record, in which case either party, at its own expense, may obtain a copy of the transcript and should make it available to the other party for inspection upon request at reasonable times at the office of the party ordering such transcript.

Notwithstanding any other provision of this Agreement, the following expedited arbitration procedure is designed to provide prompt and efficient handling of routine grievances, including certain grievances concerning discipline as follows:

- A. All discipline excepting grievance concerning any discipline involving concerted activity.
- B. Discharges involving absenteeism.

- C. Contractual disputes not involving novel problems and which have limited contractual significance of complexity or of a precedent setting nature.
1. The expedited arbitration procedure shall be implemented in light of the circumstances existing in the Research Department, with due regard to the following:
 - a. In accordance with the understanding made by the staff representative of the Union designated pursuant to the Basic Labor Agreement and his/her Company counterpart, the local union and the local management shall appeal the grievance to an arbitrator under this expedited arbitration procedure by mutual agreement of the parties.
 - b. The appeal shall be made within 15 days of receipt of the Step 3 minutes.
 - c. All grievances appealed to Step 4 of the grievance procedure shall be reviewed by each respective Fourth Step Representative, and within 10 days after receipt of appeal of such grievance either Fourth Step Representative may communicate with the other and then jointly determine whether such grievance does not warrant disposition in the Fourth Step but is rather appropriate for expedited arbitration and therefore agree to refer such grievance back to the Third Step parties for review and disposition. Any grievance so referred back to the Third Step parties and for which no agreement can be reached for disposing of the same, may then be appealed by the Chairperson of the Grievance Committee to the expedited arbitration procedure. Such appeal shall be made within 15 days (excluding Saturdays, Sundays and Holidays) after the date the grievance is referred to Step 3. If the grievance is not appealed to the expedited arbitration procedure, it shall be considered withdrawn.
 - d. As soon as it is determined that a grievance is to be processed under this procedure, the local parties shall notify the Administrative Secretary of the area panel. The appeal shall include the date, time and place for the hearing. Thereafter the Rules of Procedure for Expedited Arbitration shall apply.
 2. The hearings shall be conducted in accordance with the following:
 - a. The hearing shall be informal.
 - b. No briefs shall be filed or transcripts made.
 - c. There shall be no formal evidence rules.
 - d. Each party's case shall be presented by a previously designated local representative.
 - e. The arbitrator shall have the obligation of assuring that all necessary facts and considerations are brought before him by the representatives of the parties. In all respects, he shall assure that the hearing is a fair one.
 - f. If the Arbitrator or the parties conclude at the hearing that the issues involved are of such complexity or significance as to require further consideration by the parties, the case shall be referred to the Fourth Step and it shall be processed as though appealed on such date.
 3. The Arbitrator shall issue a decision no later than 48 hours after conclusion of the hearing (excluding Saturdays, Sundays and Holidays). His/her decision shall be based on the records developed by the parties before and at the hearing and shall include a brief written explanation of the basis for his/her conclusion. These decisions shall not be cited as a precedent in any discussion at any step of the grievance or arbitration procedure. The authority of the Arbitrator shall be the same as that provided in Section 1.a. above.
 4. Any grievance appealed to this expedited arbitration procedure must be confined to issues which do not involve novel problems and which have limited contractual significance or complexity.

Section 2.

Settlement of grievances may or may not be retroactive as the equities of the particular cases may demand, but the following limitations shall be observed by arbitrators where the arbitrator's award is retroactive. In any case where the arbitrator determines that the award should be retroactive, the retroactive date shall be as follows:

- A. Cases involving standard base rates on new or changed jobs and incentives (if any in the future), the dates specified in Sections 3 and 10, respectively, of Article 9 of this Agreement.
- B. Discharge cases, the date specified in Article 8 of this Agreement.
- C. Compliance with Article 9 (other than standard base rates on new or changed jobs and incentives); Article 10—Hours of Work; Article 11—Overtime and Holidays; Article 12—Vacations; Article 13—Seniority (except as otherwise specifically provided in Article 13); and Article 16—Severance Pay, the date of the occurrence or non-occurrence of the event upon which the grievance is based but in no event more than thirty (30) calendar days prior to the date of the Step 1 discussion of the complaint.
- D. Matters other than those referred to in subparagraphs “A”, “B” and “C” above, a date not earlier than the date of the Step 1 discussion of the complaint.

Section 3.

Awards involving the payment of monies for retroactive period shall be implemented promptly by the parties in accordance with Section 5 of Article 6.

ARTICLE 8 DISCHARGES AND DISCIPLINES

Section 1.

In the exercise of its right to discharge employees for cause, as set forth in Article 3, the Company agrees that an employee shall not be peremptorily discharged, but in all instances in which the Company may conclude that discharge is warranted, he/she shall first be suspended for five (5) days and notified in writing that he/she is subject to discharge at the end of such period. A copy of such notice shall be furnished to such employee's grievance committee person and the Chairperson of the Grievance Committee promptly. During such five-day period, if the employee believes that he/she has been unjustly dealt with, he/she may request and shall be granted during this period, a hearing and statement of his/her offense before the Division Manager -- Labor Relations, or his/her designated representative, with the employee's grievance committee person and officers of Union present if the employee so chooses. At such hearing, facts and circumstances shall be disclosed to and by both parties.

If, at the suspension hearing, the Company reads the full text of, or excerpts from a Plant Protection report or supervisor's statement into the record, the Union will, upon request, be provided a copy of such statement or report at the conclusion of the hearing, provided that the employee has fully disclosed the facts of which he/she is aware surrounding his/her suspension.

If a hearing is requested, the Company shall, within five (5) days after such hearing, decide whether such suspension shall culminate in discharge, or whether it shall be modified, extended or revoked, and the employee and the Union shall be notified in writing of such decision. If no hearing is requested within the five-day period, the discharge shall become final at the end of such period without further notice or action by the Company, unless the Company shall modify, extend or revoke the suspension or discharge.

If the action taken is revoked, the employee shall be returned to his/her regular occupation and be compensated on the basis of an equitable lump sum payment mutually agreed to by the parties or, in the absence of agreement, made whole for the period of his/her suspension or discharge, which shall include providing him/her such earnings and other benefits as he/she would have received except for such suspension or discharge, and offsetting such earnings or

other amounts as he/she would not have received except for such suspension or discharge. In the event a hearing is requested and the disposition shall result in the discharge of the employee or the modification or extension of the suspension, a written grievance may be filed, under the grievance procedure of Article 6 hereof, beginning with Step 3 within five (5) days after such decision, contending that the action taken was unwarranted in light of the circumstances. Such grievance shall be signed by the employee and his/her Steward, or in his/her absence, the designated Union representative, and shall be considered at a Step 3 meeting during the week following the filing of such grievance.

In the event such grievance is appealed to arbitration in accordance with Step 5 of Section 3 of Article 6, it shall be heard and decision sent to the parties within sixty (60) days of the appeal to arbitration unless the parties mutually agree otherwise. If the arbitrator determines that the action taken should be modified rather than revoked or affirmed, such grievance shall be disposed of upon such terms and conditions as may be deemed proper under the circumstances. If the arbitrator determines that the action should be revoked, the Company shall reinstate and make the employee whole for the period of his/her suspension or discharge, which shall include providing him/her such earnings and other benefits as he/she would have received except for such suspension or discharge, and offsetting such earnings or other amounts as he/she would not have received except for such suspension or discharge. In suspension and discharge cases only, the arbitrator may, when circumstances warrant, modify or eliminate the offset of such earnings or other amounts as would not have been received except for such suspension or discharge.

Section 2.

An employee who is summoned to meet in an office with a supervisor other than his/her own immediate supervisor, or a plant protection officer for the purpose of discussing possible disciplinary action shall be entitled to be accompanied by his/her grievance committee person, or his/her steward or his/her designated Union representative pursuant to Article 6 above if he/she requests such representation, provided such representative is then available, and provided further that, if such representative is not then available, the employee's required attendance at such meeting shall be deferred only for such time during that shift as is necessary to provide opportunity for him/her to secure the attendance of such representative. In instances where the department manager is the immediate supervisor and he/she calls in another employee outside of the department (who was not involved in the incident being investigated) to attend an investigation, the employee will be entitled to a union representative in accordance with the provisions of the Article.

The Company in arbitration proceedings will not make use of any personnel records of previous disciplinary action against the employee involved where the disciplinary action occurred five (5) or more years prior to the date of the event which is the subject of such arbitration.

**ARTICLE 9
WAGES**

Section 1.

The Standard Hourly Wage Rate for the respective salary grades shall be those set forth below:

Effective Dates	9/1/2012	9/1/2013	1/01/2015
Salary Grade			
4	\$21.44	\$21.87	\$22.42
5	\$22.42	\$22.87	\$23.44
6	\$25.20	\$25.70	\$26.34
7	\$26.50	\$27.03	\$27.71

8	\$28.52		\$29.09		\$29.82	
9	\$30.64	\$31.64*	\$31.25	*\$32.27	\$32.03	*\$33.08
10	\$33.31	\$34.31*	\$33.98	*\$35.00	\$34.83	*\$35.88

*Machinist Sequence s.g. 9&10

Incumbents in the bargaining unit whose hourly rates exceed the negotiated rate for their salary grade (i.e., “red-circled” employees) will receive an increase in their “red circle” rate equal to the base rate increase of the salary grade they have attained on the date of the scheduled agreed to increase.

- **Within thirty (30) days of ratification, a Lump Sum Payment of \$2,000 to each Employee actively at work on September 1, 2012.**
- **On May 15, 2014, a Lump Sum Payment of \$500 to each Employee actively at work on April 1, 2014.**
- **Probationary Employees shall not be eligible for a Lump Sum Payment until such time as they successfully completed their probationary period.**
- **An Employee who has been off work and receiving Salary Continuation/Short-Term Disability or Worker’s Compensation Benefits for less than two (2) years as of the eligibility date for a Lump Sum Payment set forth above, and who returns to active work within one (1) year of the eligibility date for the Lump Sum Payment, shall be eligible for such Lump Sum Payment.**
- **Lump Sum Payments shall not be used in the calculation of any other pay, allowance or benefit and shall be subject to all tax withholdings and Union dues.**

Section 2. Application of the Standard Hourly Wage Rate.

- A. All jobs classified within a salary grade shall be paid the standard hourly wage rate for such grade. There shall be established for each standard hourly wage rate, a corresponding monthly rate equivalent to 173.33 times the standard hourly wage rate.
- B. Each standard hourly wage rate as established above is recognized as the straight-time regular rate from which to calculate overtime.
- C. There will be established for each job a time and grade progression starting at salary grade 4* and progressing to the top salary grade for the job. Employees shall move from the initial salary grade 4* to the top salary grade for their occupation in accordance with the following timeline:

Promotion to s.g. 5	2 years in s.g. 4*(applies only to Administrative Sequence, Machinist and Technicians start at s.g. 9 and 6 respectively)
Promotion to s.g. 6	2 years in s.g. 5*(same as above)
Promotion to s.g. 7	2 years in s.g. 6
Promotion to s.g. 8	3 years in s.g. 7
Promotion to s.g. 9	3 years in s.g. 8
Promotion to s.g. 10	3years in s.g. 9** (applies only to Technicians and requires special qualifications)
Promotion to s.g. 10	5 years in s.g. 9**(applies only to Machinist and requires special qualifications)

- D. If an employee is absent for three or more consecutive weeks, excluding vacation, funeral leave, jury duty, or union business, the promotion to the next salary grade will be delayed for that period of absence. If an employee is absent at the time of the scheduled promotion and the absence is long enough to trigger the promotional delay time, the Company may reverse the promotion until the promotional time requirement is achieved. In no case will the earnings paid as a result of the promotion be recouped.

Machinist Sequence

1. Entry into the Machinist Sequence will require certification of the completion of a Machinist Apprenticeship program.
2. An employee is eligible for promotion to the s.g. 10 level upon completing 5 years at s.g. 9 and the successful completion of the proficiency exam defined in paragraph 3 below.
3. In order to be promoted to s.g. 10, employees must pass a proficiency exam to be developed and administered by a local academic institution. Employees will be allowed up to 24 hours to familiarize themselves with the academic institution's equipment if needed.

If an employee is involuntarily transferred to a job in a lower grade, or is reduced to a lower grade due to a job elimination, such employee will retain the standard hourly wage rate they had achieved prior to such reduction.

Section 3. Description and Classification of New or Changed Jobs.

- A. The top grade for existing occupations shall be deemed an agreed-to grade as shown in Appendix A.
- B. The Manager of Personnel Services and Union Base Rate Representative shall execute a study to determine a system of evaluation to classify the bargaining unit jobs. Once completed, the Company shall have one (1) year from that date to classify the jobs in question. Should such classification produce a higher grade than the agreed-to grade, all retroactive liability shall be dated from the signing of the agreement.
- C. It is the intention of the parties that the system of evaluation will reproduce as closely as possible the agreed-to grade in Appendix A. Should the parties be unable to reach agreement on a system of evaluation, the Chairman of the Grievance Procedure and the Director of Industrial Relations shall develop a method of resolving the differences.
- D. If the Company establishes a new job or changes the job content of an existing job, a new job description and classification utilizing the system in place at the time will be assigned to the position on an interim basis. The Union will have a right to challenge the new or changed job through the grievance procedure.

Section 4.

No basis shall exist for an employee, whether paid on an incentive or non-incentive basis, to allege that a wage rate inequity exists, and no grievance on behalf of an employee alleging a wage rate inequity shall be filed or processed during the life of this Agreement. This does not preclude an employee from filing a grievance alleging that he/she is performing and meeting the requirements of a given job but is not receiving the established rate for that job.

Section 5. Sunday Premium.

All hours worked by an Employee on Sunday, shall be paid for on the basis of one and one-half times the Employee's Regular Rate of Pay. For the purpose of this Section, Sunday shall be deemed to be the twenty-four (24) hours beginning with the shift change hour nearest to 12:01 a.m. Sunday.

Section 6. Shift Premium

Employees shall receive a shift premium of twenty-five cents (\$0.25) for all hours worked by Employees designated as Shift Workers. Shift Workers are those Employees who are routinely scheduled at least half their shifts on other than the day shift (all eight (8) hour shifts starting between 6:00 a.m. and 9:00 a.m. are defined as the day shift).

Section 7. Allowance for Jury or Witness Duty

An employee who is called for jury service or subpoenaed as a witness shall be excused from work without deduction from salary for the days on which he/she serves. Service, as used herein, includes required reporting for jury or witness duty when summoned, whether or not he/she is used. The employee will present proof that he/she did serve or report as a juror or was subpoenaed and reported as a witness.

Section 8. Inflation Recognition Payment

1. General Description

The below general description is qualified in its entirety by Paragraphs 2 through 6 below. The purpose of the Inflation Recognition Payment (IRP) is to make quarterly lump-sum payments to Employees if cumulative inflation, as measured over the life of the Basic Labor Agreement, exceeds three percent (3%) per year. At the end of each calendar quarter, the Consumer Price Index (CPI) for the final month of that quarter will be compared to a CPI Threshold (as found in the Table in Paragraph 5 below) which represents what the CPI would be if total inflation since the beginning of the Agreement had averaged three percent (3%) per year. If the actual CPI is higher than the CPI Threshold, a lump sum payment shall be made equal to each full one percent (1.0%) by which the actual CPI is higher than the CPI Threshold, multiplied by the Regular Rate of Pay (overtime rates if applicable) for each position worked by an Employee for all hours actually worked in full calendar weeks in the fiscal quarter (hereafter referred to as "earnings"). Thus, if in a given quarter three percent (3%) annual inflation since the beginning of the Agreement would have produced total inflation of ten percent (10%) and the actual CPI indicates that inflation since the beginning of the contract has been twelve percent (12%) and an Employee had earnings as defined in the paragraph above during the quarter of \$15,000, then that Employee would receive a lump sum payment of two percent (2%) (12% actual inflation minus a 10% CPI Threshold) times \$15,000 or \$300.

2. IRP Payments

- a. Beginning the period ending December 31, 2012, the Company shall, on each Payment Date, make to each Employee an IRP payment equal to:
 - (1) their total earnings as defined above for the Covered Period, multiplied by
 - (2) each full percentage (1.0%), by which the CPI for the Measurement Month exceeds the CPI Threshold for the Measurement Month.
- b. No IRP will be made for any Covered Period unless the CPI for the Measurement Month is greater than the CPI Threshold; in the event the CPI is lower than the CPI Threshold there shall be no recoupment of any kind. The IRP shall be a lump-sum payment and shall not be part of the Employee's Base Rate of Pay or used in the calculation of any other pay, allowance or benefit.

3. Definitions

- a. CPI shall mean the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), U.S. City Average, All Items, Not Seasonally Adjusted (1982-84=100) as published by the Bureau of Labor Statistics. If the Consumer Price Index in its present form and on the same basis as the last Index published prior to June 2008 becomes unavailable, this Section shall be adjusted to produce as nearly as possible the same result as would Agreements between USW and ArcelorMittal Final as of August 30, 2008 have been achieved using the Index in its present form.
- b. Payment Date shall be the forty-fifth (45th) day after the last day of the Measurement Month.
- c. Measurement Month shall be the last month of a Covered Period.
- d. Covered Period(s) shall be as shown in Paragraph 5 below.

- e. **CPI Threshold(s) shall be as shown in Paragraph 5 below, based on the formula in Paragraph 6 below.**

4. Example:

Covered Period 10-01-14 – 12-31-14

Measurement Month December 2014

Hypothetical CPI in Measurement Month 251.936

CPI Threshold for the Covered Period 246.996

The amount, of full percentage point(s), by which the CPI for the Measurement Month exceeds the CPI Threshold for the Covered Period $((251.936 - 246.996)/246.996) = 2.0\%$

Earnings in Covered Period \$15,000

IRP Payment $(\$15000 \times 2.0\%) = \300.00

5. Covered Periods and CPI Thresholds

Covered Period	CPI Threshold
07-01-12 – 09-30-12	None
10-01-12 – 12-31-12	232.817
01-01-13 – 03-31-13	232.817
04-01-13 – 06-30-13	232.817
07-01-13 – 09-30-13	239.802
10-01-13 – 12-31-13	239.802
01-01-14 – 03-31-14	239.802
04-01-14 – 06-30-14	239.802
07-01-14 – 09-30-14	246.996
10-01-14 – 12-31-14	246.996
01-01-15 – 03-31-15	246.996
04-01-15 – 06-30-15	246.996
07-01-15 – 08-31-15	254.406

6. Formula to Calculate CPI Threshold

The CPI Threshold shown in the Table above is the CPI for the month of June, 2012 multiplied by 1.03 per year as expressed in the following formula:

$CPI-W \text{ for } 6-12 \times (1.03)^n$

Where n is the number of Covered Years from the first calendar year of 2012 to the Covered Year in which the calculation is made.

Section 9. Profit Sharing Plan

1. Introduction

The parties agree to establish a profit sharing plan (the Plan).

2. Level of Payout

The Company agrees that it will create a profit sharing pool (the Pool) consisting of 7.5% of the Company's Quarterly Profits, as defined below, and to distribute the Pool within forty-five (45) days of the end of each fiscal quarter, in the manner described below. The fourth (4th) quarter payment will be distributed within fifteen (15) days following the date of the auditor's opinion of the Company's annual audited financial statements, which may include an adjustment for the correction of errors in prior quarters.

3. Calculation of Profits

For the purposes of this Plan,

- a. Profits shall be defined as Earnings Before Interest and Taxes of the Company, calculated on a consolidated basis in accordance with United States Generally Accepted Accounting Principles (GAAP), with the following exclusions:
 - (1) income or loss related to any charges or credits (whether or not identified as special credits or charges) for unusual, infrequently occurring or extraordinary items as defined by GAAP, including credits or charges for plant closures, business dispositions and asset sales that are not normal operating charges or credits of the Company;
 - (2) any cost or expense associated with the Benefit Trust or other similar vehicle;
 - (3) any cost or expense associated with the Plan or any other profit sharing or similar plan for any of the Company's employees;
 - (4) any expense attributable to the allocation or contribution of stock to Company employees;
 - (5) any payments, fees or other expenses that are not in the normal course of business paid directly or indirectly to any person who directly or indirectly owns or controls any equity or equity like interest in the Company; and
 - (6) profits from Excluded Entities as defined in Article One, Section A – Parties to the Agreement.
- b. All transactions between the Company and the Parent or any of its Affiliates shall be conducted on an arms length basis on commercially reasonable terms not less favorable to the Company than those that could be obtained from an unrelated third party.

4. Individual Entitlement

The Pool will be divided among all Employees (Participants) on the basis of the Hours (as defined below) of each such Participant in the calendar weeks within each fiscal quarter.

- a. The award for profit sharing, if any, shall be equivalent to the hourly rate paid under the P&M Profit Sharing Plan in any quarter times 40 hours for each week in the quarter, less any full pay periods of salary continuation. Any time off for leave of absence shall be excluded under this calculation
- b. Any payments made to a Participant pursuant to this Plan shall not be included in the Participant's earnings for purposes of determining any other pay, benefit or allowance of the Participant.

5. Administration of the Plan

- a. The Plan will be administered by the Company in accordance with its terms and the costs of administration shall be the responsibility of the Company. Upon determination of each Quarterly Profit calculation, such calculation shall be forwarded to the Chair of the Union Negotiating

Committee accompanied by a Certificate of Officer signed by the Chief Financial Officer of the Company, providing a detailed description of any adjustments made to Earnings Before Income and Taxes and stating that Profit was determined in accordance with GAAP and that Quarterly Profit was calculated in accordance with this Section.

- b. The Union, through the Chair of its Negotiating Committee or his/her designee, shall have the right to review and audit any information, calculation or other matters concerning the Plan. The Company shall provide the Union with any information reasonably requested in connection with its review. The reasonable actual costs incurred by the Union in connection with any such audit shall be paid from the Pool and deducted from the amount otherwise available under the Pool for distribution to Employees.
- c. In the event that a discrepancy exists between the Company's Profit Sharing calculation and the results obtained by the Union's review, the Chairs of the Union and Company Negotiating Committees shall attempt to reach an agreement regarding the discrepancy. In the event that they cannot resolve the dispute, either party may submit such dispute to final and binding arbitration under the grievance procedure provided in this Agreement.

6. Prompt Payment

Notwithstanding Paragraph 5, the Company shall comply with the requirements of Paragraphs 2 through 4 based on its interpretation of the appropriate payout. If the process described in Paragraph 5 results in a requirement for an additional payout, said payout shall be made no more than fourteen (14) days after the date of the agreed upon resolution or issuance of the arbitrator's decision.

7. Summary Description

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

Section 10. Incentive Plans

The Company, at its discretion, may establish new incentives to cover a certain job or jobs within the bargaining unit. The rules, terms, and conditions of such incentive plans shall be mutually agreed to by the Company and Union.

ARTICLE 10 HOURS OF WORK

Section 1.

A. Scope

This section defines the normal hours of work and shall not be construed as a guarantee of hours of work per day or per week. This Section shall not be considered as any basis for the calculation or payment of overtime.

B. Normal Workday

The normal workday shall be eight (8) hours of work in a twenty-four (24) hour period (except when the nature of the work at monthly closing periods or when business conditions require daily hours in excess of 8). The hours of work shall be consecutive except when an unpaid lunch period is provided in accordance with prevailing practices.

C. Normal Work Pattern

1. The normal work pattern shall be five (5) consecutive workdays beginning on the first day of any 7-consecutive-day period.
2. A work pattern of less or more than five (5) workdays in the 7-consecutive-day period shall not be considered as deviating from the normal work pattern provided the workdays are consecutive.
3. In the event of a flex-time schedule agreed to by the Company and the employee(s), paragraphs B and C. (1) and (2) above will not be applicable.

D. Schedules

1. All employees shall be scheduled on the basis of the normal work pattern except where, (a) such schedules would require the payment of overtime, (b) deviations from the normal work pattern are necessary because of business conditions, breakdowns, or matters beyond the control of the Company; (c) schedules deviating from the normal work pattern are established by agreement between the Company and the Union; or (d) flex-time schedules are utilized. Management agrees that it will, to the greatest degree practicable, refrain from scheduling employees in excess of 8 hours per day or on the afternoon and night shifts.
2. Schedules showing employees' workdays shall be posted or otherwise made known to employees (i.e. a standing verbal schedule), in accordance with prevailing practices, but not later than Thursday of the week preceding the calendar week in which the schedule becomes effective unless otherwise provided by local agreement.
3. Schedules may be changed by the Company at any time except where by local written agreement schedules are not to be changed in the absence of mutual agreement; provided, however, that any changes made after Thursday of the week preceding the calendar week in which the changes are to be effective shall be explained at the earliest practicable time to the Steward; and provided further that, with respect to any such schedules, no changes shall be made after Thursday except for compelling business needs, breakdowns, or other matters beyond the control of the Company.

Section 2.

An employee directed by the Company to take a job other than their normal job shall maintain their normal regular rate of pay, or the rate of the assigned job, whichever is higher, for the time involved.

Section 3.

An employee absenting himself/herself from work or reporting late shall notify his/her supervisor or his/her designated representative that he/she will be absent or late, their anticipated return and the reason therefore as far in advance of his/her starting time as is reasonably possible.

An employee reporting late shall be assigned to work in his/her regular occupation. Notwithstanding the above, in the event a flex-time schedule is being utilized, the agreement concerning that schedule shall apply.

Section 4.

The Company shall schedule forces adequate for the performance of the work to be done. In the event of an absence, the Company reserves the right to either secure a replacement, in accordance with the provisions of Seniority - Article 13, and if the schedule cannot be so filled, the Company shall call out a replacement, unless the work to be accomplished by, or assigned to an individual or the work group, where one exists, can be modified so that it will be within the capacity of such replacement or short work group. The Company shall not be required to fill the vacancy if, in its opinion, the work can be postponed.

Section 5.

A. Call-Out Pay.

An employee who has already left the Research facility after completion of his/her scheduled shift and who is recalled for work shall be required to work a minimum of four (4) hours unless the employee refuses a work assignment or unless some other minimum number of hours of work is agreed to by the local parties.

B. Off-hours pager duty

An employee, who is assigned to carry a pager (or cellular phone) for a specified period during off-hours, will be subject to the following conditions: (This provision does not cover occupations which require pagers during working hours.)

1. Critical stand-by duty

Such employee must be available and fit to report for work promptly if requested. The employee must respond promptly (i.e. within 15 minutes) to any page and must be available for telephone discussion(s). Such employee on critical stand-by duty will be reimbursed (pager pay) one (1) hour's pay at straight time average hourly earnings after every twelve (12) consecutive hour period while on critical stand-by duty whether paged or not.

2. Regular on-call

Such employee should be reasonably available to respond to any page and be available for telephone discussion(s). Such employee will be reimbursed one (1) hour's pay (pager pay) at straight time average hourly earnings per payroll week whether paged or not. In addition, the employee will be reimbursed at straight time average hourly earnings for actual time spent on the phone after the first hour on the phone per payroll week in 6 minute increments in response to (a) Company page(s). The employee must claim pay for telephone time within one (1) week of such time accrued on the telephone per payroll week.

Pager pay received pursuant to the above will not be used to calculate overtime liability, except that any unworked holiday pay entitlement will not be reduced by any amount of such pager pay or pay for time spent on the telephone.

Section 6. Funeral Leave

- 1. In the event of the death of any of the relatives listed below, an Employee, upon request, will be excused and paid for scheduled shifts as detailed below, which fall within a ten (10) day period, provided however that one such calendar day shall include the day of the service.**

Relation	Scheduled Shifts Off
Legal Spouse, Parent, Sibling, Grandchild, Child or Step-Child who lived with the Employee in an immediate family Relationship	5
Step-Parent and Step-Siblings who have lived with the Employee, Mother or Father in-law, Grandparent	3

- 2. Payment shall be eight (8) times the Employee's Regular Rate of Pay. An Employee will not receive bereavement pay when it duplicates pay received for time not worked for any other reason. Time thus paid will not be counted as hours worked for purposes of determining overtime or premium pay.**

**ARTICLE 11
OVERTIME AND HOLIDAYS**

Section 1. Purpose.

This Article shall not be construed as a guarantee of hours of work per day or per week, or a guarantee of days of work per week.

Section 2. Definition of Terms.

- A. The payroll week shall consist of seven (7) consecutive days beginning at 12:01 A.M. Sunday or at the turn-changing hour nearest to that time.
- B. The workday for the purpose of this Article is the twenty-four (24) hour period beginning with the time the employee begins work, except that a tardy employee's workday shall begin at the time it would have begun had he/she not been tardy.
- C. The regular rate of pay, as the term is used in Section 3 below, shall mean the hourly rate which the employee would have received for the work had it been performed during the non-overtime hours; for employees on an incentive, tonnage, or piecework basis, such regular rate of pay shall be the average straight-time hourly earnings as computed in accordance with existing practices.

Section 3. Conditions Under Which Overtime Rates Shall Be Paid.

- A. Overtime at the rate of one and one-half times the regular rate of pay shall be paid for:
 - 1. Hours worked in excess of eight (8) hours in a workday;
 - 2. Hours worked in excess of forty (40) hours in a payroll week;
 - 3. Hours worked on the sixth or seventh workday in a payroll week during which work was performed on five (5) other workdays; it being understood that for the purpose of determining whether work was performed on five (5) other workdays, any day on which an employee reports as scheduled and is prevented through no fault of his/her own from working his/her regularly scheduled eight (8) hour turn shall be counted as a day on which work was performed.
 - 4. Hours worked on the sixth or seventh workday of a 7-consecutive-day period during which the first five (5) days were worked, whether or not all of such days fall within the same payroll week, except when worked pursuant to schedules mutually agreed to as provided for in Subsection "D" of Section 1 of Article 10—Hours of Work; provided, however, that no overtime will be due under such circumstances unless the employee shall notify his/her foreman of a claim for overtime within a period of two (2) weeks after such sixth or seventh day is worked; and provided further that on shift changes the 7-consecutive-day period of one hundred sixty-eight (168) consecutive hours may become one hundred fifty-two (152) consecutive hours depending upon the change in the shift. For the purposes of this Section 3-A-(4) all working schedules now normally used in any department of the Research Department shall be deemed to have been approved by the grievance committee person of the department involved. Such approval may be withdrawn by the grievance committee person of the department involved by giving sixty (60) days prior written notice thereof to the Company.
 - 5. Hours worked on what would otherwise have been the sixth or seventh workday in the schedule on which an employee was scheduled to commence work, should changes be made in schedules contrary to the provisions of Article 10-1, D-(3) so that an employee is laid off on any day within the five (5) scheduled days and is required to work on what would have been the sixth or seventh day workday in the schedule on which he/she was scheduled to commence work.

In the event of a flex-time schedule, paragraphs (1), (4), and (5) may not be applicable.

Section 5.

For all hours worked by an employee on any of the holidays specified below, overtime shall be paid at the rate of two and one-half times the employee's regular rate of pay.

The holidays specified are January 1, Martin Luther King Jr.'s Birthday, Good Friday, Memorial Day which shall be the last Monday in May, July 4, Labor Day, Thanksgiving Day, the day after Thanksgiving Day, the day before Christmas Day, and Christmas Day. The holiday shall be the twenty-four (24) hour period beginning at the turn-changing hour nearest to 12:01 A.M. of the holiday. In a department where no work will be performed on a holiday falling on Saturday, the Company may designate the preceding Friday as the holiday. In order to so designate such holidays, the Company must give notice to affected employees by December 1 of the year preceding the holiday. After such date, Saturday holidays may be moved to Friday only with the agreement of the grievance committee person. Such agreement shall not be unreasonably withheld. If the calendar holiday is Sunday, for the purposes of this Agreement, the holiday shall be the following Monday.

Section 6. Pay for Holidays Not Worked.

An eligible employee who does not work on a Holiday listed in Section 5 shall be paid for such Holiday on the basis of whichever of the following is applicable:

- A. By not deducting a day's pay from his/her applicable biweekly salary rate because of his/her not working on the Holiday, if the Holiday occurs on a day which was within his/her normal 5-day-per-week work schedule, or
- B. By payment of an additional day's pay, if such Holiday occurs on a day outside of his/her normal 5-day-per-week work schedule for which he/she is not being compensated by his/her applicable salary rate. A day's pay shall be eight times the hourly equivalent of his/her biweekly salary rate as computed in accordance with average straight-time earnings (including applicable incentive earnings but excluding shift differentials and Sunday and overtime premiums).

If an eligible employee who is scheduled to work on any such Holiday fails to report or perform his/her scheduled or assigned work, he/she shall become ineligible for pay for the unworked Holiday unless he/she has failed to report or perform such work because of sickness or because of death in the immediate family (as defined in Article 10–Section 6) or because of similar good cause.

When Holiday occurs during an eligible employee's scheduled vacation period, the employee, at the Company's discretion will receive either: (a) compensatory day off which may be taken with the vacation or at another mutually satisfactory time, or (b) an extra day's pay. This shall not apply to (1) an employee whose vacation has been scheduled prior to his/her layoff and who thereafter is laid off and takes his/her vacation as scheduled, or (2) an employee who is not at work at the time his/her vacation is scheduled, but who thereafter returns to work and then is absent from work during a Holiday week because of his/her scheduled vacation. An employee who is not at work at the time of scheduling his/her vacation and is not working at the time his/her vacation commences is not eligible for Holiday pay for a Holiday occurring during his/her vacation within the meaning of Sub-Section 6. B of this Section.

For the purpose of determining whether an employee has worked in excess of 40 hours in a payroll week, if a Holiday occurs on one of an employee's normally scheduled days of work, such employee shall be deemed to have worked 8 hours on the Holiday whether or not he/she actually worked and regardless of whether the Holiday was scheduled as a day of work or rest.

When no work was performed in the payroll period preceding the holiday pay period, the holiday pay period shall be used. Holiday allowance shall be adjusted by an amount per hour to reflect any general wage increase in effect at the time of such holiday, but not in effect in the period used for calculating holiday allowance.

As used in this Section, an eligible employee is one who:

- 1. Has completed thirty (30) turns of work since his/her last hire;

2. performs work or is on vacation in the payroll period in which the holiday occurs; or if he/she is laid off for such payroll period, performs work or is on vacation in both the payroll period preceding and the payroll period following the payroll period in which the holiday occurs; and
3. works as scheduled or assigned both on his/her last scheduled workday prior to and on his/her first scheduled workday following the holiday unless he/she has failed to so work because of sickness or because of death in the immediate family or because of similar good cause.

A part-time employee who is otherwise eligible shall receive pay for a holiday not worked on the basis of his/her average hourly earnings over the last pay period preceding the one in which the holiday is observed, times 8 (including applicable incentive earnings but excluding shift differentials, and Sunday and overtime premiums).

Where the Company is paying on the basis of weekly pay periods, the pay period for purposes of eligibility under this Section shall include the weekly pay period in which the holiday occurs and the next preceding weekly pay period; and holiday allowance shall be calculated on the basis of the two (2) weekly pay periods next preceding the weekly pay period in which the holiday occurs.

If an eligible employee performs work on a holiday, but works less than eight (8) hours, he/she shall be entitled to the benefits of this Section to the extent that the number of hours worked by him on the holiday is less than eight (8). This Section applies in addition to the provisions of Section 5 of Article 10, where applicable.

Section 7. Nonduplication.

Payment of overtime rates shall not be duplicated for the same hours worked, but the higher of the applicable rates shall be used. Hours compensated for at overtime rates shall not be counted further for any purpose in determining overtime liability under the same or any other provisions, provided, however, that a holiday, whether worked or not, shall be counted for purposes of computing overtime liability under the provisions of Section 3-a- (3), (4) or (5) above and hours worked on a holiday shall be counted for purposes of computing overtime liability under the provisions of Section 3-a- (1) above.

Except as above provided, hours paid for but not worked shall not be counted in determining overtime liability.

**ARTICLE 12
VACATIONS**

Section 1. Eligibility

- a. To be eligible for a vacation in any calendar year, an Employee must:
 - (1) have one year or more of Continuous Service;
 - (2) have worked for at least 520 hours during the preceding calendar year; and
 - (3) **have been off work due to compensable workplace illness or injury, in which case the Employee will be credited up to forty hours of work per week for the purpose determining eligibility described in this section; or**
 - (4) **have been off work due to service in the Armed Forces, in which case the Employee will be credited up to forty hours of work per week for the purpose determining eligibility described in this section; and**
 - (5) **has not quit, retired, died or been discharged for cause prior to January 1 of the vacation year.**

Section 2. Length

- a. The amount of vacation due an eligible Employee shall be based on his/her Continuous Service as follows:

<u>Years of Service</u>	<u>Weeks of Vacation</u>
1 but less than 3	1
3 but less than 8	2
8 but less than 15	3
15 but less than 24	4
24 or more	5

- b. A week of vacation shall consist of seven (7) consecutive days.

Section 3. Scheduling

- a. On or promptly after October 1 of each year, each Employee entitled or expected to become entitled to vacation in the following year shall receive a Company form asking him/her to specify in writing the desired vacation period or periods. The Employee shall return the form to the Company within thirty (30) days.
- b. Vacations will, so far as practicable, be granted at times most desired by Employees (longer service Employees being given preference as to choice), but the final right to allot vacation periods on a level load basis and to change such allotments is reserved to the Company.
- c. Employees will be provided with their vacation schedule at least sixty (60) days prior to the start of their vacation period, but in all cases no later than January 1 of the year in which the vacation is to be taken.
- d. Where an Employee transfers from one seniority unit to another, s/he shall take his/her vacation in accordance with the schedule established in his/her old seniority unit, except as orderly operations of his/her new seniority unit preclude it, and his/her transfer shall not be a basis for altering the schedule established prior to his/her transfer.
- e. **Consistent with Paragraphs 3(a) through 3(d) above, Employees shall be permitted to use up to two (2) weeks (i.e., ten (10) days) of their allotted vacation on a day-at-a-time basis.**
- f. With the consent of the Employee, the Company may pay up to one (1) week of vacation allowance, in lieu of time off for vacation, for a week of vacation in excess of two (2) weeks in any one (1) calendar year.
- g. The Company may schedule vacations during a shutdown period if it provides affected Employees with sixty (60) days notice.
- h. At the time of his/her retirement, an Employee may elect to receive a lump-sum payment for any unused vacation entitlement.

Section 4. Grievances

Step 1 Any employee who believes that he/she has a justifiable complaint involving the scheduling of his/her vacation shall discuss his/her complaint with his/her department manager, with or without the Union representative for his/her plant area being present as the employee may elect, in an attempt to settle same. However, any such employee may, instead, if he/she so desires, report the matter directly to his/her Union representative for his/her plant area. In such event, such Union representative, if he/she believes the complaint merits discussion, shall take it up with the employee's department manager in a sincere effort to resolve the problem. The provisions of Article 6, Section 3 shall apply if the employee's department manager and the area Union representative in the oral step, after full discussion, feel the need for aid in arriving at a solution. At the conclusion of such discussion, the employee's department manager and the area Union representative, or their designated representatives, shall promptly complete and sign the Step 2 oral disposition form to be furnished by the Company.

Step 2 The employee's complaint may be appealed as provided in Step 2 of Section 3 of Article 6 to the Fourth Step no later than fifteen (15) days after the vacation schedule for the employee's vacation scheduling unit is posted or otherwise made known to employees via written copy in accordance with the above. If an employee is absent from the plant during the entire posting or notification period due to illness, injury, or being on vacation and is not otherwise notified during such posting or notification period of the vacation period allotted to her/him, his/her complaint may be appealed as provided herein within seven (7) days after his/her return to work and processed in accordance with step 2 of this Article.

Step 4 If the grievance remains unsettled after having been processed in Step 2, the International Representative assigned to the plant may, within seven (7) days after the mailing of the Step 2 answer, request, in writing, a meeting with the Step 4 Representative of the Company for the purpose of discussing the grievance. The provisions of Step 4 of Section 3 of Article 6 shall apply with respect to such grievance.

Step 5 If the grievance is not settled under the foregoing procedure, then the Union Step 4 Representative may, within seven (7) calendar days after receipt of the Step 4 minutes, request, in writing, that the matter be submitted to an arbitrator appointed by the parties hereto. The provisions of Section 1 of Article 7 shall apply with respect to such grievance except that three (3) copies of the Union's pre-hearing brief shall be filed with the arbitrator within ten (10) calendar days after such request is delivered to the Company and the Company shall, within ten (10) days following receipt of notice from the arbitrator that the Union has submitted a pre-hearing brief, file three (3) copies of a pre-hearing brief setting forth a statement of the facts and its position.

It is understood by the parties that the intent of the foregoing grievance and arbitration procedure is to obtain the issuance of a decision in arbitration no later than sixty (60) days prior to the scheduled starting date of the vacation.

In the resolution of such disputes, the Company's determination as to the scheduling required to insure the orderly operation of the plant shall be evaluated on the basis of the information reasonably available to the Company at the time the Company scheduled the vacation.

Section 5. Vacation Rate of Pay

- a. Employees will be paid for each week of vacation the greater of:
 - (1) forty (40) multiplied by the Base Rate of Pay of the Employee's permanent job as of January 1 of the vacation year, or
 - (2) two percent (2%) of their W-2 earnings excluding profit sharing payments during the preceding year (such amount Vacation Rate of Pay).
- b. The Daily Vacation Rate of Pay of each Employee shall be the Vacation Rate of Pay divided by five (5).
- c. The Hourly Vacation Rate of Pay of each Employee shall be the Vacation Rate of Pay divided by forty (40).
- d. Any Employee who did not work in the prior year shall have his/her Vacation Rate of Pay computed on the basis of his/her last calculated Rate.

Section 6. Minimum Vacation (Employees Other Than New Hires)

Notwithstanding the above, an Employee with one (1) year or more of Continuous Service who is not eligible for vacation based on the above and who works at least 520 hours in a calendar year shall receive one (1) week of vacation during that calendar year. The Company shall make reasonable efforts to schedule that vacation at the time desired by the Employee, provided it does not disrupt the vacation schedule already established hereunder.

Section 7. Vacation Bonus

A vacation bonus of \$250 per week will be paid to Employees for each week of vacation taken in the ten (10) consecutive calendar week period beginning with the first full week following the calendar week containing New Year’s Day.

Section 8. Time for Payment.

All money due to an employee for a vacation will be paid on regular paydays, unless otherwise requested.

Section 9. Part-time Employees.

Part time work will be treated as a period of absence for vacation eligibility purposes under Article 12, Section 1.

Section 10. Vacation Allowance.

The Union and the Company agree that their mutual objective is to afford maximum opportunity to the employees to obtain their vacations and to attain maximum production.

The vacation allowance due an employee shall be computed as provided in Section 5 above.

**ARTICLE 13
SENIORITY**

The parties agree that promotional opportunity, job security when a decrease of forces takes place, and recalls from layoffs should merit consideration in proportion to length of continuous service. It is also recognized that efficient operation of the Research Department greatly depends on the ability of the individual to perform his/her job.

Section 1. Definition of Seniority

Employees within the bargaining unit shall be given consideration in respect to promotional opportunity for positions not excluded from said unit, job security upon a decrease of forces, and preference upon reinstatement after layoff, in accord with their seniority status relative to one another. “Seniority” as used herein shall include the following factors:

- A. Plant continuous length of service, except where by agreement some other measure is utilized;
- B. Ability to perform the work
- C. Physical fitness

It is understood and agreed that where factors “B” and “C” are relatively equal, length of continuous service as hereinafter made applicable shall govern. In the evaluation of “B” and “C”, Management shall be the judge, provided that this will not be used for purposes of discrimination against any member of the Union. If objection is raised to Management’s evaluation, and where personnel records have not established a differential in abilities of two (2) employees, a reasonable trial period of not less than thirty (30) days shall be allowed the employee with the longest continuous-service record as hereinafter provided.

Section 2. Personnel Records (excluding medical records).

Records as to each employee’s service with the Company shall be maintained in the department in which he/she is employed, and such records shall include matter relative to an employee’s work performance and length of service. Each employee shall at all times have access to his/her departmental personnel record and in case of those employees whose departmental record indicates unsatisfactory workmanship, the manager of the department or his/her assistant will call the employee in and acquaint him/her with the reasons for an unsatisfactory rating.

The managers of departments will, when necessary, continue the program of acquainting the employee with written notices of discipline or warning to stop practices infringing on regulations or improper workmanship. In all cases where (1) year elapses after a violation requiring written notice, and the employee involved does not require retraining, such violation will not influence the employees record.

These records of the employee's individual performance have much influence on the "Ability to perform the work" clause in Section 1 of this Article, but in no case will the Company contend inability to perform the work when the procedure as outlined in this Section has not been strictly complied with. Should any dispute arise over the accuracy of the personnel record, it shall be disposed of through the normal grievance procedure.

Section 3. Seniority Sequences

Seniority sequences are intended to provide definite lines for promotion and demotion, insofar as practicable, in accordance with local work relationships, supervisory groupings and geographic locations, and such sequences shall be set up in diagram form. The company shall maintain sole right of assignment within each seniority unit box (i.e. occupation) regardless of pay grades. Where applicable, it shall be a specific objective to establish such promotional sequences, insofar as possible, in such a manner that each sequence step will provide opportunity for employees to become acquainted with and to prepare themselves for the requirements of the job above. The arrangement of occupations within a promotional sequence shall be in ascending order of total average earnings on the jobs concerned. The arrangement of employees within each box (i.e. occupation) shall be by plant date within each pay grade. Where job earnings are approximately equal, the job generally regarded as most closely related to the next higher job shall be the higher in the promotional sequence arrangement.

Promotional sequence diagrams, together with a list of the employees in the sequence and their relative relationship therein, shall be posted upon the bulletin boards in the department involved, and such sequence diagrams shall remain in effect for the life of this Agreement unless changed by mutual agreement in writing between the manager of the department and the grievance committee person for the area involved and approved by the Union Step 4 Representative and the Division Manager -- Labor Relations or as hereafter provided in this Section. The Union shall be furnished two (2) copies of such list.

The lists of employee relationships shall be kept up-to-date by the departmental management and made available for review upon request (which shall not be unreasonably denied) by the Area Grievance Committee person. A copy of such lists which is furnished to the Union in accordance with Section 3 of this Article, shall be provided him/her once each six (6) months. Where a new department is established, such sequence diagrams and lists shall be established under the principles set forth above. Where a permanent change in the relationship of jobs in a sequence takes place or new jobs are installed, or employees within an occupation are assigned a higher pay grade the sequence diagrams and lists referred to in this Section shall be revised under the principles set forth above. Such diagrams and lists shall take effect at the time of posting, subject to being revised under the grievance procedure of Article 6 hereof, beginning with Step 2, by a complaint filed within thirty (30) days from the date of posting, provided, however, that typographical errors first occurring subsequent to the date of this Agreement will not prejudice the seniority rights of the individual employees in the future.

Section 4. Permanent Vacancies and Transfer Rights

An employee who, due to a decrease in forces, is assigned to a seniority unit for purposes of retention shall not be able to effectuate a permanent transfer to that seniority unit by refusing a recall to his/her established seniority unit. However, nothing contained herein shall preclude such an employee from effectuating a permanent transfer by bidding for a permanent vacancy in such a seniority unit or any other seniority unit. Moreover, nothing contained herein shall affect the rights of such employees under a permanent shutdown situation. In addition, an employee so retained shall have no seniority rights for promotional purposes in that seniority unit, except in competition with an employee in such seniority unit who has been established in that seniority unit employed less than 31 days prior to the retained employee's assignment in that seniority unit.

When a permanent vacancy develops, or is expected to develop (other than a temporary vacancy in the promotional line in any seniority unit), Management shall, to the greatest degree practicable, post notice of such vacancy or

expected vacancy, or job assignments where such is the present practice, for such period of time and in such manner as may be appropriate at the Research facility.

The Steward and the manager of the department involved may agree to provide for the filling of vacancies otherwise than as set forth in this Article. Any such agreement, to be valid and enforceable, must not unnecessarily restrict the transfer and promotional rights provided by this Article, be in writing and signed by the department manager and the Steward involved and approved in writing by the Union Step 4 Representative and the Division Manager -- Labor Relations. Any such local seniority agreement in effect on August 31, 2012 shall continue in force, provisions to the contrary therein notwithstanding, unless either the grievance committee person or the manager of the department, with the approval, respectively, of the Union Step 4 Representative or the Division Manager -- Labor Relations, notifies the other in writing at the commencement of, or during local negotiations, for the succeeding Agreement of his/her desire to terminate such local seniority agreement.

If an employee accepts transfer, his/her continuous service in the sequence from which he/she transfers will be canceled 30 days after such transfer, provided however, that during such 30-day period such employee may voluntarily return to the unit from which he/she transferred or Management may return him/her to that unit because he/she cannot fulfill the requirements of the job. In the event an employee accepts transfer under this Section 4, he/she may not again apply for transfer during the period of one (1) year after such transfer. In the event an employee refuses a transfer after applying therefore or voluntarily returns to the unit from which he/she transferred, he/she may not again apply for transfer during the period of six (6) months after such event.

Notwithstanding the above, should an employee permanently transfer from his/her sequence following the elimination of his/her job or previous sequence, and work in such new sequence beyond 30 turns (excluding training turns), such employee may return, if still qualified, to his/her previous job or sequence should such job or sequence be reinstated as the result of a grievance settlement or arbitration decision. Such election to return to the reinstated job or sequence must be made within thirty (30) days of such grievance settlement or receipt of such arbitration decision. No further retroactive seniority adjustments in the new job and/or sequence will be required as a result of the employee's return to his/her original sequence. Any openings created as a direct result of this provision shall be filled in accordance with the language of this section.

Section 5. Posting of Vacancies

Permanent vacancies as defined above in sequential occupations which are not filled by employees with standing in the sequence or are on the entry level position, shall be filled by the bidders in the order set forth in Appendix B selected in accordance with the following: Such vacancy shall be posted for twelve (12) calendar days beginning on a Monday in locations at the Research Department and at the Indiana Harbor Works where notices to employees are generally posted. An employee desiring to bid for such vacancy shall do so in writing on a form furnished by the Company. After the end of such twelve-(12) day period, the Company shall fill the vacancy, if it continues to exist from the bidders who apply therefore pursuant to the posting procedure, in accordance with the provisions of Section 1 of this Article. In applying the provisions of Section 1-B of Article 13, the assignment of a junior employee to a temporary vacancy on such posted job shall not be used as a presumption of greater ability in favor of such employee if such temporary vacancy was not made available to the senior employee. The employee(s) selected to fill the vacancy (ies) and his/her plant continuous service date shall be posted within seven (7) days following assignment.

The term "entry level job" refers to the job or jobs in a seniority unit or line of promotion in which permanent vacancies remain after all employees with incumbency status in such unit or line have exercised their promotional and other seniority rights.

The Personnel Department shall accept up to two (2) bids for positions which may be posted at a later date. The employee shall be given written confirmation of his/her bid. No employee shall have more than two (2) such bids on file at one time. If more than two (2) such bids are on file, only the last two (2) filed shall be considered hereunder.

Permanent vacancies may be filled by temporary assignments until such time as the prevailing bidder is selected and assigned. Should management deem it necessary to retain an employee on his/her former job in order to continue efficient operation, it may do so on the basis of establishing such employee on the new job and temporarily assigning him to his/her former job until a suitable replacement can be trained for the job or its performance is no

longer required. In no event shall an employee be held for more than four (4) full pay periods following the week they accept the vacancy.

If an employee returns or is returned to the department and sequence from which he/she transferred, any vacancy in the department from which he/she returns or is returned shall be filled by the remaining senior bidder who applied when the vacancy was originally posted, providing that such event occurs within 180 days from the date that the vacancy was originally posted. Should such event occur more than 180 days from the date of original posting, notice of such permanent vacancy shall be reposted.

Section 6. Temporary Vacancies

Vacancies which cannot be filled by established employees may be filled on a temporary basis by the senior qualified employee displaced from his/her established sequence. Should there be no such qualified employee, the Company will attempt to fill the need using overtime, first from the sequence involved, and then from other Research sequences where qualified employees exist. If there are no such qualified employees available, the Company may fill the opening with a P&M or O&T employee from IHW. Should filling such vacancy with a P&M or O&T employee result in overtime in the P&M or O&T employee's established sequence above 15% of scheduled turns, the vacancy(ies) must first be offered to Research unit employees on an overtime basis.

Alternatively, the Company may fill the vacancy with a retired Mittal Steel Co employee. In no circumstances may such employee work overtime. Notwithstanding the above such contractor employee must be notified through the normal contracting out mechanism.

Section 7. Other Factors Affecting Employment

Employees on leave of absence, employees inactive because of established bona fide illness, employees temporarily demoted for cause, disciplined with time off, or temporarily demoted to a lower job at their own request for good cause, shall, upon return, resume their former position in the sequence in accordance with the provisions of this Agreement.

Section 8. Force and Crew Reductions.

When it becomes necessary to reduce operations, unless otherwise mutually agreed between the manager of the department and the Steward, demotions and other reductions in forces shall be made in descending job sequence order starting with the highest affected job and with the employee on such job having the least length of plant continuous service. Reductions within an occupation shall be by plant continuous length of service within each pay grade.

Nothing in this Section 8 shall be construed to guarantee any individual employee any number of hours of work in a week or as determining the size of crews to be scheduled.

Section 9. Recalls or Step-Ups in Sequences.

Recall to or step-up in the sequence shall be made in the reverse order of layoff or other reduction in forces so that the same experienced people shall return to jobs in the same positions relative to one another that existed prior to the reductions.

In the event an employee laid off and not currently working at the Research facility, would be recalled, in accordance with the above, to fill a temporary vacancy in his/her established sequence, such employee shall have the opportunity to waive such recall and remain on layoff. Should an employee waive recall, the remaining vacancy will be filled in accordance with this Article.

Section 10. Probationary Employees

All newly hired employees will be regarded as probationary employees for the first one thousand (1,000) hours of actual work of their employment and will receive no continuous-service credit during such period. During this period

of probationary employment, employees may be laid off or discharged as exclusively determined by the Management, provided that such layoffs and discharges will not be used for purposes of discrimination because of race, color, religious creed, national origin, or sex or because of membership in the Union. After one thousand (1,000) hours of actual work, the employee shall receive plant continuous-service credit from his/her hiring date. If a probationary employee is terminated because of lack of work and is rehired within two weeks of his/her last termination from employment at the Research Department, his/her continuous service date will be the date of hire for his/her prior employment.

Section 11. Calculation of Continuous Service.

Continuous service shall be calculated from the date of first employment or re-employment following a break in continuous service in accordance with the following provisions:

There shall be no deduction for any time lost which does not constitute a break in continuous service.

Continuity of service and the employment relationship shall be broken and terminated when:

1. An employee quits or is discharged for cause.
2. An employee who has been laid off fails to report for work within five (5) calendar days (excluding Sundays and holidays) after receipt of a certified mail notice sent to his/her last known address appearing on Company records, or within seven (7) calendar days (excluding Sundays and holidays) after the mailing of such notice, whichever is earlier.
3. An employee fails to report for work at the termination of a leave of absence or an extension thereof.
4. An employee is absent from work for a full pay period without notifying the Company except in cases of emergency or other justifiable reasons preventing the employee from properly notifying.
5. An employee is absent for a period exceeding that for which statutory compensation was payable due to and injury on duty, except when in the opinion of the Company's Medical Director this period should be extended.
6. An employee is terminated in accordance with Article 16– Severance Allowance.
7. An employee is absent in excess of the period during which continuous service can accumulate subject to the provisions of paragraph 5 above, if an employee shall be absent because of layoff and/or physical disability, he/she shall continue to accumulate continuous service during such absence for two (2) years, and for an additional period equal to (a) three (3) years or (b) the excess, if any, of his/her length of continuous service at commencement of such absence over two (2) years, whichever is less. Any accumulation in excess of two (2) years during such absence shall be counted, however, only for purposes of applying “seniority” provisions of this agreement and shall not be counted for any other purpose under this or any other agreement(s) including benefits agreements between the Company and the Union.

Section 12. Seniority with Relation to Supervisory Occupations.

Any supervisor shall not perform work on a job normally performed by an employee in the bargaining unit; provided, however, this provision shall not be construed to prohibit supervisors from performing the following types of work:

- A. Experimental work;
- B. Demonstration work performed for the purpose of instructing and training employees;
- C. Work required of the supervisors by emergency conditions which if not performed might result in interference with operations, bodily injury, or loss or damage to material or equipment; and

- D. Work which, under the circumstances then existing, it would be unreasonable to assign to a bargaining unit employee and which is negligible in amount.

Work which is incidental to supervisory duties on a job normally performed by a supervisor, even though similar duties found in jobs in the bargaining unit, shall not be affected by this provision.

If a supervisor performs work in violation of this Section 12 and the employee who otherwise would have performed this can reasonably be identified, the Company shall pay such employee the applicable standard hourly wage rate for the time involved or for four (4) hours, whichever is greater.

Section 13. Leaves of Absence

An employee who is entitled to reemployment at the Research Department under the provisions of this Section and who applies for such reemployment and who desires to pursue a course of study in accordance with the laws of the United States granting him/her such opportunity shall be granted a leave of absence for such purpose. An employee who desires such a leave of absence after returning to his/her employment with the Company shall have it granted only if he/she notifies the Company in writing, within one year after his/her reemployment, of his/her intention to pursue such a course of study. Such leave of absence shall not constitute a break in his/her length of service and the period of such leave shall be included in his/her length of continuous service, if such employee shall report promptly for reemployment after the completion or termination of such course of study and if he/she shall at least once each year notify the Management and the Union in writing of his/her intention to return to work at the Research Department at the completion or termination of such course of study.

Section 14. Leave of Absence for Employment with the Union

1. Leaves of absence for the purpose of accepting positions with the International or Local Unions shall be made available to a reasonable number of Employees. Employees who intend to apply for such leaves shall give the Company adequate notice to enable it to fill the jobs vacated.
2. Leaves of absence for the purpose of accepting or continuing in a temporary position with the International shall be for periods of six (6) months and shall be extended upon request; provided, however, in no event shall an Employee be entitled under this provision to a leave of absence exceeding two (2) continuous years.
3. Leaves of absence for the purpose of accepting permanent positions with the International Union shall be for a period concurrent with the individual's permanent employment with the International Union. When an individual is made a permanent employee of the International Union (by completing his/her probationary period), s/he shall, from that point forward, retain his/her leave of absence status with the Company but shall not receive any Covered Service or hourly contributions under the Steelworkers Pension Trust. Such individual shall accumulate Continuous Service for all other purposes under the Agreement and local agreements thereunder; provided that s/he shall not be entitled to actually receive any contractual benefits during the period of the leave of absence.
4. Leaves of absence for the purpose of accepting positions with the Local Unions shall be for a period not in excess of three (3) years and may be renewed for further periods of three (3) years each.
5. Except as set forth above in Paragraph 3, Continuous Service shall continue to accrue and shall not be broken by a leave of absence under this Section.

Section 15. Preferential Seniority

The Steward provided for in Article 6 hereof shall, for their respective terms of office, have top seniority rights in their respective departments (or if no work is available in the grievance committeeman's department, in the area which he represents) for the purpose of layoffs in connection with reduction of working forces therein; provided, however, that such Steward shall not be retained in the employ of the Company unless work which they can perform is available in such area.

Section 16. Part Time Employees

A part-time employee is an employee who by prior and fixed arrangement is not available for work on the prevailing schedules applied in the department to which he/she is attached. Such an employee, during any period of part-time employment, shall accrue plant continuous-service credit on the basis of one (1) year's credit for each 2,080 hours worked. Part-time employees will not be permitted to enter sequences to fill permanent vacancies. Should a part-time employee become available for full-time employment he/she shall then be allowed any sequential standing he/she previously held in the sequence.

Section 17. Staffing of New Facilities.

A. In the staffing of jobs on new facilities at the Research facility, the jobs shall be filled by qualified employees who apply for such jobs in the order of plant length of service from the following categories in the following order but subject to paragraph "B" below:

1. Employees displaced from any facilities being replaced by the new facilities.
2. Employees being displaced as the result of the installation of the new facilities.
3. Employees presently employed on like facilities.
4. Employees presently on layoff from like facilities
5. All other employees at the Research facility provided that if sufficient qualified applicants from this source are not available, Management shall fill the remaining vacancies as it deems appropriate.

When a new facility is to be staffed, the Company and the International Representative of the Union assigned to the Research facility and the Steward shall meet for the purpose of discussing whether sequential standing or plant length of service is to be considered in connection with the above categories. In the event they do not agree within fifteen (15) days, the Company shall advise the Union in writing of the service factor it deems appropriate in the particular situation and the Union may within fifteen (15) days from such notification file a grievance alleging that such determination is not appropriate in the particular situation. Such grievance shall set forth the specific claim of the Union as to the appropriate service factor and shall be promptly submitted to the permanent arbitrator for determination and the arbitrator shall promptly render his decision.

B. In determining whether or not an employee is qualified pursuant to paragraph A above, an applicant otherwise eligible shall have:

1. The necessary qualifications for performing the job.
2. The ability to absorb such training for the job as is to be offered and is necessary to enable the employee to perform the job satisfactorily.
3. The necessary qualifications to progress in the promotional sequence involved to the next higher job to the extent that Management needs employees for such progression. In determining the necessary qualifications to advance in the promotional sequence involved, the normal experience acquired by employees in such sequence shall be taken into consideration. However, it is recognized that Management can require that a sufficient number of occupants of each job in a promotional sequence be available to assure an adequate number of qualified replacements for the next higher job.

C. An applicant who is disqualified under paragraph of this Section 17 above shall have the right to apply for another job for which he believes he/she can qualify.

D. When new facilities are to be staffed pursuant to this Section 17 the local parties as set forth above shall meet and may establish, in appropriate circumstances, rules for allowing an employee not placed initially a second

opportunity to elect transfer to the new facility consistent with its efficient operation. In establishing such rules, the local parties shall consider matters such as:

1. The job level in the promotional sequence in the new department up to which an employee will be allowed a second opportunity to elect transfer.
2. The sequential standing, if any, to be established for such employee in the new department.
3. The date on which the second opportunity must be exercised following start-up of the new facility, but not more than three (3) years thereafter. (In determining such date, the parties shall give due consideration to possible Management abandonment of the old facility or an extended period of its nonuse.

In lieu of or in addition to the foregoing, the local parties may develop a method for filling permanent vacancies in the new facility between the time of initial staffing and the final election to transfer.

- E. Should Management deem it necessary to assign an employee to his/her regular job on the old facility in order to continue its efficient operation, it may do so on the basis of establishing such employee on the new job and temporarily assigning him/her to his/her former job until a suitable replacement can be trained for the job or its performance is no longer required. In such event, such employee shall be entitled to earnings not less than what he/she would have made had he/she been working on the job on which he/she has been established.

Section 18. Intraplant Transfers.

It is recognized that conflicting seniority claims among employees may arise when department facilities are created, expanded, added, merged, or discontinued, involving the possible transfer of employees. It is agreed that such claims are matters for which adjustment shall be sought between Management and the appropriate Union representatives or committees.

In the event the above procedure does not result in agreement, the International Union and the Company may work out such agreements as they deem appropriate irrespective of existing seniority agreements or may submit the matter to arbitration under such conditions, procedures, guides and stipulations as to which they may mutually agree, provided, however, that such agreements or conditions, procedures, guides, and stipulations do not unnecessarily restrict the transfer and promotional rights provided by this Article.

Section 19. Compensation for Improper Layoff or Recall.

In the event of improper layoff or failure to recall an employee in accordance with his seniority rights, in the absence of mutual agreements to an equitable lump sum payment, he/she shall be made whole for the period during which he/she is entitled to retroactivity in the same manner set forth in Article 8, Section 1.

Section 20. Filling Permanent Vacancies In P & M and O&T Positions.

Should a posted permanent vacancy within the Production and Maintenance or Office and Technical Unit(s) remain unfilled after exhausting the bidding process within either of those units, the vacancy shall be filled by the senior bidder within the Research Unit, if any.

ARTICLE 14 SAFETY AND HEALTH

Section 1.

The Company and the Union will cooperate in the continuing objective to eliminate accidents and health hazards. The Company shall make reasonable provisions for the safety and health of its employees at the Research Department. The Company, the Union and the employees recognize their obligations and/or rights under existing federal and state laws with respect to safety and health matters.

Where devices which emit ionizing radiation are used, the Company will continue to maintain safety standards with respect to such devices not less rigid than those adopted from time to time by the Nuclear Regulatory Commission and will maintain procedures designed to safeguard employees and will instruct them as to safe working procedures involving such devices.

Where the Company uses toxic materials, it shall inform the affected employees what hazards, if any, are involved, and what precautions shall be taken to insure the safety and health of the employees. Upon the request of the Union members of the JHSLT, the Company shall provide copies of material safety data sheets or their equivalent on toxic substances to which employees are exposed in the work place; provided that when the information is considered proprietary, the Company shall so advise the Union members and provide sufficient information for the Union to make further inquiry.

The Company will continue its program of periodic in-Research Department air sampling and noise testing under the direction of qualified personnel. Where the Union members of the JHSLT allege a significant on-the-job health hazard due to facility air pollution, or noise, the Company will also make such additional tests and investigations as are necessary and shall notify the Union members of JHSLT when such a test is to take place. A report based on such additional tests and investigations shall be reviewed and discussed with the Union members of the JHSLT. For such surveys conducted at the request of the Union members of the JHSLT, a written summary of the sampling and testing results and the conclusions of the investigation shall be provided to the Union committee members.

The Company shall provide adequate first aid for all employees during their working hours.

An employee who, as a result of an industrial accident, is unable to return to his/her assigned job for the balance of the shift on which he/she was injured will be paid for any wages lost on that shift.

Section 2.

Protective equipment and other devices necessary to properly protect employees from injury and sickness shall be provided by the Company according to practices now prevailing, or as such practices may be improved from time to time by the Company. Such protective equipment shall be provided by the Company without cost, except that the Company may assess a fair charge to cover loss or willful destruction thereof by the employee. When the Company introduces new personal protective apparel or extends the use of protective apparel to new areas or issues new rules relating to the use of protective apparel, the matter will be discussed with the Union Steward as soon as practicable, with the objective of increasing cooperation. Should differences result from such discussion, a grievance may be filed in the Third Step by the Chairperson of the Grievance Committee within thirty (30) days thereafter. In the event that the grievance progresses through the grievance procedure to arbitration, the arbitrator shall determine whether such rule or requirement is appropriate to achieve the objective set forth in Section 1 of Article 14. The Company may require the use of new protective apparel for experimental purposes for a limited period of time which is reasonable under the existing circumstances. The Company shall inform the Steward of each such experiment use and the period of time contemplated.

Section 3.

It shall be the policy of the Company to give consideration to providing heat and ventilation in connection with abnormal working conditions where needed in the judgment of the Company.

Section 4.

The health service at the Indiana Harbor Works shall be available to employees of the Research Department within reasonable limits. It is understood that the words "reasonable limits" makes this consideration dependent upon certain procedures established by the medical profession generally and specifically by the Industrial Code of Ethics of the Lake County Medical Society of Indiana.

Section 5.

The parties will continue to utilize the Research Department Safety Committee which will implement

recommendations of the IHW Joint Health and Safety Lead Team, (JHSLT), for the purpose of improving the parties' effectiveness in accomplishing our mutual objective of eliminating occupational accidents and illnesses at the Research Department and in the plant. There shall be four (4) regular members on the team made up of equal numbers of Company and Union Representatives. Additional members to the team may be appointed on an ad hoc basis, for the period necessary to address specific issues and activities as approved by the Company. The management representatives shall be selected by the Company and the Union representatives shall be certified by the President of the Local Union.

The IHW Joint Health and Safety Lead Team shall be responsible for developing a mission statement and a list of duties and responsibilities which must be consistent with the following general joint committee functions:

- A. Developing programs and countermeasures to address adverse injury and illness trends;
- B. Considering and interpreting existing practices, policies, and rules and formulating necessary changes in existing practices, policies and rules to improve safety and health and/or to comply with regulatory mandates;
- C. Overseeing the ArcelorMittal Employee Safety Program;
- D. Recommending and approving safety training programs.

As needed, but no less than monthly, the Research Department Safety Committee shall meet to discuss agenda items and to otherwise perform its functions as outlined above. Access to the Research facility by Union members of the joint committee for the purpose of conducting the legitimate business of the committee after notice to the Manager of the department or his/her designated representative shall not be unreasonably requested and shall not be unreasonably withheld.

The decision making authority of the Union members on the Research Department Safety Committee shall be consistent with the Memorandum of Understanding on ArcelorMittal/USWA Partnership and specifically Attachment B of that Memorandum.

In the event the Company requires an employee to testify at the formal investigation into the causes of an injury, the employee may arrange to have the Steward or his/her designated representative, present as an observer and participant at the proceedings for the period of time required to take the employee's testimony. In the case of serious lost workday or fatal accidents or accidents which could have resulted in lost workday or fatal accidents and require a formal fact-finding investigation, the Company, will as soon as practicable after such accident, notify members of the JHSLT who shall have the right to visit the scene of the accident promptly upon such notification, if they so desire, accompanied by a departmental management representative. The Company shall invite a Union member of the Research Department Safety Committee to attend its fact-finding investigation. After said investigation is completed, the Company will provide to the Union a copy of the accident investigation report. In such cases, when requested by such Union committee members, the Manager, Health and Safety, IHW or his/her designated representative, will review the report with the Union members of the Joint Health and Safety Lead Team. Also, in such cases, the Manager, Health and Safety, IHW, or his/her designated representative, when requested by a member of the Joint Health and Safety Lead Team, will visit the scene of the accident with such Union Research Department Safety committee member.

The Company will notify as soon as practicable the Steward of all injuries.

The Manager of Health and Safety will, from a single source at the Company headquarters level, provide the International Union Safety and Health Department with prompt notification of any accident resulting in a fatality to a Union member. This notification shall be either oral or written and include the date of the fatality, the plant or unit location of the fatality and, if known, the cause of the fatality. The Company will provide the International Union Safety and Health Department with a copy of the fatal accident report that is given to the Union members of the Joint Health and Safety Lead Team. Any necessary discussion or other communication on this data between the Company and the International Union will be with the individual designated to provide such information.

Once each year the Company will, from the same source described above, provide to the International Union Safety and Health Department the OSHA Form 200 Summary of Occupational Injuries and Illnesses or its equivalent for each plant covered by this Agreement. Upon request and for specific locations where detailed information is necessary, the Company will, from the same source, provide a copy of the OSHA Form 200 Log of Occupational Injuries and Illnesses or its equivalent.

The Local Union President and Union members of the Joint Health and Safety Lead Team shall meet with designated representatives of the Company at least annually to review the operation of this Article with a view to achieving maximum understanding as to how the Company and the Union can most effectively cooperate in achieving the objective set forth in Section 1 of this Article.

Section 6. Disputes.

An employee or group of employees who believe that they are being required to work under conditions which are unsafe or unhealthy beyond the normal hazard inherent in the operation in question shall discuss the complaint with his/her or their supervisor. The supervisor and employee(s) shall jointly visit the work site to review the specific safety concerns involved in an attempt to resolve the matter. Following such discussion, the oral disposition form provided for in Step 1 of Section 3 of Article 6 shall be immediately prepared, signed, and signed by the parties and distributed as therein provided. If the complaint remains unsettled, the employee or group of employees shall have the right to: (a) file a grievance in Step 3 of the grievance procedure, which shall be considered at a Step 3 meeting during the week following the filing of such grievance and shall continue to receive preferred handling in such procedure and arbitration and (b) relief from the job or jobs, without loss to their right to return to such job or jobs; and, at the Company's discretion, assignment to such other employment as may be available in the Research Department; provided, however, that no employee, other than communicating the facts relating to the safety of the job, shall take any steps to prevent another employee from working on the job. Should either the Management or the arbitrator conclude that an unsafe condition within the meaning of this Section existed and should the employee not have been assigned to other available equal or higher-rated work, he/she shall be paid for the earnings he/she otherwise would have received.

The arbitrator shall have authority to establish rules of procedure for the special handling of grievances arising under this Section 6.

It is recognized that emergency circumstances may exist and the local parties are authorized to make mutually satisfactory arrangements for immediate arbitration to handle such situations in an expeditious manner.

Section 7.

Written records of disciplinary action against the employee involved for the violation of a safety rule but not involving a penalty of time off will not be used by the Company in any arbitration proceeding where such action occurred one (1) or more years prior to the date of the event which is the subject of such arbitration.

Section 8. Substance Abuse.

Alcoholism and drug abuse are recognized by the parties to be treatable conditions. Without detracting from the existing rights and obligations of the parties recognized in the other provisions of this Agreement, the Company and the Union agree to cooperate in the Research Department in encouraging employees afflicted with alcoholism or drug abuse to undergo a coordinated program directed to the objective of their rehabilitation.

Section 9. Safety and Health Training

A. General.

The Company recognizes the special need to provide appropriate safety and health training to all employees. The Company presently has safety and health training that provides either the training described below or the basis for such training as it relates to the needs of the Company.

Training programs shall recognize that there are different needs for safety and health training for newly hired employees, employees who are transferred or assigned to new job and employees who require periodic retraining. The Research Department Safety Committee and the Joint Health and Safety Lead Team will offer input in the development and implementation process on these and other safety education matters.

B. Training of Newly Hired Employees

Newly hired employees shall receive training in the general recognition of safety and health hazards, their statutory and basic labor contract rights and obligations and the purpose and function of the Company's Health and Safety and Medical Departments, the Joint Health and Safety Lead Team and the International Union Safety and Health Department. In addition, upon initial assignment to a job, such employees shall receive training on the nature of the operation or process, the safety and health hazards of the job, the safe working procedures, the purpose, use and limitations of personal protective equipment required, and other controls or precautions associated with the job.

The Union members of Joint Health and Safety Lead Team and the International Union Safety and Health Department or a designee shall, upon request, be afforded the opportunity to review and offer input to improve the training program for newly hired employees.

C. Training of other Employees

The training of employees other than those newly hired by the Company, including those transferred or assigned to a new department or a new position in either the same or a new sequence, shall be directed to the functions and potential hazards of that new department and/or, where applicable, new position, the safe work practices to follow, and other safety related information.

D. Retraining

As required by an employee's job and assignment area, periodic retraining shall be given on safe working procedures, hazard recognition, and other necessary procedures and precautions.

Section 10. Medical Records.

The Company shall maintain the confidentiality of reports of medical examinations of its employees and shall only furnish such reports to a physician designated by the employee upon the written authorization of the employee; provided, that the Company may use or supply medical examination reports of its employees in response to subpoenas, requests to the Company by any Governmental agency authorized by law to obtain such reports, and in arbitration or litigation of any claim or action involving the Company. Whenever the Company physician detects a medical condition which, in his/her judgment, requires further medical attention, the Company physician shall advise the employee of such condition or to consult with his/her personal physician.

**ARTICLE 15
MILITARY SERVICE**

Section 1. Reemployment.

Employees, other than those leaving a temporary position within the meaning of the applicable Federal statutes who enter the armed forces of the United States or who have left or who, subsequent to the date hereof, leave their positions for the purpose of being inducted into, enlisting in, determining their physical fitness to enter or to perform training duty or active duty for training in said armed forces, shall be reinstated in accordance with the applicable Federal statutes. Notice of reinstatement of a returning service person and the department to which he/she is assigned shall be sent by the Company to the Secretary of the Grievance Committee. Reasonable programs of training shall be employed in the event employees do not qualify to perform the work on the job which they might have attained except for absence in the armed forces.

Section 2. Special Leave of Absence.

Any employee so applying for reinstatement after active duty in the armed forces of the United States (other than training duty or active duty for training of one (1) month or less) shall be granted, upon request, a leave of absence without pay not to exceed sixty (60) days before he/she shall be required to return to work.

Section 3. Training.

Any employee entitled to reinstatement under this Section who applies for reemployment and who desires to pursue a course of study in accordance with the Federal law granting him/her such opportunity, shall be granted a leave of absence for such purpose, provided that he/she applies for such leave within the period during which he/she is entitled to reinstatement or within one (1) year after he/she is so reinstated. Such leave of absence shall not constitute a break in the record of continuous service of such employees but shall be included therein provided the employee reports promptly for reemployment after the completion or termination of such course of study. Any such employee must notify the Company and the Union in writing at least once a year of his/her continued interest to resume active employment with the Company upon completing or terminating such course of study.

Section 4. Disabled Returning Veterans.

Any employee entitled to reinstatement under this Section and who returns with service-connected disability incurred during the course of his/her service shall be assigned to any vacancy which shall be suitable to such impaired condition during the continuance of such disability irrespective of seniority; provided, however, that such impairment is of such a nature as to render the veteran's returning to his/her own job or department onerous or impossible; and provided further that the veteran meets the minimum physical requirements for the job available or for the job as Management may be able to adjust it to meet the veteran's impairment.

Section 5. Vacations.

An employee, who is eligible for a vacation with pay under the provisions of this Agreement at the time he/she enters the armed services of the United States or leaves his/her position for one of the other purposes referred to in Section 1 of this Article, and who has not taken such vacation or received his/her vacation pay, shall be paid an amount equal to the vacation pay he/she would have been entitled to receive if he/she had not so left his/her position; provided, however, that a volunteer for enlistment shall not be entitled to such vacation pay unless he/she gives notice to the Company of his/her intention to enlist at least fourteen (14) days in advance of his/her leaving the Company to enter the service.

Section 6. Special Vacation Provisions.

An employee who satisfactorily completes his/her period of service in the armed forces of the United States (other than training duty or active duty for training of one (1) month or less) and who is reinstated as provided in Section 1 above, shall be entitled to a vacation with pay or, in lieu thereof, to vacation allowance in and for the calendar year in which he/she returns to work, in accordance with the provisions of Article 12 of this Agreement, without regard to the requirements thereof with reference to working a specified number of months in the preceding year.

Section 7. Military Encampment Allowance.

An Employee who attends an encampment (for a period not to exceed two (2) weeks in any one (1) calendar year), weekend drill, or any specialized training in preparation for active duty assignment of the Reserve of the Armed Forces or the National Guard shall be paid the difference between the amount paid by the Government (not including travel, subsistence and quarters allowance) and his/her Regular Rate of Pay for the number of days s/he would have been scheduled to work during such encampment, weekend drill or specialized training in preparation for active duty assignment. Such hours paid shall be considered hours worked for all purposes.

**ARTICLE 16
SEVERANCE ALLOWANCE**

Section 1. Conditions of Allowances.

1. When in the sole judgment of the Company, it decides to close permanently the Research Department or discontinue permanently a department of the Research Department or substantial portion thereof and terminate the employment of individuals, an employee whose employment is terminated either directly or indirectly as a result thereof because he was not entitled to other employment with the Company under the provisions of Article 13 of this Agreement and Section 2-B of this Article, shall be entitled to a severance allowance in accordance with and subject to the following provisions.

2. **Employees from the Research Department on the employment rolls as of November 13, 2005 will be covered by the provisions of Article 16 of the August 1, 1999 CBA between Ispat Inland and the USW. All Employees hired after November 13, 2005 will be covered by the provisions of Article Eight, Section C. – Severance Allowance, of the AMUSA-USWA BLA. For purposes of severance allowance eligibility and offer of employment in the general locality, the Research Department will be in Region 2 described in Article 8(C)(6)(d) of the AMUSA-USWA BLA.**

Before the Company shall finally decide to close permanently a Research Department or discontinue permanently a department of a Research Department it shall give the Union, when practicable, advance written notification of its intention. Such notification shall be given at least 90 days prior to the proposed closure date, and the Company will thereafter meet with appropriate Union representatives in order to provide them with an opportunity to discuss the Company's proposed course of action, and to provide information to the Company and suggest alternative courses. Upon conclusion of such meetings, which in no event shall be less than 30 days prior to the proposed closure or partial closure date, the Company shall advise the Union of its final decision. The final closure decision shall be the exclusive function of the Company. This notification provision shall not be interpreted to offset the Company's right to lay off or in any other way reduce or increase the working force in accordance with its presently existing rights as set forth in Article 3 of this Agreement.

Section 2. Eligibility.

Such an employee to be eligible for a severance allowance shall have accumulated three (3) or more years of continuous length of service with the Company as computed in accordance with Article 13 of this Agreement.

- A. In lieu of severance allowance, the Company may offer an eligible employee a job in the same or an equivalent occupation for which he/she is qualified in the same general locality. The employee shall have the option of either accepting such new employment or requesting his/her severance allowance.

- B. An exception to Subsection "A" above, an employee otherwise eligible for severance pay who is entitled under Article 13 to a job in the same or an equivalent occupation in another part of the same Research Department shall not be entitled to severance pay whether he/she accepts or rejects the transfer. If such transfer results directly in the permanent displacement of some other employee, the latter shall be eligible for severance pay provided he/she otherwise qualifies under the terms of this Section.

Section 3. Amount of Allowance.

An eligible individual shall receive a severance allowance according to the following schedule, with allowance of each week to be computed in accordance with the provisions of Section 5 of Article 12 relating to vacation pay.

<u>At the time of release if Your Benefit Service is</u>	<u>You Are Entitled to Receive</u>
3 to 4 years	3 weeks
4 to 5 years	4 weeks
5 to 6 years	5 weeks

6 to 7 years	6 weeks
7 to 8 years	7 weeks
8 to 9 years	8 weeks
9 to 10 years	9 weeks
10 years and over	10 weeks

If you are covered under the ArcelorMittal Basic Life Insurance Plan (the “Basic Life Plan”) on the date that you are released, the Company will continue your basic life insurance benefits, as applicable, for the same number of weeks of salary which you are entitled to receive under the Plan.

Notwithstanding any other provision of this Agreement, any severance allowance payable to an employee who is eligible for an immediate unreduced pension shall be reduced by (a) the present value of the incremental pension benefits as defined below, and (b) the value of retiree health benefits as determined in accordance with the provisions of the Age Discrimination in Employment Act of 1967, as amended. As used in the preceding sentence, “the present value of the incremental pension benefits” shall be understood to mean the present value of the difference between (a) the total amount of pension payable to such employee prior to age 62; and (b) the portion of such pension not attributable to the occurrence of the contingent event of permanent closure. The interest rates used to determine present value shall be the PBGC rates for single life annuities in effect for the month in which severance allowance would otherwise be paid.

Section 4. Nonduplication of Allowances.

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

Section 5. Election Concerning Layoff Status.

Notwithstanding any other provision of this Agreement an employee who would otherwise have been terminated in accordance with the applicable provisions of this Agreement and under the circumstances specified in Section 1 above may, at such time, elect to be placed upon layoff status for thirty (30) days or to continue on layoff status for an additional thirty (30) days if he/she had already been on layoff status. At the end of such thirty (30) day period he/she may elect to continue on layoff status or to be terminated and receive severance allowance if he/she is eligible to any such allowance under the provisions of this Article 16; provided, however, if he/she elects to continue on layoff status after the thirty (30) day period specified above, and is unable to secure employment with the Company within an additional sixty (60) day period, at the conclusion of such additional sixty (60) day period he/she may elect to be terminated and receive severance allowance if he/she is eligible for such allowance. If an employee elects to continue on layoff status, he/she shall continue to be in such status notwithstanding the expiration or termination of this Agreement. Any Supplemental Unemployment Benefit payment received by him/her for any period after the beginning of such thirty (30) day period shall be deducted from any such severance allowance to which he/she would have been otherwise eligible at the beginning of such thirty (30) day period.

Section 6. Payment of Allowance.

Payment shall be made in a lump sum at the time of termination. Acceptance of severance allowance shall terminate employment and continuous service for all purposes under this Agreement.

**ARTICLE 17
SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN**

Section 1. Eligibility

An Employee shall be eligible for a weekly supplemental unemployment benefit (Weekly Benefit) for any week beginning on or after the Effective Date, if s/he:

- a. has completed two (2) years of Continuous Service prior to his/her seeking weekly benefits;
- b. is and remains an Employee within the meaning of the Agreement;
- c. does not receive sickness and accident benefits under an agreement between the Company and the Union;
- d. is not in the military service, including training encampments;
- e. is eligible, applies for state unemployment benefits for the week and takes all reasonable steps to receive such benefits; provided, however, that this requirement will not apply if s/he has exhausted state unemployment benefits, receives other compensation in an amount that disqualifies him/her for state unemployment benefits, has insufficient employment to be covered by the state system, fails to qualify for state unemployment benefits because of a waiting week, is unable to work by reason of disability, or is participating in a federal training program; and
- f. either
 - (1) is on layoff for any week in which, because of lack of work, s/he does not work at all for the Company;
 - (2) is on layoff during a plant vacation shutdown and s/he is not entitled to vacation during the shutdown; or
 - (3) became disabled while on layoff and is not physically able to return to work.

Section 2. Amount and Duration of Benefits

- a. Weekly Benefits are equal to:
 - (1) forty (40) multiplied by the Employee's Base Rate of Pay; and
 - (2) the applicable percentage shown in the following table:

Continuous Service	Supplemental Unemployment Benefit Percentage		
	Duration of Benefits, in Weeks		
	1 to 26	27 to 52	53 to 104
2 but less than 10	60%	40%	0%
10 but less than 20	70%	50%	25%
20 and over	80%	60%	40%

- b. Notwithstanding the above table, the duration of Weekly Benefits payable to an Employee who becomes disabled while on layoff and is not physically able to return to work shall be limited to fifty-two (52) weeks beginning with the week the Employee is recalled to work.
- c. The amount of a Weekly Benefit may be offset only by the amount of state unemployment benefits, Trade Adjustment Allowance and any Excess Other Compensation, but in no event will the total Weekly Benefit be less than \$250.00 per week for the Duration of Benefits.

- d. **Excess Other Compensation means any weekly earnings from an employer other than the Company in excess of the amount that would reduce the Employee's state unemployment benefit to zero. The amount to be offset shall be \$1 for each \$2 of Excess Other Compensation.**

Section 3. Company Payment

The Company shall make reasonable calculations of Weekly Benefits and pay such benefits based on the best information in its possession and obtained from the state system.

Section 4. Disputes

In the event an Employee believes that his/her Weekly Benefit or eligibility determination has been made in error, the Employee may file a grievance, as outlined in the grievance procedure of the Agreement.

Section 5. Administration of the Plan

Subject to and in accordance with the terms and conditions outlined in this Section, the Company shall administer the Supplemental Unemployment Benefits Plan (Plan) and may prescribe reasonable rules and regulations. The costs of administering the Plan shall be borne by the Company.

Section 6. Finality of Determination

The Company shall have the right to recover overpayments and correct underpayments to Employees. However, any benefit determination shall become final six (6) months after the date on which it is made if (a) no dispute is then pending and (b) the Company has not given notice in writing of an error.

Section 7. Termination

Notwithstanding the provisions of Article One, Section B (Term of the Agreement), this Section and the Plan on which it is based shall expire 150 days after the Termination Date.

Section 8. Documentation

The parties shall adopt a mutually agreed upon Plan to provide the benefits described in this Section.

ARTICLE 18 SUB AND INSURANCE GRIEVANCES

The following procedure shall apply only to disputes concerning the Supplemental Unemployment Benefit Plan (SUB) and the Insurance Agreement (including the Program of Insurance Benefits [PIB]), but it shall not apply to a claim for life insurance.

If any difference shall arise between the Company and any employee as to the benefits payable to him/her

- A. pursuant to the SUB, or
- B. pursuant to the Insurance Agreement (including PIB) because his/her claim was denied in whole or in part, or between the Company and the Union as to the interpretation or application of or compliance with the provisions of the SUB and such difference is not resolved by discussion with a representative of the Company at the location where it arises, it shall, if presented in writing under the following provisions, become a SUB grievance or an insurance grievance (in either case hereinafter referred to as grievance) and it shall be disposed of in the manner described below:
 - 1. A grievance must, in order to be considered, be presented in writing within thirty (30) days after the action giving rise to such difference on a form to be furnished by the Company which shall be dated and

signed by the employee involved and the representative designated by the Local Union to handle such grievances and presented to a local representative of the Company designated to receive and handle such grievances. The grievance shall be discussed by such representatives within ten (10) days after it has been presented to the representative of the Company. The representative of the Company shall note in the appropriate place on the form his/her disposition of the grievance, his/her reasons therefore and the date thereof, and shall return two (2) copies of the form to the local representative of the Union within ten (10) days after the date on which it was last discussed by them unless he/she and the local representative of the Union agree otherwise. Minutes of any discussion between the Union and the Company shall be prepared and signed by the local representative of the Company within ten (10) days after the discussion is held and shall be signed by the representative of the Local Union. If the representative of the Local Union shall disagree with the accuracy of the minutes as prepared by the Company, he/she shall set forth and sign his/her reasons for such disagreement and the minutes, except for such disagreement, shall be regarded as agreed to. Unless the grievance is appealed as set forth below within ten (10) days after the date of delivery of the minutes to the representative of the Local Union, it shall be deemed to have been settled and no appeal therefrom shall thereafter be taken.

Notwithstanding the first sentence of this paragraph, (a) a grievance relating to Short Week Benefits under the SUB must be presented within thirty (30) days after the date of the Short Week Benefit draft if the dispute relates to the amount of the benefit or within sixty (60) days from the end of the week in question if the dispute relates to eligibility for the benefit, and (b) a grievance relating to the Insurance Agreement (including PIB) must be presented within thirty (30) days after the earliest date on which the grievant knew or reasonably should have known of the action on which it is based.

2. In order for a grievance to be considered further, written notice of appeal shall be served, within ten (10) days after receipt of the minutes described above, by the representative of the District Director of the Union, certified to the Company in writing, upon the representative of the Company, similarly certified to the Union by the Company. Such notice shall state the subject matter of the grievance, the identifying number and objections taken to the previous disposition. A grievance which has been so appealed shall be discussed within thirty (30) days of such notice by such representatives in an effort to dispose of the grievance. Minutes of the discussion, which shall include a statement of the disposition of the grievance by the representative of the Company, his/her reasons therefore and the date thereof, shall be prepared and signed by him and delivered to the representative of the Union within ten (10) days after the discussion is held. The representative of the Union shall sign such minutes and shall deliver a copy to the representative of the Company and in the event he/she shall disagree with the accuracy of the minutes as prepared by the Company, he/she shall set forth and sign his reasons for such disagreement and the minutes, except for such disagreement, shall be regarded as agreed to. If an appeal from the action taken with regard to the grievance in accordance with the foregoing procedure is not made in the manner set forth below, the grievance shall be deemed to have been settled in accordance with such action and no appeal therefrom shall thereafter be taken.
3. If the procedure described in paragraphs 1 and 2 above has been followed with respect to a grievance and it has not been settled, it may be appealed by the District Director, or his representative, to arbitration by written notice served simultaneously on the arbitrator and the certified representative of the Company described in paragraph 2 above within twenty (20) days after the date of delivery of the minutes to the representative of the Union.
4. The decision of the arbitrator on any grievance which has properly been referred to him shall be final and binding upon the Company, the Union and all employees involved in the grievance. The provisions of Article 7 shall apply to grievances appealed to arbitration hereunder.

**ARTICLE 19
PRIOR AGREEMENTS**

Section 1.

This Agreement shall supersede all previous agreements (written or oral) at the Company's Research Department covered hereby which are inconsistent herewith, including the prior Agreement and the agreements supplemental thereto.

Section 2.

All complaints or grievances which are in the process of adjustment on the date of this Agreement will be considered under the complaint and grievance procedure set forth in this Agreement and settled in accordance with the applicable provisions of the Agreement in effect at the time the cause of the grievance occurred.

**ARTICLE 20
GENERAL PROVISIONS**

Section 1. Bulletin Boards.

The Union will utilize the Company bulletin boards already in place throughout the Research facility for the posting of Union meetings, Union appointments, results of Union elections, and notices of Union social and recreational functions. Notices posted on such boards shall be approved by the Division Manager -- Labor Relations, or his/her designated representative, prior to being posted. Notices of Union elections specifically provided for by the constitution and by-laws of the Union, when approved as aforesaid, will be posted in a prominent place on the bulletin boards referred to above.

Section 2. On-Premise Feeding.

Reasonable provisions in the opinion of the Company shall be made for feeding at the Research facility. The Lunch Committee of the Local Union shall have the right to advise and consult with the Division Manager -- Labor Relations concerning the provisions for and maintenance of such service.

Section 3. Local Officers and Employees - Reporting Off.

The officers of the Local Union or employees conducting legitimate Union business shall be allowed to report off from scheduled work at reasonable times for the purpose of transacting legitimate Union business. Requests to report off should be made prior to schedules being prepared and confirmed where requested by the Company by the President of the Local Union to the Division Manager -- Labor Relations. This does not relieve the employee from the obligation to report off to the department. Such permission to report off shall not be unreasonably requested and shall not be unreasonably withheld.

Section 4. Workforce Planning

- 1. The parties recognize that their shared goals of a highly productive and skilled workforce, as well as continuity of operations, require thoughtful attention to hiring decisions. Accordingly, in addition to any other provision of this BLA, the Company agrees that it will develop, and review with the Union, workforce plans that ensure timely hiring of additional Employees upon the occurrence of any of the following circumstances:**
 - a. Anticipated attrition will result in a shortage of trained Employees in any unit(s) of the plant.**
 - b. Actual attrition results in a shortage of trained Employees in any unit(s) of the plant.**

- c. **Sustained high levels of overtime worked in any unit(s) of the plant demonstrate that additional forces are needed to return to reasonable levels of overtime.**
2. **Where attrition can be reasonably anticipated the Company will, to the extent practicable, complete the hiring process in sufficient time to provide training such that the new Employee(s) will be capable of providing for uninterrupted operations without resort to unreasonable overtime to cover the shortfall in Employees.**

Section 5. Hiring Preference

1. **In all hiring for bargaining unit positions, the Company shall, subject to its obligations under applicable equal employment opportunity laws and regulations, give consideration, to the full extent of interest, to the direct relatives (children, children-in-law, step-children, spouse, siblings, grandchildren, nieces and nephews) of Employees and retirees of the Company who meet reasonably established hiring criteria.**
2. **Such hiring shall conform to applicable lines of progression, bidding, promotion and other requirements under this Agreement.**
3. **The Company shall, subject to these and other applicable provisions have the final responsibility for accepting or rejecting a particular applicant for employment.**

ARTICLE 21 WELFARE PLANS

Section 1. Pensions.

The agreement between the parties with respect to pensions shall be as set forth in the applicable Agreement with respect thereto.

Section 2. Group Insurance.

The agreement between the parties with respect to group insurance shall be as set forth in the applicable Agreement with respect thereto.

ARTICLE 22 TERMINATION DATE

Section 1.

Except as otherwise provided below, this Agreement shall terminate at the expiration of sixty (60) days after either party shall give written notice of termination to the other party but in any event shall not terminate earlier than **September 01, 2015.**

If either party gives such notice it may include therein notice of its desire to negotiate with respect to insurance, pensions, and supplemental unemployment benefits (existing provisions or agreements as to insurance, pensions, and supplemental unemployment benefits to the contrary notwithstanding), and the parties shall meet within thirty (30) days thereafter to negotiate with respect to such matters. If the parties shall not agree with respect to such matters by the end of sixty (60) days after the giving of such notice, either party may thereafter resort to strike or lockout as the case may be in support of its position in respect to such matters as well as any other matter in dispute (the existing agreements or provisions with respect to insurance, pensions, and supplemental unemployment benefits to the contrary notwithstanding).

Notwithstanding any other provisions of this Agreement, or the termination of any or all other portions hereof, the Supplemental Unemployment Benefit Plan shall remain in effect until expiration on one hundred twenty (120) days after written notice of termination served by either party on the other party on or after **October 03, 2015**. Any employee who is eligible for weekly benefits under the SUB Plan at the time of the termination or expiration of such plan shall continue to receive such benefits for the duration specified in such plan notwithstanding the expiration or termination of such plan or this Agreement.

Section 2.

Any notice to be given under this agreement shall be given by registered mail; be completed by and at the time of mailing; and, if by the Company, be addressed to the United Steelworkers of America, Five Gateway Center, Pittsburgh, Pennsylvania 15222, and if by the Union, to the Company 1 S. Dearborn Street, 19th Floor, Chicago, IL 60603.

Either party may, by like written notices, change the address to which registered mail notice to it shall be given.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed in their respective names and by their respective representatives thereunto duly authorized, as of the day and year first above written.

ArcelorMittal
(Indiana Harbor Works)

LOCAL 1010 - USW

By:

By:

/s/ Michael Rippey
President and CEO

/s/ Leo W. Gerard
International President

/s/ James Vilga
Division Manager, Labor Relations

/s/ James D. English
Secretary-Treasurer, USW

/s/Tom Conway
Vice President, Admin.

/s/ Fred Redmond
Vice President, Human Affairs

/s/ Tom Hargrove
President, Local 1010

/s/ David R. McCall
Chairman of the Negotiating Committee

/s/ Jim Robinson
Secretary of the Negotiating Committee

/s/ Dennis Shattuck
Grievance Committee Chair.

/s/ Tim Trtan
Negotiating Committee

Appendix A

Research Department

Administrative Assistant
SG 4,5,6

Technician
SG 6,7,8,9,10

Machinist
SG 9,10

APPENDIX B

BIDDING ORDER FOR PERMANENT VACANCY @ RESEARCH

Technician	A
Machinists	B
Administrative Assistant	C
Office & Technical	D
Production & Maintenance	E
New Hire	F

Technician
B.C.D.E.F

Machinist
A.C.D.E.F

Administrative Assistant
A.B.D.E.F

APPENDIX C
Memorandum on passed-thru Appendices

During the year 2005 Research negotiations, the parties agreed to adopt certain Appendices (which are designated with double asterisk in the title) in whole or in part from the November 13, Mittal Steel Co /Local 1010-06 Agreement. It was agreed that the adoption of those Appendices would not require the Company, or the Union, to duplicate either the facilities provided, the committees, or the funds to be committed under the identical provisions of the Agreement between the Company and the union applicable to production, transportation, construction, and maintenance employees at IHW.

Company
/s/ T. Kinach

Union
/s/ Dennis Shattuck

APPENDIX E
Workplace Harassment, Awareness and Prevention

1. All Employees shall be educated in the area of harassment awareness and prevention on no less than a yearly basis.
2. A representative of the Union's Civil Rights Department and a representative designated by the Company's Labor Relations and/or Human Resources Department will work together to develop joint harassment and prevention education, with input from the plants and Local Unions.
3. Within six (6) months of the Effective Date of this Agreement, members of the Joint Civil Rights Committee will be trained in matters relative to this provision.
4. All new Employees (and all Employees who have not received such training) will be scheduled to receive two (2) hours of training as to what harassment is, why it is unacceptable, its consequences for the harasser and what steps can be taken to prevent it.

All Employees shall be compensated in accordance with the standard local plant understandings for time spent in training referred to in this Section.

APPENDIX F
MEMORANDUM OF UNDERSTANDINGS
ON MISCELLANEOUS MATTERS

Officials representing the Company and the Union will, from time to time during the life of this Agreement, but not more often than semiannually, at the request of either and the mutual convenience of both, meet to appraise their administration of this Agreement and to improve understanding between the respective parties and among the employees. The subject matter to be discussed at such a meeting shall be agreed upon by the parties. In such meetings, each party shall be represented by a committee of not more than three persons. Such meetings shall not be for the purpose of conducting collective bargaining negotiations, discussing individual grievances, or in any way of modifying, adding to, or detracting from the provisions of this Agreement.

APPENDIX G
Public Policy Activities

1. **The Company and Union hereby agree to establish a jointly administered public policy fund (Public Policy Fund) meeting the following guidelines.**
 - a. **Purpose and Mission: The purpose of the Fund shall be to:**
 - (1) **support public policies promoting the interests of the Company and the Union on such subjects as health care, legacy costs, international trade, currency valuation, and other public policy issues of importance to the parties;**
 - (2) **to contribute to and promote greater cooperation between labor and management; and**
 - (3) **to assist the Company and Union in solving problems of mutual concern that are not susceptible to resolution through collective bargaining.**
 - b. **The Public Policy Fund will pursue its mission through labor-management cooperative endeavors such as public and political education, issue advocacy, research, and the coordination of such activities with other like-minded groups.**
 - c. **The Fund will have a six-person Governing Committee. The Company representatives shall include the Chief Executive Officer of the Company or his/her designee. The Union representatives shall include the International President of the USW or his designee, the Secretary of the Union's Basic Steel Industry Conference and the USW District Director serving as the Chair of the Union Negotiating Committee.**
 - e. **The Public Policy Fund will be financed by an accrual of \$0.12 for each ton of steel shipped to third parties by the Company facilities covered by this agreement.**
 - f. **All activities of the Public Policy Fund shall be subject to approval by the Governing Committee, provided that:**
 - (1) **In the event that the Union members of the Governing Committee propose that the Union or its designee take responsibility for any or all aspects of the content, administration, delivery or implementation of any programs or activities conducted under the auspices of the Fund, the Company Members of the Governing Committee shall give recognition to the special advantages that such Union responsibility would contribute to such programs or activities, including but not limited to the knowledge and experience of the Union, the familiarity of the Union with target audiences, and the added credibility that Union responsibility would add to such programs or activities.**
 - (2) **The document creating the Governing Committee will contain a procedure for the quick and binding resolution of any dispute over the administration, delivery, or implementation of programs or activities conducted under the auspices of the Fund.**
2. **Stand Up For Steel**
 - a. **The Company agrees to join the Stand Up For Steel Labor/Management Committee (Stand Up For Steel) effective on the Effective Date.**
 - b. **The parties agree that Stand Up for Steel will serve as a focal point for industry-wide joint activities in combating unfair trade in steel and related products and other subjects as agreed to by the parties. The parties will continue to pursue other activities separately as appropriate and the funding and structure contemplated herein shall not be applicable to litigation to enforce the nation's trade laws.**

- c. **Stand Up For Steel will have a Governing Board consisting of an equal number of Union and company representatives. The Board will be co-chaired by the President of the USW and a CEO selected by the participating companies.**
 - d. **All activities conducted under the banner of Stand Up For Steel shall be approved by the Governing Board.**
 - e. **The parties will jointly recruit all American steel (carbon and stainless) and iron ore companies and others to join the organization under the terms described in this Section. The Company agrees to work with the other participating companies so that the company representatives on the Governing Board will represent the interests of all participating companies.**
- 3. Energy Efficiency and Carbon Emissions Task Force**
- a. **The purpose of the Task Force shall be to work jointly to identify, analyze, and make recommendations regarding ways to conserve energy, improve energy efficiency and reduce green house gas emissions at the operating facilities of the Company.**
 - b. **The Task Force shall work in conjunction with the joint efforts of the Parties on legislative initiatives related to the issues, as directed by the Public Policy Governing Committee.**
 - c. **Two Employees from each plant shall be jointly selected by the Chairs of the Negotiating Committee to work in conjunction with representatives from the Company's Environmental and Energy Management programs at each plant for the purpose of pursuing the activities set forth herein.**

**APPENDIX H
SICK AND PERSONAL DAYS**

The Company shall continue the practice of paying full salary for all sick and personal days.

**APPENDIX I
LEAVE OF ABSENCE
FOR GOVERNMENT SERVICE**

May 4, 1989

Mr. Jack Parton
Director, District 31
United Steelworkers of America
720 Chicago Avenue, Room 211
East Chicago, IN 46312

Dear Mr. Parton:

This confirms our understanding reached during the 1989 negotiations that the Company and the Union jointly agree that it is in the best interest of both Mittal Steel Co. and its employees to encourage participation in elective or appointive government offices, boards and commissions, as well as service with agencies and services in the community.

The parties also reviewed the Company's policy to provide excused absences and leaves of absence to allow employees to participate in these types of worthwhile activities.

It is understood that the Company intends to continue its policies in this regard and the Union will cooperate in supporting the Company policy.

Very truly yours,

/s/ William P. Boehler
William P. Boehler
General Manager
Union Relations

CONFIRMED:

/s/ J. Parton
J. Parton
Chairman
Negotiating Committee

APPENDIX J
Testing

1. Where tests are used as an aid in making pre-selection determinations of the ability to perform the work, such a test must in all events be:
 - a. job related;
 - b. in accordance with Article Four, Section 4 (Non-Discrimination);
 - c. uniformly applied within each respective plant; and
 - d. based on the passing grade that is required to determine ability to perform the work.
2. A job related test, whether oral, written or in the form of an actual work demonstration, is one which measures whether an Employee can satisfactorily meet the specific requirements of that job including the ability to absorb any training which may necessarily be provided in connection with that job.
3. Testing procedures shall in all cases include notification to an Employee of any deficiencies and an offer to counsel how to overcome the deficiencies.
4. Where, in accordance with this Agreement, a test is used by the Company as an aid in making a determination of the Employee's ability to perform the work and where the use of the test is challenged in the grievance procedure, the following shall pertain:
 - a. The Company will furnish to a designated representative of the International Union either the test itself or examples of test questions, certified by a testing agency as equivalent in any relevant respects to questions used in the disputed test and sufficient in number to evaluate the test, and all such background and related materials as may be relevant and available. In cases where all or part of the test is non-written, a complete description of the test shall be provided along with all such background and related materials as may be relevant and available.
 - b. All such test questions and materials will be held in strictest confidence and will not be copied or disclosed to any other person; provided that such test questions and materials may be disclosed to an expert in the testing field for the purpose of preparing the Union's position in the grievance procedure and to an arbitrator, if the case proceeds to that step. All test questions and materials will be returned to the Company following resolution of the dispute.
 - c. Copies of transcripts and exhibits presented in the arbitration of cases involving the challenge to a test will also be held in confidence and will not be copied or otherwise published.

APPENDIX K
DEFINITION OF EQUIVALENT OCCUPATION

June 21, 1989

Mr. Jack Parton
Director, District 31
United Steelworkers of America
720 Chicago Avenue, Room 211
East Chicago, IN 46312

Dear Mr. Parton:

This confirms our understanding reached during the 1989 negotiations that the Company and the Union jointly agree that the term "same or an equivalent occupation" contained in Section 2 of Article 16 is defined as a job in the same salary grade.

An employee must be advised that he or she is entitled to such same or equivalent occupation within the two (2) calendar weeks next following the calendar week in which the shutdown is effective. In accordance with the job posting requirements of Article 13 of the Collective Bargaining Agreement, an affected employee may be assigned to a same or equivalent occupation on a temporary basis until such time as a permanent assignment can be made.

Very truly yours,

Mittal Steel Co
/s/ William P. Boehler
William P. Boehler
General Manager
Union Relations

CONFIRMED:

/s/J. Parton
J. Parton
Negotiating Committee
United Steelworkers of America

APPENDIX L**
FAMILY AND MEDICAL LEAVE

The parties agree that nothing in the policy below shall be construed to abridge a right an employee otherwise has under the Act.

AGG.1 1. GENERAL

This Appendix GG sets forth the agreement between the Company and the Union regarding implementation of the Family and Medical Leave Act of 1993 (FMLA").

The FMLA provides for up to 12 weeks of unpaid leave each year for eligible employees to take care of a serious health condition of certain family members or of employees themselves, and for the birth, adoption or foster placement of a child. The law also requires the continuation of certain benefits under certain conditions while on leave and includes certain notice requirements in order to obtain the leave. A copy of the law and the implementing regulations are available for review at the Employee Benefits Department.

Any employees currently on leave may elect to continue on leave under the terms and conditions of the 1993 CBA Article 13, Section 15 or may convert the leave to one covered by the terms and conditions of this Appendix upon furnishing the Company with medical certification as described in paragraph 8. below, establishing that the leave would otherwise be covered under the provisions of the FMLA and providing further that the portion of the leave taken prior to August 5, 1993, will not be counted against the leave provided under the FMLA.

AGG.2 2. ELIGIBILITY

Any employee who has at least 6 months of continuous service shall be eligible for up to twelve (12) weeks of unpaid leave in any twelve (12) month period in connection with the birth, adoption or foster care placement of a child, the need to care for a seriously ill family member or the employee's own serious illness.

The twelve (12) weeks shall be measured on a rolling twelve (12) month period, measured backward from the date the requested leave would commence. Any time off taken in connection with any of the above situations shall be counted toward the twelve (12) week period. If a husband and wife are both employed by Mittal Steel Co then the aggregate number of workweeks of leave to which both may be entitled may be limited to 12 workweeks during any 12-month period, if such leave is taken for parental leave under paragraph 4, or to care for a sick parent under paragraph 5.

AGG.3 3. DEFINITIONS

"Spouse" means a husband or wife as defined or recognized under State law for purposes of marriage, including common law marriage to the extent recognized by the State in which the employee resides.

"Parent" means a biological parent, a stepparent when they have lived with the employee in an immediate family relationship, or an individual who stands or stood in loco parentis. A family member is limited to an employee's legal spouse, mother, father, son, daughter, (including stepfather, stepmother, and stepchildren when they have lived with the employee in an immediate family relationship).

AGG.4 4. PARENTAL LEAVE

An employee shall be entitled to unpaid leave of up to twelve (12) continuous weeks in connection with the birth, adoption or foster care placement of a child. An employee may request leave related to the birth, adoption or foster care placement of a child on an intermittent or reduced leave schedule, however, such leave may be taken only with the Company's permission.

A pregnant employee who continues at work until certified as totally disabled shall, effective at the conclusion of her period of disability, be entitled to an unpaid leave for a period of up to (12) twelve continuous weeks.

AGG.5 5. CARE OF A FAMILY MEMBER

An employee shall be entitled to unpaid leave of up to twelve (12) weeks to care for a seriously ill parent, child, or spouse who suffers a serious health condition that is a condition requiring hospitalization or on-going care by or supervised by a licensed physician, surgeon, podiatrist, dentist, clinical psychologist, optometrist, chiropractor, nurse practitioner, nurse-midwife or Christian Science Practitioner to the extent set forth in the FMLA regulations, 29 CFR Part 825.

AGG.6 6. EMPLOYEE ILLNESS

An employee shall be entitled to unpaid leave of up to twelve (12) weeks in connection with the employee's own serious health condition as set forth in the FMLA regulations, 29 CFR Part 825. **Time off related to Sickness and Accident, or compensable workplace illness or injury shall be excluded.**

Current provisions applicable under the Collective Bargaining Agreement and the Benefits Agreements in connection with an employee's own health condition shall continue to apply. In the event the employee should exhaust Sickness and Accident or Workers' Compensation benefits prior to being released for work and prior to exhausting the leave entitlement under the FMLA, then he/she could continue on unpaid FMLA leave until such time as the FMLA entitlement has been exhausted.

Pursuant to 29 CFR Part 825 any absence in excess of four (4) calendar days, related to the employee's illness or accident, including absences covered under applicable Workers' Compensation laws, shall be deemed to be leave taken pursuant to the FMLA.

AGG.7 7. INTERMITTENT OR REDUCED LEAVE SCHEDULING

The FMLA permits leave to be taken on an intermittent or reduced leave schedule if related to the serious illness of the employee or covered family member, when it is medically necessary. If related to the birth, adoption, or placement of a child, such leave may be taken with the employer's permission.

An employee seeking leave in other than continuous weeks must schedule the time off in the manner least disruptive to the Plant's operating needs.

Where leave is sought other than in full day increments, the employee may be assigned by Management to any available position consistent with the seniority provisions of the Collective Bargaining Agreement and paid at the regular rate for that position, for the portion of the shift actually worked. The employee may not displace anyone who was assigned to the employee's normal position for the period of absence except at Management's discretion. Where leave is sought in increments of less than a full work week, if Management, consistent with the seniority provisions of the Collective Bargaining Agreement, is able to accommodate the need for time off by adjusting the employee's work schedule (including, but not limited to, altering the shift assignment or the scheduled work days), no leave need be provided.

AGG.8 8. NOTICE

In the case of leave sought in connection with the birth, adoption or foster care placement of a child, the employee shall advise his/her Department Head and Employee Benefits of the anticipated need for leave as soon as possible; but, in no event, less than thirty (30) days prior to the expected delivery or placement date; provided, however, where such notice is not possible because the employee has no knowledge of the possibility of the event occurring or such notice is not practicable because of a change in the circumstances or a medical emergency, notice should be given as soon as practicable i.e. within one or two business days of when the need for leave becomes known. In the event of a failure to provide such notice, the Company may delay the commencement of the leave for up to ten (10) days after notice is received.

In the case of leave sought in connection with the serious health condition of the employee or a family member, the Department Head and Employee Benefits shall be notified as soon as possible (within forty-eight (48) hours) of the need for leave and the expected duration and schedule of the leave.

In the case of a leave to care for a family member, following the initial notice provided above, a written notice shall be provided as soon as possible, but in no event more than fifteen (15) calendar days from the time the need for the leave arises. This notice shall be accompanied by a certification signed by the attending physician or other health care provider and shall include:

1. The date on which the condition commenced;
2. The probable duration of the condition;
3. Appropriate medical information, sufficient to enable the Company to reasonably review the request; and
4. Why it is necessary for the employee to provide care to the family member and an estimate of the amount of the employee's time which is necessary for that care. Where the leave is to be taken in other than a single continuous period of time, the notice shall also include:
 5. The dates on which the medical treatment is expected to be given;
 6. The duration of such treatment;
 7. The medical necessity for leave to be granted on an intermittent basis;
 8. The expected duration of the need for an intermittent schedule; *and*
 9. The medical reason why it is necessary for the care to be provided to the family member on an intermittent basis.

Certification forms can be obtained from the employee's department or at the local Benefits office.

In the event the Company determines that the certification provided by the employee is inadequate, it may require evaluation of the situation involved and a determination of any appropriate changes to the certification by a physician of its choice. The Company shall bear the cost of any second opinion.

At its election, the Company may require a third opinion, at its expense, by a physician agreeable to both it and the employee. In such case; the third opinion shall be final and binding on both the Company and the employee. This physician review process must be completed as expeditiously as possible so as not to unreasonably deny employee leave.

Where the initial certification is by a Christian Science Practitioner, the Company may require any second or third opinion be provided by a physician.

AGG.9 9. PAY

Except for the substitution of vacation (at the employee's request) and the utilization of Sickness and Accident or Workers' Compensation benefits, all time off provided shall be unpaid. Time off without pay granted pursuant to the FMLA shall be considered as time not worked through choice of the employee and may not be utilized in connection with a claim by the employee under any provision of this agreement for any wages, benefit or entitlement, eligibility for which is related to hours worked unless the employee otherwise meets the eligibility requirements for such wage, benefit or entitlement.

AGG.10 10. TERMINATION OF LEAVE

An anticipated duration of the leave sought shall be established at the time the leave is granted. Upon termination of a leave, the employee shall be reinstated to the same or an equivalent position as that held at the time the leave commenced, consistent with the seniority provisions of the Collective Bargaining Agreement, unless there was an intervening event including but not limited to a reorganization or force reduction. In the latter event, the employee shall be reinstated to the same or an equivalent position or status which he/she would have held after the intervening event if the leave had not been taken.

An employee who wishes to return from leave prior to the scheduled return date must give the Department Head and Employee Benefits twelve (12) days notice of his/her desire to return, unless the Company agrees to a shorter period in a particular case.

An employee on a leave under this Appendix is not eligible for Supplemental Unemployment Benefits in the event of a lay-off, until following the scheduled termination of the leave.

An employee who fails to return as scheduled from FMLA leave will be subject to the provisions of Article 13, Section 11 of the Collective Bargaining Agreement.

AGG.11 11. CONTINUOUS SERVICE

Leaves of absence under this program shall not constitute a break in the employee's length of continuous service and the period of such leave shall be included in his/her length of continuous service under the labor and benefit agreements. Employees with less than two years service will also continue in benefit coverage during such leave.

AGG.12 12. BENEFIT CONTINUATION

Provided the employee is otherwise eligible and continues making any normally-required premium or other payments, in a manner acceptable to the Company, all benefit coverage, including the accrual of continuous service, shall continue during the period of leave. In the event the employee fails to make such payments, all benefit coverage shall terminate after thirty (30) days.

AGG.13 13. GOOD FAITH EFFORTS

In the event problems develop in implementing this Appendix, whether as a result of changes in the law or regulations or otherwise, the parties agree to use their best efforts to resolve them in a manner designed to assure minimal disruption to the operation, minimize absenteeism and provide an employee the time necessary to meet family and personal emergencies and obligations.

APPENDIX M MEMORANDUM OF UNDERSTANDING ON CHECK-OFF

Mr. Jack Parton
Director, District 31
United Steelworkers of America
710 Chicago Avenue, Room 211
East Chicago, IN 46312

Re: Memorandum of Understanding on Check-Off

Dear Mr. Parton:

The Company will implement the dues check-off provisions of this Agreement in accordance with the following:

1. The monthly membership dues for each employee who has provided a voluntary check-off authorization card shall be an amount equal to 1.3% of said member's total earnings during the month, provided that monthly

dues shall not be less than \$5.00 and provided further that monthly dues shall not be more than 2.5 times the member's average hourly earnings. For lump sum payments, dues shall be calculated separately by applying the 1.3% to such payments.

Inactive employees (employees who had been laid off or on leave of absence or who quit, died or retired) who receive lump sum payments shall have an amount of dues deducted from the lump sum payments equal to 1.3% of such payments.

All determinations as to an employee's dues liability shall be based on earnings for the pay period. Dues will be deducted on a per-pay-period basis and remitted monthly for the pay periods closed in the month for which dues are being deducted.

2. Dues are calculated as follows:

- a. Determine total earnings (TE). Total earnings to be defined as gross earnings less items to be excluded from gross earnings.
- b. Determine lump sum payments (LS). Lump sum payment to be defined as payments not related to work performed in the dues calculation period or for which hours cannot be associated.
- c. Calculate adjusted total earnings (ATE). (TE minus LS).
- d. Determine the number of hours of work associated with adjusted total earnings (ATE).
- e. The CAP calculation equals adjusted total earning (c) divided by the hours associated with adjusted total earnings (d) factored by the appropriate earnings period cap multiplier (i).
- f. Multiply adjusted total earnings (c) by 1.3%.
- g. Multiply lump sum payments (b) by 1.3%.
- h. To calculate the check-off amount add (g) to the lesser of (e) or (f), but not less than five dollars per month divided by the average number of pay periods closed in the month.
- i. Earnings Period Cap Multiplier

Weekly	.6461
Bi-weekly	1.2923
Semi-monthly	1.4
Monthly	2.8

3. Earnings shall mean gross earnings but shall not include insurance benefits; SUB plan benefits; relocation allowance; Workmen's Compensation benefits; death or trust benefits or payments; classroom instructor fees (outside working hours); EPP payments; severance allowance; military encampment or emergency duty allowance; jury or witness allowance; uniform, clothing or tool allowance; funeral leave allowance; reporting pay or special allowances for meals.
4. Profit sharing payments under the Profit Sharing plan shall be considered lump sum payments under this letter. EIP profit sharing payments, shortfall payments and stock contributions shall be considered lump sum payments with dues calculation in accordance with the attached December 18, 1987, dues letter updated to use 1.3% rather than 1.15%. The reference to Appendix 12 in that letter shall be considered a reference to this letter. Gainsharing payments shall be considered lump sum payments under this letter.
5. The "hours associated with adjusted total earnings" will consist of:
 - a. Actual hours worked in the pay period.

- b. One hour for each hour paid in the pay period to bargaining unit under the minimum salary guarantee or salary continuance provisions.
 - c. On worked holidays, 1.5 hours for each hour worked in addition to actual hours worked.
 - d. Hours used in the calculation of vacation pay in the pay period.
6. This memorandum shall not be deemed to alter the meaning of "average hourly earnings" as that term may be used for purposes other than dues calculation.

Should the Union change the dues provision in its constitution or the interpretation of that dues provisions such that the procedure for the calculations of dues set forth above is changed, it will notify the Company which will implement the changes unless those changes would cause significant administrative problems in which event the parties will meet to discuss the matter and reach a reasonable accommodation.

Very truly yours,

Mittal Steel Co
/s/ William P. Boehler
William P. Boehler
General Manager
Union Relations

CONFIRMED:

/s/ Jack Parton
J. Parton, Chairman
Negotiating Committee
United Steelworkers of America

APPENDIX N ERGONOMICS

The Joint Safety and Health Committee will, among its priorities, discuss safety and health matters related to ergonomics with the intention of identifying jobs and tasks and corrective action where employees may face a risk of repetitive strain disorders and other musculoskeletal injuries and diseases.

As potential ergonomic projects are identified by the Joint Safety and Health Committees, they may solicit assistance of departmental safety teams. Those employees associated with the projects will, as mutually agreed by the Joint Safety and Health Committee, receive training to help the participants understand how to implement the respective ergonomics principles within the plant.

To assist in this endeavor, the Company's Safety, Health and Medical Departments and the International Union Safety and Health Representatives, as requested by either party, will jointly conduct periodic reviews of the ergonomic projects and their status.

APPENDIX O
LETTER AGREEMENT ON BACK PAY
CALCULATIONS UNDER ARTICLE 8, SECTION 1

June 16, 1986

Mr. Jack Parton
Director, District 31
United Steelworkers of America
First National Bank Building
720 W. Chicago Avenue, Room 211
East Chicago, Indiana 46312

Dear Mr. Parton:

This letter is to confirm our understanding that hereafter in applying Article 8, Section 1 of the Agreement, no deduction from back pay awards or settlements under the aforementioned provision shall be made for governmental assistance (excluding unemployment compensation and any similar payments), Welfare, Trade Readjustment Allowance Benefits, or private charity received by an affected employee, except that, in calculations made in accordance with Article 13, Section 23, Trade Readjustment Allowance Benefits will be deducted. This understanding shall also be effective for any grievance or arbitration case now pending, and shall be without prejudice to the respective positions of the parties in disputes concerning any matter not covered in this letter.

Very truly yours,

/s/ Walter C. Wingenroth
Walter C. Wingenroth
General Manager
Union Relations

Confirmed:

/s/ Jack Parton
Jack Parton, Chairman
United Steelworkers of America

APPENDIX P
MEMORANDUM OF UNDERSTANDING ON
JUSTICE AND DIGNITY ON THE JOB

The following understandings have been reached for an Experimental Procedure for Justice and Dignity on the job, for the duration of the September 1, 2012 Collective Bargaining Agreement.

1. An employee who is notified that he/she is suspended preliminary to discharge and subsequently discharged shall not be removed from active work on the job to which is seniority entitles him/her until:

- a. Five days have passed under Article 8, Section 1, m.p. 8.2, of the Agreement and the suspended employee has not requested a suspension hearing; or
 - b. The employee is discharged and five days have passed under Article 8, Section 1, m.p. 8.3, of the Agreement and no grievance has been filed contesting the Company's decision to convert the employee's suspension preliminary to discharge; or
 - c. If a grievance is filed, the Company's announcement of its intention to deny the grievance contesting the employee's discharge at, or subsequent to, the Step 3 hearing concerning such grievance. Such grievance must be scheduled in step 3 within 60 days or J&D will be discontinued.
2. The foregoing procedure shall not apply to the following types of cases:
- a. Suspensions preliminary to discharge and discharges involving any offenses which endanger the safety of other employees or members of supervision or the plant and its equipment. Such offenses include, but are not limited to: theft; use and/or distribution on Company property of drugs, narcotics, and/or alcoholic beverages; possession of firearms on Company property; destruction of Company property; threatening bodily harm to, and/or striking, or attempting bodily injury to another employee or non-employee on Company property; fighting and such insubordination as endangers the safety of other employees or members of supervision or the plant and its equipment;
 - b. Suspensions preliminary to discharge and discharges involving activity prohibited by the provisions of Article 4, Section 5a of this Agreement.

**APPENDIX Q
MEMORANDUM OF UNDERSTANDING
REGARDING BACK PAY CALCULATION**

In instances where an employee is entitled to a monetary settlement as a result of an Arbitration Award or a grievance settlement, earnings of such an employee from employment outside the Company during any part of the period in question will not be deducted from the amount owed the employee.

**APPENDIX R
MEMORANDUM OF UNDERSTANDING ON
CARBON MONOXIDE CONTROL PROGRAM**

The Company recognizes that the steel producing and finishing processes require equipment that can produce carbon monoxide gas in dangerous concentrations under certain circumstances of accidental release. In order to minimize the potential for accidental release of blast furnace gas and other gases containing carbon monoxide, the Company shall complete a comprehensive survey at each of its plants at the earliest possible time. The survey, to be conducted by Engineering, Safety and other personnel as necessary, shall list locations from which, on the basis of experience or other information, significant amounts of carbon monoxide are likely to escape, the conditions which might cause such a release and the steps necessary to minimize or control the hazard. The survey will be updated whenever significant changes are made to the gas handling system or procedures.

The Company shall implement in a timely manner consistent with the hazards a reasonable program for the control of carbon monoxide which shall include but not be limited to the following:

1. A reasonable time schedule for the implementation of the steps necessary to eliminate or control the hazard as identified in the survey;
2. Evaluation and, where necessary, amendment of safe job procedures for gas system maintenance programs with respect to equipment whose failure might result in exposure to dangerous concentrations of carbon monoxide. Copies of these procedures shall be included in the control program;

3. Installation of adequate automatic carbon monoxide sensing devices equipped with alarms and use of portable carbon monoxide monitors where necessary to protect employees whose work assignments so require. Monitors, alarms and other parts of the detection and warning system shall be tested on a periodic basis sufficiently frequent to insure reliable operation. The control program shall include a general description of the location of the sensing devices and the general circumstances under which portable detectors shall be used and the frequency for periodic testing of the monitoring system;
4. Assignment of responsibility for the maintenance, inspection, and use of gas testing equipment and investigation of sources of gas when the automatic alarms are actuated;
5. Provision of an adequate number of approved breathing apparatus appropriate for emergency operations and escape in locations readily accessible to employees. The program shall include a description of the types of breathing apparatus and their locations as well as the identification of responsibility for checking and maintaining the devices;
6. Training of employees in recognition of the hazards and symptoms of carbon monoxide poisoning. Such training shall be within the framework of existing safety training programs after review of such programs and supplementation as required. As part of this training, employees shall be instructed in escape and emergency rescue procedures. A detailed outline of the training procedures shall be included in the program;
7. Posting of emergency escape procedures in areas of potential hazard;
8. An emergency rescue program which shall include provisions for treatment of carbon monoxide exposures, emergency rescue techniques for various parts of the plant, and appropriate rescue and recovery equipment including resuscitators. The program shall include identification of the employees trained in emergency rescue techniques.

A copy of the carbon monoxide control program or any portions thereof and any revision shall be provided upon request to the Union members of the Joint Plant Safety Committee and the International Union Safety and Health Department.

The results of an investigation of a carbon monoxide incident will be retained in a central file located in the Company Safety Department.

APPENDIX S VOLUNTARY EMPLOYEE BENEFICIARY ASSOCIATION

Mr. Dennis Shattuck
Chairman, Grievance Committee
United Steelworkers of America
Local 1010
3703 Euclid Avenue
East Chicago, IN 46312

Dear Dennis:

The Company agrees that the **BENEFIT TRUST** in the November 13, 2005 Basic Labor Agreement will also be used for the purpose of payment of post-retirement medical and life insurance benefits for O & T retirees of Local 1010-06.

Cordially,

T. L. Kinach

Section Manager
Union Relations
ISPAT INLAND INC.

**APPENDIX T
AMERICANS WITH DISABILITIES ACT**

December 16, 1993

Mr. Jack Parton
Director, District #31
United Steelworkers of America
Room 211 - First National Bank Bldg.720 West Chicago Avenue
East Chicago, IN 46312

Dear Jack:

Recognizing that the parties have obligations under the Americans with Disabilities Act of 1990 (Act), during the negotiations which led to our 1993 agreement, and subsequently, the parties fully discussed the Act and the possible impact of the Act on our employees and their rights under the collective bargaining agreement.

As a result of these discussions and in view of current uncertainties surrounding the interpretation of the Act, it is agreed that the Company and the Union will cooperate in an effort to:

- a. comply with the provisions of the Act;
- b. amicably resolve disputes arising from possible conflicts between the Act and the provisions of the labor agreement; and
- c. make reasonable accommodations required by the Act.

Notwithstanding any other provision of this letter, the Union reserves its rights under the law and the labor agreement.

Yours truly,

/s/William P. Boehler
William P. Boehler
Director, Industrial Relations

CONFIRMED:

/s/ J. Parton
J. Parton, Chairman
Negotiating Committee
United Steelworkers of America

APPENDIX U
Partnership

Section 1. Intent and Purpose:

The intent is to establish and maintain a Partnership which will provide the parties the ability to achieve the following common partnership objectives:

- a. improve health and safety
- b. provide continued, permanent, rewarding employment
- c. improve product quality
- d. reduce operation / unit costs
- e. improve productivity, efficiency of operation
- f. improve quality of life in the working environment
- g. increase the overall skills of employees
- h. improve Company and Union relations at all levels
- i. promote Employee involvement in solving problems and business challenges

To allow the Company and the Union to fully function as partners, the parties will fully and continually discuss issues that arise during the term of the Basic Labor Agreement, including capital investment changes in the market or business conditions, adjustments to business strategies and/or other work place changes.

Section 2. Access to Information

The Company shall provide the Union and its advisors with:

- a. full and continuing access to its short and long-term operating and financial results and forecasts including inputs relevant to the development of them;
- b. the earliest practicable notification and continuing updates of any contemplated material corporate transactions, including plans for capital investment, mergers, acquisitions, joint ventures and new facilities to be constructed or established;
- c. Information and continuing updates on any proposed Workplace Change. Access to and the use of this information will be covered by a reasonable confidentiality agreement.

Section 3. Comprehensive Training and Education Program

- a. Company and Union representatives shall receive ongoing training developed and conducted by their respective organizations in the application of this Section.
- b. Any training in the application of this Section that is attended by both Employees and managers shall be jointly developed and implemented.

- c. **The Company shall fund all costs associated with training programs referred to in this Section.**

Section 4. Mechanisms

The parties agree to the following to carry out this Section.

- a. **Strategic Labor Management Committee**

- (1) **Appointment and Composition**

- A Joint Strategic Labor Management Committee (Strategic Committee) shall be established consisting of for the Company: the Chief Executive Officer, Vice President of Labor Relations and one (1) additional designee and for the Union: the Chair of the Union's Negotiating Committee, the Secretary of the Union's Negotiating Committee and one additional designee. Each side shall designate a Co-Chair and provide the other with an updated list of its members of the Committee.**

- (2) **Contract Coordinators**

- The Chair of the Union's Negotiating Committee will appoint a Partnership Contract Coordinator for each Division of ArcelorMittal USA. The Union Partnership Coordinators will be Employees of the Company. Partnership Coordinators will work with the Managers of each Division and Local Union Presidents to ensure that the Partnership agreement is proactively applied and managed at each location within the division.**

- (3) **Meetings**

- The Strategic Committee shall meet as required. These meetings will be for the purpose of reviewing and discussing the information described in Section A. Partnership (it being understood that the Union Co-Chair will be updated more timely/frequently regarding time-sensitive information) as well as other information and updates reasonably requested by the Union.**

- (4) **Access to Board of Directors**

- The Union members of the Strategic Committee shall have the right to appear before and be heard by the Board of Directors on matters of concern to the Union.**

- b. **Plant Labor Management Committees**

- (1) **Appointment and Composition**

- The Local Union President and Plant Manager will be responsible to ensure that the Partnership process at all levels of the business in each location is properly implemented. Any unresolvable issues regarding the Partnership may be referred to the Negotiation Co-Chairs to be addressed. The parties shall establish a Plant Partnership Committee at each of the Company's facilities. The Plant Partnership Committee shall be composed of three (3) Union representatives who are Employees of the Company and an equal number of Company representatives. The Company members of each Plant Partnership Committee shall include the Plant Manager (who shall serve as the Company Co-Chair). The Company Members of the Committee shall be selected and serve at the pleasure of the Plant Manager. The Union members of each Plant Partnership Committee shall include the Local Union President/Unit Chair (who shall serve as the Union Co-Chair). The Union Members of the Committee shall be selected and serve at the pleasure of the Local Union President/Unit Chair at the plant.**

(2) Meetings

The Plant Committee shall meet at least monthly. These meetings will be for the purpose of reviewing and discussing information concerning the operations, results and outlook for the Company, with emphasis on the particular facility, as well as information concerning Workplace Changes. Each quarter or as required by the Negotiation Co-Chairs and no less frequently than the Annual Meetings described 5(e) below, the Local Union President and Plant Manager shall report out on the state of the Partnership Process at their location. The report out will include such key measures as grievances statistics, workforce participation, communication of continuous improvements and other subjects as described in A. 1. above.

c. Area Labor Management Committees

- (1) The Plant Committee shall establish Area Labor Management Committees (Area Committees) in specific departments, operational units or divisions. The Area Committee Co-Chair for the Union shall be the Grievance Committeeman/Committeemen for the area(s). The Co-Chair for the Company shall be the Division Manager for the area (or his/her designee). Additional members of the Area Committee shall be drawn equally from the Company and Union. The Local Union President/Unit Chair (or designee) and the Plant Manager (or designee) may attend meetings of the Area Committees.**
- (2) The Area Committees shall provide a forum for exchange of information and discussion of issues related to operations and Workplace Changes.**

d. Problem Solving Teams

The Plant Committee or an Area Committee may create one or more Problem Solving Teams to study, address and report back on specific problems mutually agreed to by the Co-Chairs.

e. Company-Wide Meetings

- (1) In each calendar year the parties will hold a two (2) day meeting (the first day for separate meetings for preparation) in proximity to a Company facility to review and discuss the information described in Paragraph 2 (Access to Information), above with the Union's leadership at the plants, Districts and International and the progress of the Partnership in achieving it's intent and purpose, (Section 1).**
- (2) The Strategic Committee shall agree on a level of disclosure appropriate for the group.**
- (3) Union participants shall include the Chair of the Union Negotiating Committee, Secretary of the Union Negotiating Committee, Local Union Presidents/Unit Chairs, Grievance Committee Chairs (or their designees) Contract coordinators at each of the Company's facilities and such others that the union designates. Company participants shall include the Company's officers, Plant Managers and such others as the Company may designate.**

Section 5. Workplace Change

- a. The Plant Committee and relevant Area Committee shall be provided with the earliest practicable notification of any plan to significantly modify or change in any way machinery, equipment, controls, materials, software, work organization or any other work process that could directly or indirectly impact Employees (a Workplace Change). Such notification shall include:**

- (1) a description of the purpose, function and established timetable of the Workplace Change, and how it would fit into existing operations and processes;
 - (2) the estimated cost of the proposed Workplace Change including justification;
 - (3) disclosure of any service or maintenance warranties or contracts provided or required by the vendor (if any);
 - (4) the number and type of jobs (both inside and outside the bargaining unit) which would be impacted;
 - (5) the anticipated impact on the skill requirements of the workforce;
 - (6) details of any training programs connected with the Workplace Change (including duration, content and who will perform the training); and
 - (7) the expected impact on job content, method of work, safety and health, training needs and the utilization of Outside Entities.
- b. Union representatives on the Plant Committee and the relevant Area Committee may request and shall receive reasonable access to Company personnel knowledgeable about any proposed Workplace Change in order to review, discuss and receive follow-up information.

Section 6. Safeguards and Resources

- a. No entity created under this Section may amend or modify the Basic Labor Agreement, recommend or affect the hiring or discipline of any Employee or take any action with respect to contractual grievances.
- b. Service on any entity created under this Section shall be voluntary, and no Employee may be disciplined for lack of involvement or commitment to the matters covered under this Section.
- c. Employee participation or training contemplated in this Section shall normally occur during normal work hours.
- d. At the mutual invitation of the Co-Chairs of any committee created under this Section, appropriate Union representatives and Company representatives may attend a committee meeting.
- e. All meeting time and necessary and reasonable expenses associated with any committee created under this Section shall be paid for by the Company and Employees attending such meetings in accordance with standard local plant understandings.
- f. Joint committees may mutually agree to employ experts from within or outside the Company as consultants; advisors or instructors and such experts shall be jointly selected and assigned.
- g. All Union participants involved in any and all joint activities under this Section or in any other joint committee involving members of a Union bargaining unit, shall be chosen and removed from the process exclusively by the relevant Local Union President/Unit Chair and the Chair of the Union Negotiating Committee.
- h. All current improvement, involvement and joint programs will be restructured to be consistent with this Section. Following the Effective Date, new improvement programs involving Employee participation may not be implemented without approval of the Union and, where implemented, shall operate in a manner consistent with this Section.

- i. **This Section shall in no way diminish the Union’s collective bargaining rights regarding changes in technology and work organization that impact Employees.**

APPENDIX W
Neutrality

1. Introduction

The Company and the Union have developed a constructive and harmonious relationship built on trust, integrity and mutual respect. The parties place a high value on the continuation and improvement of that relationship.

2. Neutrality

- a. To underscore the Company’s commitment in this matter, it agrees to adopt a position of Neutrality regarding the unionization of any employees of the Company.
- b. Neutrality means that, except as explicitly provided herein, the Company will not in any way, directly or indirectly, involve itself in any matter which involves the unionization of its employees, including but not limited to efforts by the Union to represent the Company’s employees or efforts by its employees to investigate or pursue unionization.
- c. The Company’s commitment to remain neutral as defined above may only cease upon the Company demonstrating to the arbitrator under Paragraph 7 below that in connection with an Organizing Campaign (as defined in Paragraphs 3(a) through 3(c) below) the Union is intentionally or repeatedly (after having the matter called to the Union’s attention) materially misrepresenting to the employees the facts surrounding their employment or is unfairly demeaning the integrity or character of the Company or its representatives.

3. Organizing Procedures

- a. Prior to the Union distributing authorization cards to non-represented employees at a facility owned, controlled or operated by the Company, the Union shall provide the Company with written notification (Written Notification) that an organizing campaign (Organizing Campaign) will begin. The Written Notification will include a description of the proposed bargaining unit.
- b. The Organizing Campaign shall begin immediately upon provision of Written Notification and continue until the earliest of: (1) the Union gaining recognition under Paragraph 3(d)(5) below; (2) written notification by the Union that it wishes to discontinue the Organizing Campaign; or (3) ninety (90) days from provision of Written Notification to the Company.
- c. There shall be no more than one (1) Organizing Campaign in a bargaining unit in any twelve (12) month period.

d. Upon Written Notification the following shall occur:

(1) Notice Posting

The Company shall post a notice on all bulletin boards of the facility where notices are customarily posted as soon as the Unit Determination Procedure in Paragraph 3(d) (3) below is completed. This notice shall read as follows:

“NOTICE TO EMPLOYEES

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

1. The Company does not oppose collective bargaining or the unionization of our employees.
2. The choice of whether or not to be represented by a union is yours alone to make.
3. We will not interfere in any way with your exercise of that choice.
4. The Union will conduct its organizing effort over the next ninety (90) days.
5. In their conduct of the organizing effort, the Union and its representatives are prohibited from misrepresenting the facts surrounding your employment. Nor may they unfairly demean the integrity or character of the Company or its representatives.
6. If the Union secures a simple majority of authorization cards of the employees in [insert description of bargaining unit provided by the Union] the Company shall recognize the Union as the exclusive representative of such employees without a secret ballot election conducted by the National Labor Relations Board.
7. The authorization cards must unambiguously state that the signing employees desire to designate the Union as their exclusive representative.
8. Employee signatures on the authorization cards will be confidentially verified by a neutral third party chosen by the Company and the Union.”

Following receipt of Written Notification, the Company may only communicate to its employees on subjects which directly or indirectly concern unionization on the issues covered in the Notice set forth above or raised by other terms of this Neutrality Section and consistent with this Section and its spirit and intent.

(2) Employee Lists

Within five (5) days following Written Notification, the Company shall provide the Union with a complete list of all of its employees in the proposed bargaining unit who are eligible for Union representation. Such list shall include each employee’s full name, home address, job title and work location. Upon the completion of the Unit Determination Procedure described in Paragraph 3(d) (3) below, an amended list will be provided if the proposed unit is changed as a result of such Unit Determination Procedure. Thereafter during the Organizing Campaign, the Company will provide the Union with updated lists monthly.

(3) Determination of Appropriate Unit

As soon as practicable following Written Notification, the parties will meet to attempt to reach an agreement on the unit appropriate for bargaining. In the event that the parties are unable to agree on an appropriate unit, either party may refer the matter to the Dispute Resolution Procedure contained in Paragraph 7 below. In resolving any dispute over the scope of the unit, the arbitrator shall apply the principles used by the National Labor Relations Board.

(4) Access to Company Facilities

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

(5) Card Check/Union Recognition

- (a) If, at any time during an Organizing Campaign which follows the existence of a substantial and representative complement of employees in any unit appropriate for collective bargaining, the Union demands recognition, the parties will request that a mutually acceptable neutral (or an arbitrator from the American Arbitration Association if no agreement on a mutually acceptable neutral can be reached) conduct a card check within five (5) days of the making of the request.
- (b) The neutral shall confidentially compare the authorization cards submitted by the Union against original handwriting exemplars of the entire bargaining unit furnished by the Company. If the neutral determines that a simple majority of eligible employees has signed cards which unambiguously state that the signing employees desire to designate the Union as their exclusive representative for collective bargaining purposes, and that cards were signed and dated during the Organizing Campaign, then the Company shall recognize the Union as the exclusive representative of such employees without a secret ballot election conducted by the National Labor Relations Board.
- (c) The list of eligible employees submitted to the neutral shall be jointly prepared by the Union and the Company.

4. Hiring

- a. The Company shall, at any facility which it builds or acquires, give preference in hiring to qualified employees of the Company then accruing Continuous Service under the Agreement. In choosing between qualified applicants, the Company shall apply standards established by Article Five, Section E (Seniority) of the Agreement.
- b. The hiring provision set forth above shall not apply where the employer for the purposes of collective bargaining is or will be a Venture (as defined in Paragraph 5(a) below); provided, however, that in a case where a Venture could have an adverse impact on employment opportunities for then current Employees, then the hiring provision set forth above shall apply to such Venture as well.
- c. Before implementing Paragraphs 4(a) and (b), the Company and the Union will decide how this preference will be applied.
- d. In determining whether to hire any applicant (whether or not such applicant is an Employee covered by the Agreement), the Company shall refrain from using any selection procedure which, directly or indirectly, evaluates applicants based on their attitudes or behavior toward unions or collective bargaining.

5. Definitions and Scope of this Agreement

a. Rules with Respect to Affiliates and Ventures

- (1) For purposes of this Section, the Company includes (in addition to the Company) any entity which is:
 - (a) engaged in (1) the mining, refining, production, processing, transportation, distribution or warehousing of raw materials used in the making of steel; or (2) the making, finishing, processing, fabricating, transportation, distribution or warehousing of steel; and
 - (b) either an Affiliate or Venture of the Company.
- (2) An Affiliate shall mean any business enterprise that Controls, is under the Control of, or is under common Control with ArcelorMittal. Control of a business enterprise shall mean possession, directly or indirectly, of either:

- (a) fifty percent (50%) of the equity of the enterprise; or
- (b) the power to direct the management and policies of said enterprise.

(3) Venture shall mean a business enterprise in which the Company owns a material interest.

b. Rules With Respect to Existing Affiliates and Ventures

The Company agrees to cause all of its existing Affiliates and/or Ventures that are covered by the provisions of Paragraph 5(a) (1) (a) above, to become a party/parties to this Section and to achieve compliance with its provisions.

c. Rules with Respect to New Affiliates and Ventures

The Company agrees that it will not consummate a transaction which would result in the Company having or creating (1) an Affiliate or (2) a Venture, without ensuring that the New Affiliate and/or New Venture, if covered by the provisions of Paragraph 5a(1)(a) above, agrees to and becomes bound by this Section.

- d. In the event that an Affiliate or Venture is not itself engaged in the operations described in Paragraph 5(a)(1)(a) above, but has an Affiliate or Venture that is engaged in such operations, then such Affiliate or Venture shall be covered by all provisions of this Section.

6. Bargaining in Newly-Organized Units

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

- a. The employer and the Union shall meet within fourteen (14) days following recognition to begin negotiations for a first collective bargaining agreement covering the new unit. In these negotiations the parties shall bear in mind the wages, benefits and working conditions in the most comparable operations of the Company (if any comparable operations exist), and those of unionized competitors to the facility in which the newly recognized unit is located.
- b. If after ninety (90) days following recognition the parties are unable to reach agreement for such a collective bargaining agreement, they shall submit those matters that remain in dispute to the Chair of the Union Negotiating Committee and the Chair of the Company Negotiating Committee, who shall use their best efforts to assist the parties in reaching a collective bargaining agreement.
- c. If after thirty (30) days following the submission of outstanding matters the parties remain unable to reach a collective bargaining agreement, the matter may be submitted to final offer interest arbitration in accordance with procedures to be developed by the parties.
- d. If interest arbitration is invoked, it shall be a final offer package interest arbitration proceeding. The interest arbitrator shall have no authority to add to, detract from or modify the final offers submitted by the parties, and the arbitrator shall not be authorized to engage in mediation of the dispute. The arbitrator shall select one or the other of the final offer packages submitted by the parties on the unresolved issues. The interest arbitrator shall select the final offer package found to be the more reasonable when considering (1) the negotiating guidelines described in Paragraph 6(a) above, (2) any matters agreed to by the parties and therefore not submitted to interest arbitration and (3) the fact that the collective bargaining agreement will be a first contract between the parties. The decision shall be in writing and shall be rendered within thirty (30) days after the close of the interest arbitration hearing record.
- e. Throughout the proceedings described above concerning the negotiation of a first collective bargaining agreement and any interest arbitration that may be engaged in relative thereto, the Union agrees that there shall be no strikes, slowdowns, sympathy strikes, work stoppages or concerted refusals to work in support of any of its bargaining demands. The Company, for its part, likewise agrees not to resort to the lockout of Employees to support its bargaining position.

7. Dispute Resolution

- a. Any alleged violation or dispute involving the terms of this Section may be brought to a joint committee of one (1) representative each from the Company and the Union. If the alleged violation or dispute cannot be satisfactorily resolved by the parties, either party may submit such dispute to the arbitrator. A hearing shall be held within ten (10) days following such submission and the arbitrator shall issue a decision within five (5) days thereafter. Such decision shall be in writing and need only succinctly explain the basis for the findings. All decisions by the arbitrator pursuant to this article shall be based on the terms of this Section and the applicable provisions of the law. The arbitrator's remedial authority shall include the power to issue an order requiring the Company to recognize the Union where, in all the circumstances, such an order would be appropriate.
- b. The arbitrator's award shall be final and binding on the parties and all employees covered by this Section. Each party expressly waives the right to seek judicial review of said award; however, each party retains the right to seek judicial enforcement of said award.
- c. For any dispute under this Section and the interest arbitration procedure described in Paragraph 6 above, the parties shall choose the arbitrator from the list of arbitrators described in Article Five, Section I (Adjustment of Grievances) Paragraph 6, contacting them in the order listed, and retaining the first to indicate an ability to honor the time table set forth above for the hearing and the decision.

**APPENDIX X
SUCCESSORSHIP**

1. **The Company agrees that it will not sell, convey, assign or otherwise transfer, using any form of transaction (any of the foregoing, a Sale), any plant or significant part thereof which is covered by this Agreement to any other party (Buyer), unless the following conditions have been satisfied prior to the closing date of the Sale:**
 - a. **the Buyer shall have entered into an agreement with the Union recognizing it as the bargaining representative for the Employees working at the plant(s) to be sold; and**
 - b. **the Buyer shall have entered into an agreement with the Union establishing the terms and conditions of employment to be effective as of the closing date of the Sale.**
2. **The Company agrees that it will not consummate any transaction resulting in a Change of Control of the Company (a Transaction) unless the ultimate parent company of the entity which gains control (Newco) has satisfied the following conditions prior to the consummation of the Transaction:**
 - a. **Newco shall have recognized the Union as the bargaining representative for the Employees working at the plant(s) which are involved in the Transaction;**
 - b. **Newco shall have provided the Union with reasonable assurances that it has both the willingness and financial wherewithal to honor the commitments contained in all of the agreements between the Company and the Union applicable to the assets acquired (All USW Agreements);**
 - c. **In transactions not subject to paragraph d below, Newco shall have assumed all USW Agreements; and**
 - d. **In the event the Transaction occurs less than three (3) years before the Termination Date, Newco shall have either:**

- (1) entered into an agreement with the Union establishing the terms and conditions of employment to be effective upon the consummation of the Transaction; or**
- (2) at the USW's option, either**
 - (a) assumed All USW Agreements applicable to the assets acquired, or**
 - (b) assumed All such USW Agreements and extended them for a period of at least three (3) years beyond their then scheduled expiration with the terms and conditions of the period of the extension to be determined, absent a negotiated agreement, by final offer interest arbitration. The Union shall provide Newco with notice of the choice of its option prior to the consummation of the Transaction.**
- 3. Change of Control is defined as the gaining by any person or group of persons (as the term person is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) (Person) of the power to direct the management and policies of the Company (other than Persons having such power as of the Effective Date).**
- 4. This Section shall not apply to any transactions solely between the Company and any of its Affiliates, nor to a public offering of registered securities.**
- 5. If the common stock of the Company is publicly traded on a nationally recognized stock exchange, then this Section shall not apply to any Transaction that results from an unsolicited tender offer or similar unsolicited transaction. This Section shall, however, apply in case of any merger or other consensual Transaction, regardless of whether that consensual Transaction results from an initial unsolicited offer.**
- 6. Notwithstanding the provisions of Article Twenty two (Term of the Agreement), this Section shall expire one (1) year after the Termination Date.**

APPENDIX Y**
MEMORANDUM OF UNDERSTANDING
ON JOINT UNION-MANAGEMENT
CHILD CARE COMMITTEE

The Company and the Union, recognizing the special needs of working parents, agree to establish a Joint Union-Management Child Care Committee to assess the needs of working parents to determine the feasibility of child care services for employees.

The Committee will consist of three Union representatives appointed by the International President and three Management representatives appointed by the President of the Company, and will be responsible for researching the need for child care and preparing recommendations based on the need.

The Committee shall explore the possibilities of obtaining funds through governmental programs, grants, trusts, and other available resources that could contribute to financing the Committee's work, including compensation for consultants, if needed, and research expenses.

The Company and Union shall share any unfunded additional costs of the Committee's work, including compensation for consultants, if needed, and research expenses.

The Committee shall:

- A. Develop a questionnaire or other survey to determine the ages of children of employees, the hours during which child care is presently utilized and the additional hours during which it is needed, cost, location, type, and quality of present child care arrangements, and compile the results.

- B. Research child care availability in the community, sources of additional clients for existing or potential new facilities or programs, sources of funding, and the impact of child care problems on the employers' operations and the employees.
- C. Report its findings and present alternative recommendations for meeting the child care need of employees, including a cost analysis of each alternative, to the International President of the Union and the President of the Company within one year (unless mutually agreed to by the parties to extend such deadline) of the effective date of the Basic Labor Agreement.

Recommendations by the Committee shall be seriously considered for implementation. Committee recommendations cannot conflict with this agreement or applicable laws and regulations.

Very truly yours,

Mittal Steel Co
/s/ William P. Boehler
William P. Boehler
General Manger
Union Relations

CONFIRMED:
s/ J. Parton
J. Parton
Chairman, Negotiating Committee
United Steelworkers of America

APPENDIX AA

Oct. 1, 2001
Mr. Dennis Shattuck
Chairman, Grievance Committee
United Steelworkers of America
Local 1010
3703 Euclid Avenue
East Chicago, IN 46312

Dear Dennis:

During the year 2000-2001 Research contract negotiations, the parties discussed Research report-offs for Union business and the potential for business disruption in the event of late reporting off. The Company's concerns stemmed from problems in this regard experienced with the P&M employees over the past several years, problems which could be magnified due to the relatively small Research bargaining unit. Several proposals were submitted by the Company which were more restrictive than the P&M report off language. Agreement on language could not be reached. Therefore, instead of delaying these negotiations with what the Company considers a potentially serious situation, and in view of the fact that the Company has no experience with report offs with the new Research Union, the parties recognize that it is in the best interests of both parties for report offs to occur as early as possible, preferably communicated prior to schedules being prepared for the following week. Both parties expressed a desire to avoid future problems and Company/Union confrontations due to Union business report offs and pledged to work together in this regard.

Cordially,

T. L. Kinach
Section Manager
Union Relations

Confirmed
D. Shattuck, Chm., Neg. Committee

APPENDIX BB
Institute for Career Development

1. Establishment

The Union and the Company hereby establish the USWA/ArcelorMittal Institute for Career Development (the Institute) which, in conjunction with similar programs negotiated by the Union with various other employers, will be administered under the rules and procedures of the Institute for Career Development (ICD).

2. Purpose

The purpose of the Institute is to provide resources and support services for the education, training and personal development of the Employees of the Company, including upgrading their basic skills and educational levels.

3. Guiding Principles

The Institute and ICD shall be administered in a manner consistent with the following principles:

- a. workers must play a significant role in the design and development of their jobs, their training and education and their working environment;

- b. workers should be capable of reacting to change, challenge and opportunity and this requires ongoing training, education and growth; and
- c. worker growth and development can only succeed in an atmosphere of voluntary participation in self-designed and self-directed training and education.

4. Financing

The Institute will be financed by \$0.15 for each hour worked by all Employees. The parties will also seek and use funds from federal, state and local governmental agencies.

5. Administration

- a. The Institute will be administered jointly by the Company and the Union in accordance with procedures, rules, regulations and policies agreed to by the parties.
- b. Training is separately provided for in the Agreement. The Company may, however, contract with the Institute to provide services and resources in support of such training.
- c. The Company agrees to participate fully as a member of ICD in accordance with policies, rules and regulations established by the ICD. The Company's financial contributions to the Institute will continue to be separately tracked. ICD will continue to be under the joint supervision of the Union and participating employers with a Governing Board consisting of an equal number of Union and employer appointees.

6. Reporting, Auditing, Accountability and Oversight

The following minimum requirements shall govern reporting, auditing, accountability and oversight of the funds provided for in Paragraph 4.

a. Reporting

- (1) For each calendar year quarter, and within thirty (30) days of the close of such quarter, the Company shall account to the ICD, the International Union President and the Chair of the Union Negotiating Committee for all changes in the financial condition of the Institute. Such reports shall be on form(s) developed by the Institute broken down by plant and shall include at least the following information:
 - (a) The Company's contribution, an explanation thereof and the cumulative balance; and
 - (b) a detailed breakdown of actual expenditures related to approved program activities during said quarter.
- (2) The Union Co-Chairs of each of the Local Joint Committees shall receive a report with the same information for their plant or Local Union, as the case may be.

b. Auditing

The Company or the Union may, for good reason, request an audit of the Company reports described in Paragraph 6(a) above and of the underlying Institute activities made in accordance with the following: (1) the Company and the Union shall jointly select an independent outside auditor; (2) the reasonable fees and expenses of the auditor shall be paid from ICD funds and (3) the scope of audits may be Company-wide, plant-specific, or on any other reasonable basis.

c. Approval and Oversight

Each year, the Local Joint Committees shall submit a proposed training/education plan to the Chairs of the Union and Company Negotiating Committees or their designees. Upon their approval, said plans shall be submitted to the Institute. The Institute must approve the plan before any expenditure in connection with any activities may be charged against the funds provided for in this Agreement. An expenditure shall not be charged against such funds until such expenditure is actually made.

7. Dispute Resolution Mechanism

- a. Any dispute regarding the administration of the Institute at the Company or plant level shall be subject to expedited resolution by the Chairs of the Union and Company Negotiating Committees and the Executive Director of ICD who shall apply the policies, rules and regulations of the Governing Board and the provisions of this Section in ruling on any such dispute. Rulings of the Executive Director may be appealed to the Governing Board, but shall become and remain effective unless stayed or reversed by the Governing Board.
- b. Within sixty (60) days of the Effective Date, the parties will develop an expedited dispute resolution mechanism that resolves disputes within two (2) weeks.

Agreed;

/s/ T. Kinach
Chm. Co. Neg. Com.

/s/ M. Allen
Research Neg. Com.

**APPENDIX CC
EMPLOYMENT SECURITY PLAN**

The parties recognize that in order to provide employment security, the Company must be able to attain a level of sustained profitability. To this end the parties have, as set forth in Appendix TT, committed themselves to achieve continuous productivity improvements and cost reductions over the life of the Agreement.

A. EFFECTIVE DATE

1. The effective date of this Employment Security Plan ("Plan") shall be the week beginning September 30, 2001 for eligible employees as defined in Paragraph C below.

B. GUARANTEE

1. Employees covered by this Employment Security Plan will not be laid off during the term of this Agreement, except as may be provided in Article 13 or in the case of a disaster as set forth below. If a disaster occurs resulting in the layoff of employees, the Plan will be terminated. For the purpose of this agreement, a disaster is defined as:
 - a. The permanent shutdown of the Research Department or the Indiana Harbor Works.

- b. A petition in bankruptcy for reorganization or liquidation is filed, and the Court finds that it is necessary to reject this Agreement and issues an order under the bankruptcy laws authorizing such rejection.
 - c. Severe financial difficulties short of bankruptcy filing. Such financial difficulties must represent a clear and present danger to the Company's viability. Disputes concerning this paragraph shall be subject to arbitration pursuant to a special emergency procedure to be agreed upon by the parties. Termination can occur under this paragraph only by mutual agreement of the parties or upon a finding by the arbitrator that the financial difficulty asserted by the Company does in fact represent a clear and present danger to the Company's continued viability.
2. In addition, in the event of a strike, or work stoppage by employees covered by this Plan, the Plan would be suspended for the duration of such strike or work stoppage.
 3. In addition, in the event of an outage expected to last for 2 consecutive weeks or more, the Plan may, by mutual agreement of the parties, be suspended for affected employees only, for the duration of the outage.
 4. In the case of a permanent shutdown of a division in the Research Department (divisions are: Long Products, Product Applications, Product Research and Process Research), or a shutdown of a major portion of the Research Department facility which is defined as >50% shutdown of the Research facility operations, the coverage of the Plan shall be suspended only as to certain employees and only in accordance with the following:
 - a. A sequentially established employee in such division or a sequentially established employee on an occupation which was traditionally, routinely, and regularly dedicated exclusively to such division who is displaced from his/her sequence as a result of a shutdown of the division, shall be laid off unless such employee is, as a result of greater plant continuous service, able to displace employees in the Labor Pool with less length of continuous service.
 5. For the purpose of this Plan, and except as provided in Paragraph B-4 above, employment security is defined as the opportunity to earn forty (40) hours of pay (including hours paid for but not worked, work opportunities declined by the employee pursuant to Article 10, Sections 4 and 5, disciplinary time off, absenteeism, report-off for Union business but excluding overtime penalty pay and premium pay), during any payroll week. An eligible employee on approved leave of absence or medically laid off during any payroll week shall be considered as having been provided employment security during that week, it being understood that the pay, if any, that such an employee is entitled to receive while on approved leave of absence or medical layoff is that provided by applicable law or the Collective Bargaining Agreement, not the earning opportunity set forth in this Plan.

C. ELIGIBILITY

1. All full-time active employees as of the week beginning September 30, 2001 are eligible for employment security under the provisions of this Plan.
2. All employees hired after September 30, 2001 are eligible for employment security under the provisions of this Plan upon attaining three (3) years of continuous service.

D. SAFEGUARDS

If this Plan is terminated during the term of this Agreement, the financial position of the SUB Plan shall be deemed to be 100% as of the date of such termination and the Company shall be required to begin to accrue liability and make cash contributions as required by the SUB Plan.

Agreed to:

/S/ T. Kinach
Company Neg. Chm.

/s/s D. Shattuck
Research Neg. Chm.

**APPENDIX EE
Benefit Plans**

September 27, 2012

Mr. Jim Robinson
Director, District 7
United Steelworkers of America
1301 Texas Street
2nd Floor – Room 200
Gary, IN 46402

Dear Mr. Robinson:

1. This confirms our understanding reached during the 2012 negotiations that members of Local 1010-6 (Research Department) will be covered under the following benefit plans effective 9/1/2012 unless otherwise noted:

Health Care (Medical, Prescription Drug, Dental, Vision) – ArcelorMittal USA LLC Program of Insurance Benefits for Represented Office & Technical Employees (former Ispat Inland) for Life Insurance, Medical, Prescription Drug, Mental Health and Alcohol/Substance Abuse Treatment, and Vision Care

Health Care Spending Account - ArcelorMittal USA LLC Health Care Spending Account

Dependent Care Spending Account - ArcelorMittal USA LLC Dependent Care Spending Account

Salary Continuation (Short Term Disability) - ArcelorMittal USA LLC Salary Continuation Plan for Represented Office & Technical Employees (former Ispat Inland) for Life Insurance, Medical, Prescription Drug, Mental Health and Alcohol/Substance Abuse Treatment, and Vision Care

Long Term Disability - ArcelorMittal USA LLC Long Term Disability Plan for Represented Salaried Employees

Pension Plan - ArcelorMittal USA LLC Pension Plan supplement for Hourly and Bargaining Unit Employees of ArcelorMittal USA Inc. and Subsidiaries

401(k) - ArcelorMittal USA LLC Hourly 401(k) Plan

SUB - ArcelorMittal USA LLC Supplemental Unemployment Benefit Plan for Bargained Employees

Basic Life Insurance - ArcelorMittal USA LLC Basic Life Insurance Plan for Represented Office & Technical Employees (former Ispat Inland) for Life Insurance, Medical, Prescription Drug, Mental Health and Alcohol/Substance Abuse Treatment, and Vision Care

Optional Life Insurance - ArcelorMittal USA LLC Optional Life and Accidental Death and Dismemberment Insurance Plan for Bargained Salaried Employees Represented Office & Technical Employees (former Ispat Inland) for Life Insurance, Medical, Prescription Drug, Mental Health and Alcohol/Substance Abuse Treatment, and Vision Care

Optional Accidental Death and Dismemberment - ArcelorMittal USA LLC Optional Life and Accidental Death and Dismemberment Insurance Plan for Represented Office & Technical Employees (former Ispat Inland)

Retiree Health Care - ArcelorMittal USA LLC Program of Insurance Benefits for Represented Office & Technical Eligible Retirees (former Ispat Inland) and Surviving Spouses for Life Insurance, Medical, Prescription Drug, Mental Health and Alcohol/Substance Abuse Treatment, and Vision Care

Very truly yours,
J. Vilga, Division Manager

**APPENDIX FF
Scope of the bargaining unit**

The parties agree that the traditional overlap in duties and responsibilities between the exempt salaried and bargaining unit employees will continue to exist under conditions similar to those that existed prior to the effective

date of the year 2001 Collective Bargaining Agreement. Notwithstanding the foregoing, this understanding will not permit non-represented employees from performing bargaining unit work during hours that would otherwise be worked on an overtime basis by represented employees, such work is defined as more than 3 consecutive hours of work per non-represented person.

Agreed to 3-9-00:

Company: /s/ T. Kinach

Union: /s/ D. Shattuck

APPENDIX GG

October 30, 2005

Mr. David McCall
District 1 Director
United Steelworkers
777 Dearborn Park Lane
Columbus, OH 43085

Re: Current Ispat Inland OCTF Account

The following will confirm our understanding on the above captioned matter.

The current OCTF will not accrue additional funds. The parties will establish a joint process to apply such accrued funds, as of the Effective Date, over a period equal to the period such funds were accrued, or over such period as the parties otherwise agree. Expenditures of funds will be directed to public policy activities, job related training and retraining associated with workplace restructuring, joint safety activities and safety training, and Stand Up for Steel activities. Expenditures of the funds will be jointly determined by the Local Union - President and the Vice President/General Manager of the plant- after review with the Union Chairman and Company Chairman of the Negotiating Committee, such mutual approval will not be unreasonably withheld by either party.

Yours truly,

Thomas F. Wood
Vice President, Labor Relations
Mittal Steel USA

Confirmed: _____
David McCall
Director, USW District 1

APPENDIX OO
Safety Shoe Allowance

On October 1 of each year, each Employee, other than a probationary Employee, will be provided a voucher for use at local vendor(s) designated by the Company for the full purchase price from an approved list of one (1) pair of safety shoes for the Employee's use at work.