



**2012 AGREEMENT BETWEEN
SEVERSTAL DEARBORN, LLC
AND THE UAW**

SEVERSTAL STEEL UNIT

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ARTICLE I: AGREEMENT

This Agreement, dated as of April 9, 2012, and the attached appendices (collectively, the “Agreement”) are between Severstal Dearborn, LLC., (“Severstal” or the “Company”) and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, a voluntary association (the “Union” or the “UAW”). Any remaining gender specific references in the language of this Agreement shall apply to either gender.

Section 1. New Collective Bargaining Agreement

This Agreement constitutes the entire labor agreement between the parties and will become effective April 9, 2012. This Agreement shall apply to Double Eagle Steel Coating Company facility as well.

Section 2. General Concepts Clause

The Company and the UAW agree to the following guiding principles that shall be the basis for this Agreement and the employment culture of the facility:

- A. A safe work environment where everyone is responsible for safety.
- B. A team-based work environment with trust and respect for all parties.
- C. Competitive total compensation and benefits within the integrated steel business.
- D. Sustained capital investment for facility improvements.
- E. Employee commitment and involvement to achieve step-change improvements in facility performance, productivity and the elimination of waste.
- F. Sharing of business information, timely response and collaborative resolution of issues affecting the work place or performance through the Continuous Improvement Initiatives and Employee Participation Process delineated in Article XII, Section 7.
- G. Rapid response and flexibility to changing markets and customer requirements.
- H. Constructive union/management relations and collective bargaining process through the Continuous Improvement Initiatives and Employee Participation Process delineated in Article XII, Section 7.
- I. Efficient and profitable production of steel for the benefit of the various stakeholders, shareholders, employees, and customers of the Company.

Section 3. Team-Based Employee Involvement and Work Systems

The Company and the UAW recognize and support the structure of a team-based operating and maintenance workforce, which is flexible, dynamic, and optimizes efficiency, and the use of employee skills and input in the way work is organized, scheduled and accomplished. To that end, restrictive divisions of work between jobs shall not exist in the Company.

Work systems will be designed in a manner that emphasizes teamwork in the performance of work.

Work teams are encouraged and shall have the latitude to recommend to management work systems that support the team-based structure and objectives described above and consistent with the guiding principles set forth in Article I, Section 2.

Section 4. Partnership and Mutual Growth

- A. The parties recognize that the Union and Management both serve valuable and necessary roles and that active ongoing communication is necessary for the partnership and mutual growth to succeed. The Union must see itself as a stakeholder in the Company and both parties must act with integrity and responsibility. The parties agree to establish and maintain a partnership which will provide them with the ability to achieve the following common objectives:
1. Improve health and safety;
 2. Provide continued, rewarding employment;
 3. Improve product quality;
 4. Reduce operation/unit costs;
 5. Improve productivity, efficiency or operations;
 6. Improve quality of life in the working environment;
 7. Increase the overall skills of employees;
 8. Improve Company and Union relations at all levels;
 9. Promote employee involvement in solving problems and business challenges;
 10. Continuous Improvement;
 11. Quality of Work Life; and
 12. Promote internal and external customer awareness.
- B. The parties agree to maintain open channels of communications, structure a system where employees are empowered to resolve issues and, where appropriate, utilize the empowered workforce to take their ideas and problem solving suggestions to management so that issues can be resolved at the lowest level of the shop floor and avoid unnecessary escalation of issues. To that end, the VP of Operations agrees to meet with the Steel Unit President and executive leadership from Local 600 to foster the goals articulated herein. The parties further agree that in order to succeed, the following must occur:

1. There must be an open exchange of information and discussion of issues related to operations and workplace changes.
 2. The principles of partnership and mutual growth must be emphasized and the parties agree that where appropriate, the Company will consider modifying, improving and changing practices as necessary for everyone's success and future job security.
 3. The parties will meet weekly unless otherwise mutually agreed upon. The meeting will include Local 600 and the Unit Chairperson and the Company.
 4. The parties agree that in the event of major workplace changes, the Company shall provide the Union with the earliest practicable notification of any plan to significantly modify or change machinery, equipment, work organizations or other processes that directly impact members of the unit.
- C. The parties further agree that no partnership efforts shall be undertaken to amend or modify the parties' collective bargaining agreement, recommend or affect the hiring or discipline of any employee or take any action with respect to contractual grievances as these areas are covered by the procedures and terms of the parties' collective bargaining agreement.

Section 5. Continuity of This Agreement

In the event of a sale of the Company on an on-going operations basis, during the Term of this Agreement, the Company will require the buyer to assume all terms and conditions of this Agreement.

ARTICLE II: RECOGNITION**Section 1. Recognition; Bargaining Unit**

- A. The Company recognizes the Union as the exclusive collective bargaining representative relative to rates of pay, wages, hours of employment, and other conditions of employment, for all employees of the Company in the Bargaining Unit.
- B. The term "Bargaining Unit" refers to hourly production and maintenance employees who are employed by the Company at the Rouge premises in Dearborn, Michigan. The Bargaining Unit will also include employees of the Company who are assigned to perform work comparable to work performed by employees in the Bargaining Unit in any new facility on the Rouge premises (or on any acquired or leased premises which are adjacent to the Rouge premises) as such premises exist on January 30, 2004.

Section 2. New Classification and Departments

When a new classification or department covering work comparable to that done by employees in the Bargaining Unit is established in a location covered by this Agreement, the Union will be notified and negotiations will take place promptly as to whether such classification or department properly should be in the included or excluded group.

Section 3. Restrictions on Organizing Certain Employees

- A. The Union shall not organize, or attempt or assist in the organization of executive employees, supervisory employees, supervisors of hourly personnel or any other individuals having authority in the interest of the Company to hire, transfer, suspend, lay off, recall, promote, discharge, or discipline other employees or responsibility to direct them or to adjust their grievances or effectively to recommend such action; employees engaged in work relating to time study or other Engineering activities; employees engaged in Human Resources or Labor Relations activities; employees having access to confidential information pertaining to Human Resources and Labor Relations matters; or other representatives of Management.
- B. Any dispute arising under this Section shall be appealed to the Arbitrator (as defined in Article VIII, Section 27) for decision, and any National Labor Relations Board proceedings to which the decision of the Arbitrator on such dispute may be relevant shall be postponed by agreement of the parties until the Arbitrator shall have rendered such decision.

ARTICLE III: UNION SHOP**Section 1. Requirement of Union Membership**

Employees covered by this Agreement on the Effective Date (as defined in Article XIV, Section 1) and who are members of the Union at that time shall be required as a condition of continued employment to continue membership in the Union for the duration of this Agreement.

Employees covered by this Agreement who are not members of the Union on the Effective Date shall be required as a condition of continued employment to become members of the Union on or within ten days after the 30th day following the Effective Date.

Employees hired, rehired, reinstated or transferred into the Bargaining Unit after the Effective Date and covered by this Agreement shall be required as a condition of continued employment to become members of the Union on or within ten days after the 30th day following the beginning of their employment.

An employee who shall tender the initiation fees (if not already a member) and the periodic dues uniformly required as a condition of acquiring or retaining membership shall be deemed to meet this condition.

Section 2. Discharge for Failure to Tender Dues or Initiation Fees

Any employee to whom membership in the Union is denied or whose membership is terminated by the Union by reason of his or her failure to tender the periodic dues and initiation fees uniformly required as a condition of acquiring or retaining membership shall not be retained in the Bargaining Unit. No employee shall be terminated under this Article, however, unless:

- A. The Union first has notified the employee by letter addressed to him or her at the address last known to the Union concerning his or her delinquency in not tendering the periodic dues and initiation fees required under this Section, and warning the employee that unless such dues and fees are tendered within seven(7) days he or she will be reported to the Company for termination from employment as provided herein; and
- B. The Union has furnished the Company with written proof that the foregoing procedure has been followed but that the employee has not complied, and on this basis the Union has requested, in writing, that he or she be discharged.

ARTICLE IV: DUES AND ASSESSMENTS**Section 1. Check-off of Membership Dues; Employee Authorization; Revocation**

The Company will deduct from the pay of each employee covered by this Agreement or notify the Trustee under the Supplemental Unemployment Benefit Plan (the "SUB Plan") to deduct as provided in the SUB Plan from each such employee's Regular Sub Plan benefits all current Union membership dues, provided that at the time of such deduction there is in the possession of the Company a subsisting written assignment, executed by the employee, in the form attached as Appendix A, authorizing such deduction by the Company.

Assignments currently in effect will continue effective in accordance with their terms; provided, however, that any employee shall have the right to revoke his or her assignment by written notice, signed by him or her, of such revocation received by the Company by registered mail, return receipt requested, (1) at any time before the end of the fifth day following the Effective Date; or (2) not more than five (5) days prior to the Effective Date.

Section 2. Authorization Forms

The Company will explain to new employees the check-off arrangements between the Company and the Union at the time of the hiring of such new employees and afford them an opportunity to sign authorization forms.

Previously signed and unrevoked authorizations shall continue to be effective as to employees whose seniority is not broken; previous authorizations of employees rehired shall not be considered to be effective.

Section 3. Pay Periods in Which Deductions are to Be Made

The Company will deduct current membership dues (including such initiation fees as may be a part thereof) from employees' pay for pay periods ending in the calendar month or will notify the Trustee under the SUB Plan to deduct such dues as provided in the Plan from employees' Regular Sub Plan benefits in a manner agreed upon with the Union. It is understood that deductions shall not be made from the paycheck from the first pay period following a new employee's date of hire. The initial dues deduction from the pay of any employee signing a new authorization form shall be from the second pay period following the date of his or her authorization.

Section 4. Collection in Succeeding Months

A. Once each month, the International Union may submit to the Company, not later than the tenth day of the month, computer disks or other agreed upon electronic means of transmission containing a list or file with each employee's name, social security number, amount of Union dues in arrears (including initiation fee, if any) to be deducted and the specified month or months for which the Union certifies that (i) the specified dues were required for such month(s) under the International Union's Constitution and Articles III and IV of this Agreement and (ii) such dues were not deducted from wages earned in such month(s) or from Regular Sub Plan benefits equivalent to 40 hours' pay received in

such months. An employee's name shall not be submitted in any month unless he or she is on the active employment rolls at the beginning of such month.

- B. Union dues in the specified amount shall be deducted from the wages of each such employee provided he or she has executed an Assignment and Authorization for Check-Off of Membership Dues for the month or months for which and in which the deduction is made. Such deduction shall be made from the pay for the first pay period ending in the month, provided that the employee has sufficient earnings to cover the Union dues.

The Company shall have no responsibility for the collection of membership dues not deducted pursuant to Sections 3 and 4 of this Article.

Section 5. Deduction of Initiation Fees

For the purposes of applying the check-off provisions, it shall be presumed that reinstated and rehired employees do not owe initiation fees, and collection of any initiation fees from such employees shall be the responsibility of the Local Union. It shall be presumed that newly hired employees being hired by the Company for the first time after the Effective Date have not previously paid initiation fees, and such fees will be deducted as set forth in Section 3 of this Article.

With respect to such newly hired employee who does not sign an authorization form at the time he or she is hired, the initiation fee will be deducted only if the Local Union subsequently shall furnish an authorization form signed by the employee and advise the Company therewith in writing that the employee owes an initiation fee, in which case such initiation fee will be deemed to become due and payable in the pay period following receipt of such notice.

The Company shall have no responsibility for the collection of initiation fees not deducted pursuant to the foregoing.

Where an initiation fee has been deducted from the pay of an employee hired after the Effective Date who does not owe such fee, it shall be the responsibility of such employee to obtain appropriate refund from the Local Union.

Section 6. Remittal of Deductions to the Local Union

Sums deducted from pay shall be remitted to the Financial Secretary, Local 600, UAW, or other UAW Local Union, as appropriate, in two payments, the first payment to be made within fifteen(15) days after the first pay period in each month and the second payment, including deductions from the remaining pay periods of the month, to be made not later than the 10th day of the next succeeding month after which such deductions are made, the same to be by them allocated and distributed in accordance with the constitution, laws and regulations of the Union.

Section 7. Record of Deduction for the Local Union

The Company and the Union shall work out a mutually satisfactory arrangement by which the Company will furnish the Financial Secretary, Local 600, UAW, or other UAW Local Union, as appropriate, a monthly record of those for whom deductions have been made, together with the amounts of such deductions. It is permissible for the Local Union and the Company to work out a system of reporting those for whom no deductions are made, rather than those for whom deductions are made, where they mutually desire to do so.

Section 8. Notice to Union of Employee Revocations

The Company will advise the Financial Secretary, Local 600, UAW, or other UAW Local Union, if applicable, in writing, of receipt by the Company of any written notice from an employee revoking his or her assignment and authorization to deduct Union membership dues from his or her pay or Regular Sub Plan benefits pay. Such written advice to the Union shall identify the employee and specify the date notice was received by the Company, and shall be sent to the Union within ten (10) working days of receipt of such notice.

The Union shall have the right to inspect such notice and its mailing envelope within thirty (30) days from the date the Union is sent advice of the receipt thereof, and following the expiration of that time any objections not theretofore made to the Company in writing to the effectiveness of such notice of revocation shall be deemed waived by the Union.

Section 9. Requests for Additional Deductions

Requests to the Company by the Local Union to deduct membership dues (other than initiation fees) in excess of the equivalent of two hours at the average earned straight-time rate based on the last four weeks worked, and notices of any increases in initiation fees, shall be effective only upon written assurance to the Labor Relations Department from the International Union that such amounts are a part of the membership dues under the Union's constitution, and have been duly approved by the International Union.

Section 10. Notice of Transfer to Excluded Classification

When an employee is transferred to an excluded classification, the Company will give the Union a written notice of such transfer, within ten (10) working days from the date of transfer, said notice to list the employee's name and his or her employee identification number.

ARTICLE V: COMPANY RESPONSIBILITY**Section 1. General**

The Company retains the sole right to manage its business, including the right to decide the number and location of plants, the machine and tool equipment to be used, the products to be manufactured, the types of steel and steel products to be produced, the methods of manufacturing, the steel and iron making process methodologies to be employed, the production schedules, the use of any and all processes of making, shaping or treating steel or iron, together with all designing, engineering, and the control of raw materials, black band product, or semi-finished or finished steel products, whether coils, slabs, molten iron or other steel products which may be incorporated into the products manufactured or produced; to maintain order and efficiency in its plants, mills, facilities and operations; to hire, lay off, recall, assign, transfer and promote employees, to revise or introduce new and effective incentive plans, standards, metrics, and work systems; to change methods and work systems; to establish new jobs, change or eliminate existing jobs; to implement cultural change concepts aimed at improving organizational performance and employee relations; to establish and enforce reasonable rules consistent with efficient operations; and to determine employee work schedules, including the starting and quitting time, scheduled days off and the number of hours to be worked; subject only to such regulations and restrictions governing the exercise of these rights as are expressly provided in this Agreement.

Section 2. Promotions

Promotions shall be based primarily upon merit and ability, but where these are equal, the employee having the greatest seniority shall receive preference.

Lack of job training will not prevent an employee from being promoted to a particular job; provided, however, that once the Company has provided adequate job training and a sufficient time to learn the job, if the employee has not acquired the new job skill, the Company is relieved of its obligation to provide further training and the employee must bid on a vacancy in another job progression grouping.

With respect to promotions to higher paid jobs, where time permits, the Union shall be notified of the opening, and as far in advance as possible. Arrangements shall be made locally by mutual agreement to establish appropriate procedures for posting of such openings.

Complaints that Management has not exercised fairness in judging the qualifications of the available candidates may be processed through the Grievance Procedure.

Section 3. Discipline and Discharge

The Company retains the sole right to discipline and discharge employees for cause, provided that in the exercise of this right it will not act wrongfully or unjustly or in violation of the terms of this Agreement.

In order to improve and standardize the administration of disciplinary action across all departments, the Company will develop written rules and uniform guidelines.

When imposing discipline:

- A. A suspension imposed immediately during an employee's shift should be limited to those circumstances where the infraction is of such a nature that after careful consideration, it is deemed necessary and beneficial to suspend such an employee. Suspensions should be reserved to limited circumstances including, but not limited to, threatening or abusive behavior, cardinal safety rule violations, theft, intentional destruction or sabotage, and actions that can be considered a violation of a company zero tolerance policy. The parties prefer to hold the disciplinary case prior to a disciplinary suspension; and
- B. Where the circumstances require that the employee be suspended pending an investigation because of the nature of the charges against the employee, management will consult with Labor Relations prior to imposing an immediate suspension on the employee. The Unit Chairperson will be notified of the suspension immediately.

In imposing discipline on a current charge, the Company will not take into account any prior infraction that occurred more than three years previously.

Complaints that the Company has violated this Section 3 may be taken up through the Grievance Procedure provided in this Agreement.

Section 4. Relief Allowance

The Company and the Union recognize the need for an employee to receive a reasonable amount of periodic relief during the course of a normal work shift and that employees can determine when self-relief is appropriate to meet operational needs to continue the efficient production in their area. In order for self-relief to be an effective way for employees to gain their relief and maintain normal operations in the plant, employees must use good judgment when they can take relief. Employees should be mindful of the most opportune time for them to take their self-relief.

The parties understand the inherent need for operations personnel to remain flexible to allow for the efficient operation of manufacturing and that the Company should not have to engage in specific scheduling or other administrative practices where work groups and supervisors are able to work out lunch and reasonable relief scheduling issues once the issues have been identified.

The Company will provide employees who are working an eight (8) hour schedule a twenty minute lunch break. Such lunch period will be taken during the course of the shift, when that relief does not jeopardize the normal operations of the plant. In those cases where providing a twenty minute lunch period or reasonable relief period is problematic, the Union will notify the Company and the parties will resolve the issue.

The Company will provide employees who are working a twelve (12) hour schedule a thirty (30) minute lunch break. Such lunch period will be taken during the course of the shift, when that relief does not jeopardize the normal operations of the plant. In those cases where providing a

thirty minute lunch period or reasonable relief period is problematic, the Union will notify the Company and the parties will resolve the issue.

The employee is responsible for utilizing the most opportune time for taking his or her lunch so as not to jeopardize the normal operations of the plant. Where it is problematic for the employee to get a reasonable relief period, the employee will approach his or her supervisor to discuss the options for taking a lunch break. If the employee and supervisor cannot find a resolution for scheduling a lunch break for the employee, senior operations management will be included in the discussion and if the lunch break cannot be resolved, then Labor Relations will be involved in the process to assist in resolving the issue.

The Company is committed to maintaining a work environment that provides for safe operations and employees' self-relief. If there is a situation where the employee needs a washroom break and cannot adjust the timing to not impact normal operations, then the employee should contact his/her supervisor for direction and relief approval.

Section 5. Rules and Regulations

The right of the Company to make such reasonable rules and regulations, not in conflict with this Agreement, as it may from time to time deem best for the purposes of maintaining order, safety, and or effective operation of Company plants, and after advance notice thereof to the Union and the employees, to require compliance therewith by employees, is recognized. The Union reserves the right to question the reasonableness of the Company's rules or regulations through the Grievance Procedure.

Section 6. Assignment of Overtime Work

- A. When in the judgment of Management, overtime is required for a given department, the regular employees assigned to the department will work such overtime periods. Where such overtime is of a continuing nature, Management, insofar as is practicable, will rotate such overtime among qualified or classified employees as appropriate. In addition, overtime shall be rotated, insofar as is practical, between those employees on a given classification who, as a matter of routine assignment, are used interchangeably during the normal workweek.

The notice provisions in this Section 6 shall also apply to the resumption of overtime work whenever there is a break in the overtime schedule.

Except in emergencies, breakdowns, unforeseen circumstances, or circumstances necessitating tag-relief, an employee shall be notified of required overtime work not later than the completion of his or her last hour of work on the day preceding such overtime.

It is the policy of the Company to grant, where practicable, an employee request to be excused from overtime on a given day, for good reason, especially during periods of continuing overtime. Such a request should be made as far in advance as possible. The employee will be promptly notified of the disposition of his or her request. When

granted, he or she will not be required to work during the excused time without giving his or her consent.

B. Overtime:

1. Involuntary Overtime – Involuntary overtime may result when an unplanned or unexpected overtime opportunity occurs beyond an employee’s regularly scheduled shift. Such instances can occur due to an unexpected or emergency operating event, an employee absence or tardiness situation without timely advance notification to the Company. Upon the Company’s notification or awareness of an unplanned overtime opportunity, the Company will make a reasonable effort to fill the vacancy pursuant to the provisions of the Overtime Guidelines.

When the Company makes an involuntary overtime assignment, the Company will make a reasonable effort to limit the duration of such assignment. Furthermore, the Company will document such instances and reasons to determine root causes and actions to mitigate future involuntary assignments. The Company will communicate to its supervisors the importance of following the Overtime Guidelines and limiting the use of involuntary overtime in the future.

The Company will continue the training of employees to increase the number of qualified employees for such overtime availability.

2. Unanticipated Overtime – The Company acknowledges that involuntary overtime can adversely affect the workforce and cause disruption to employees’ personal lives. The parties agree that, when possible, voluntary overtime is the preferred method of staffing overtime. Yet, the parties recognize that overtime is necessary to insure that production demands are met and there are not disruptions in the operations of the plant. The parties further recognize that in some instances involuntary overtime must be utilized in order to meet these production demands and to avoid disruptions in the operations of the plant.

If involuntary overtime is necessary, the Company will:

- a. First attempt to have overtime filled through voluntary means;
- b. As the practices in the mills vary due to their unique operational needs, where mutually agreed upon current practices will be maintained, except in those mills where the lowest seniority employee is forced to work the overtime; and
- c. In those mills where the lowest seniority employee is forced to work the overtime, overtime procedures will be modified to provide for a rotation of involuntary overtime based on employees within the same classification, on the same shift, will rotate forced situations daily, low to high seniority.

Section 7. Layoff and Recall - Deviations from Seniority

The right of the Company to lay off and recall employees is limited by Article IX, Sections 5 and 7 of this Agreement.

Notwithstanding those provisions, it is recognized that upon certain occasions it is necessary in order to facilitate capital projects, plant arrangement, starting of production or other situations for the Company to retain or to call into work the most capable and efficient employees, out of line of seniority.

When such occasions arise, the Unit President will be advised in advance of the number and classifications of such employees.

The discretion hereby vested in the Company shall not be abused. Complaints that the Company has abused its discretion in this respect may be taken up through the Grievance Procedure.

Section 8. Job Security

Job reductions will be achieved as a result of major capital or technology related expenditures, and in addition to any job reductions that may result from subcontracting. The Union will be advised in advance of any job eliminations or job consolidations and given an opportunity to discuss the Company's rationale and provide input. The Company reaffirms its commitment to provide advance notice of job eliminations or consolidations.

The Company has historically met the competitive challenges of the domestic steel industry through normal attrition thus avoiding reductions in force and permanent layoffs. The Company commits to continue to use this attrition methodology as its primary means of achieving any potential future downsizing of its workforce and to minimize permanent layoffs whenever practicable. Should attrition mechanisms be deemed ineffective and permanent layoffs become necessary in the future, the Company will notify the Union sufficiently in advance and seek their input prior to effecting a permanent layoff.

Recognizing that a permanent reduction in force may result in the layoff of relatively high seniority employees from one department and the retention of relatively low seniority employees in another department with the result that a substantial and persistent imbalance in Company seniority between those working in one department and those laid off in another department may exist, the Company will make such seniority corrections as are necessary to resolve the imbalance. Senior displaced employees who are laid off in a permanent reduction in force will first be placed on available work. Any remaining senior displaced employees will exercise their seniority against junior employees in other departments pursuant to the provisions of the Agreement. Such reduction in force procedures shall be carried out in such a manner so as not to adversely impact the Company's manufacturing efficiency, quality of products or employee safety.

Section 9. Contracting Out

- A. The Company shall have the right to engage outside service providers to perform non-core steel making services. Non-core steel making services means those services which are not directly related to the manufacture of iron, basic oxygen furnace steel making, casting, hot rolling, cold rolling, electro-galvanizing of flat rolled sheet steel and steel processes which the Company may deem related to its future capital investments.

Non-Core Work – The Company reaffirms its right to engage outside service providers to perform non-core steel making services. Following is a non-inclusive list of such non-core work.

1. Centralize Roll Grinding Work: All roll grinding work shall be centralized and resourced to a third party vendor. Scope of work to include managing entire life cycle of roll from receipt to scrap, as well as chock and bearing maintenance.
 2. Resource the overall procurement, management, control and distribution of the Plant's MRO inventory to third party vendor with proven expertise in integrated supply chain management.
 3. Consolidate mobile equipment operations and repair and resource to a third party(s) to manage, operate, and maintain the mobile equipment operation and repair at the plant.
 4. Resource current scarfing and slab slitting operations to an automated Slab Conditioning Services provider to scarf, slice, and cut slabs.
 5. Resource operation of Waste Water Treatment Plant and water cooling facilities to third party vendor to manage, operate and maintain facilities.
 6. The parties agree that the employees affected by these non-core initiatives will be leased to the third party vendor until they attrit out through the natural course of bidding, retirements, quits and discharges. However, the parties further agree that in the event that there are employees on layoff at the time that a position is available with the third party vendor due to such attrition, the third party vendor will return a laid off employee to work in the open position, if such laid off employee has the necessary skills and physical capabilities to perform the work in question.
 7. Such vendors must be prepared to enter into a collective bargaining agreement with Local 600.
- B. The Company shall have the right to contract out or supplement select maintenance, repair and fabrication of equipment when it is more efficient and economical than performing such work without outside service providers.
- C. The Company shall have the right to engage outside service providers to perform new construction work and capital projects involving the installation, replacement, or

reconstruction of equipment or productive facilities. The Company may also engage outside service providers for warranty work performed pursuant to a warranty on new or rehabilitated equipment or systems.

- D. Prior to exercising its rights under Paragraph A, B or C of this Section 9, the Company will provide the Union with notice of its plans to engage outside service providers, and will meet with the Union to discuss alternatives that the Union may wish the Company to consider; provided, however, that this Paragraph shall not apply in emergency circumstances.
- E. In the event that any seniority employee is or will be displaced as a direct and immediate result of work being or to be performed by outside contractors on Company premises, such employee may exercise his or her seniority in accordance with this Agreement.
- F. In no event shall any seniority employee who customarily performs the work in question be laid off as a direct and immediate result of work being performed by any outside service provider on plant premises. There shall be no layoff of skilled trade employees when outside contractors are onsite performing work that can customarily be performed by those skilled trade employees who are on layoff.
- G. Labor Evaluation Process – The Company and the Union agree as to the importance of the Labor Evaluation process and the review of those outside contracting projects which are of an imminent nature. A Project Coordinator will be designated to assist in the cost-effective utilization of skilled trades employees to perform work which the Company may consider outsourcing from time to time in the Labor Evaluation process. The parties agree that one existing CAMS person in each operation will, in addition to his or her regularly assigned duties, be assigned as a Project Coordinator to assist in such process. The Company and the Union will meet to agree on the criteria to be used to select the Project Coordinators and will mutually agree on the selection of the coordinators. The job description, scope of work, process and procedures which the Project Coordinator is to follow will be mutually agreed to by the parties prior to a pilot being launched. Management and the Union will periodically review the work of the Project Coordinators to facilitate their effectiveness and cost control activities.

Section 10. Joint Task Force

- A. During the course of the 2012 negotiations the parties discussed the Company's use of outside contractors for maintenance activities. Through those discussions both the Union and Company recognize that the opportunity may exist to more efficiently and effectively perform work presently outsourced to contractors with internal skilled and non-skilled resources. The Union recognizes that the Company cannot staff its workforce for peak downturn maintenance activities and capital project requirements. However, the parties agree that internal resources may be assigned to some of the work presently being outsourced if the use of those internal resources is found to be cost effective and efficient. The parties therefore agree that a new and joint innovative approach is required to address this long standing issue for its ultimate resolution.

- B. Therefore, a Joint Task Force led by the Company's Reliability Manager and the Steel Unit President will be formed to address the issue of the use of outside contractors. The Task Force will be comprised of several members jointly appointed by the parties as required for its due diligence. The Joint Task Force will review:
1. Financial information regarding the cost, productivity, and value creation of outside contractors;
 2. Improved utilization of current employees for maintenance activities and how that process can minimize the use of outside contractors;
 3. The utilization of laid off maintenance employees to perform short duration maintenance activities;
 4. Jointly modify the Request for Labor Evaluations ("RLEs") form as necessary;
 5. Overall maintenance planning activities to identify improvements;
 6. Continue to expand the scope of maintenance activities performed by production employees, including operator care principles, consistent with the terms of the collective bargaining agreement; and
 7. Benchmark the Company's maintenance practices to key competitors and best practices outside the industry for adoption by the Company.
- C. This Joint Task Force will report regularly to the Vice President, Human Resources and to the President, Local 600 on their progress regarding this important issue.

ARTICLE VI

STRIKES, STOPPAGES, LOCKOUTS, OPERATING CONTINUITY AND NEUTRALITY

ARTICLE VI: STRIKES, STOPPAGES, LOCKOUTS, OPERATING CONTINUITY AND NEUTRALITY

Section 1. Fair Day's Work

The Union reaffirms its adherence to the principle of a fair day's work for a fair day's pay, and agrees to use its best efforts towards this end, both as to work and as to conduct in its performance.

Section 2. Intent of Agreement

It is the intent of the parties, in the interest of attaining peaceful, orderly relations and efficient, uninterrupted operations, to set forth in this Agreement the obligations of the Company to the Union and the employees it represents, and to provide the procedures through which the Union and the employees shall resort to secure redress for any grievances arising from this Agreement.

Section 3. Prohibited Activities

The Union will not cause or permit its members to cause, nor will any member of the Union take part in, any sit down, stay in, or slowdown in any facility or plant of the Company or any curtailment of work or restriction of production or interference with the operations of the Company.

Section 4. No Strike; No Picketing

Except as provided in Article VIII, Section 20, the Union will not cause or permit its members to cause, nor will any member of the Union take part in, any strike of any of the Company's operations, or picketing of any of the Company's plants or premises.

Section 5. Discipline for Violations of Sections 3 and 4

The Company shall have the right to discipline (including immediate discharge) any employee who instigates, participates in, or gives leadership to any unauthorized strike or work stoppage in violation of this Agreement.

The Arbitrator has the power to review the reasonableness of any penalties imposed under this Section.

Section 6. Limitations on Right to Lock Out

The Company will not lock out any employees.

Section 7. Operating Continuity

The parties recognize that the Company has certain business commitments and obligations extending beyond the servicing of Ford Motor Company and, therefore, agree that there will be no disruption of operations at the Company due to a work stoppage or strike of a Ford Motor

ARTICLE VI

**STRIKES, STOPPAGES, LOCKOUTS,
OPERATING CONTINUITY AND NEUTRALITY**

Company operation or facility. The Union will actively assist the Company in continuing operations during such a period.

Section 8. Neutrality

In the event that the Company merges, consolidates, acquires or establishes a joint venture relationship with an outside third party, in which the Company is the majority owner and managing partner, the Company commits that it shall remain neutral during a UAW organizing campaign directed at hourly employees at such facility or facilities.

ARTICLE VII: REPRESENTATION**Section 1. Bargaining Unit Structure**

For the purpose of providing representation and operating under this Agreement, Company employees will be in one Bargaining Unit, the Severstal Steel Unit.

Section 2. Representation on Company Time

There shall be one Bargaining Unit representing all hourly production and maintenance employees of the Company. The Company will pay UAW designated full-time representatives, including all elected and appointed representatives (collectively, the "UAW Representatives") for the conduct of UAW business. The maximum number of Company paid UAW Representatives shall not exceed one representative for each 200 represented employees. This number includes all representatives who are appointed to specialized functions, other than the President of the Bargaining Unit, two (2) Health and Safety Representatives and one (1) Training Representative. The represented population will be reviewed on the last pay ending date for each June and December and adjustments to the Company paid maximum number of representatives will be made effective on the first full pay period of the following month.

When a UAW Representative is absent from the plant on his or her own time during periods when he or she is entitled to act as such, the Company will recognize an alternative UAW Representative designated by the President of the Bargaining Unit.

Section 3. Unit Health and Safety Representative**A. Number; Appointment**

Out of the number of representatives ascribed in Section 2 of this Article, the National Ford Department may appoint two (2) full-time Health and Safety Representatives.

B. Notice to Company

The National Ford Department shall advise the Company, in writing, of the name(s) of the appointed Health and Safety Representative(s). No representative shall function as such until the Company has been so advised.

C. Functions

The primary function of a Health and Safety Representative is to handle health and safety complaints. In addition, a Health and Safety Representative will:

1. Accompany governmental inspectors and International Union Representatives on plant inspection tours; also accompany representatives of the Company's Safety Activity on regular plant surveys and upon request receive results of such surveys. Advance arrangements should be made to permit participation in such surveys;

2. Receive from the appropriate management representative a copy of the facility's OSHA Form 300A (Summary of Work-Related Injuries and Illnesses) as it is now constituted and the facility's total man-hours worked for the comparable period;
3. Accompany a Company safety representative to measure noise, air contaminants or air flow when and where conditions indicate such measurement is necessary; upon request be provided with copies of photographs taken by Company personnel which relate to health and safety matters in the plant – such photographs shall be for the confidential use of the Health and safety representative only and shall not be reproduced, published or distributed in any way; once each week make inspections with a Company safety representative and make necessary and desirable recommendations regarding the plant working environment; prior to such inspections, be advised by a Company safety representative of possible problem areas based on an analysis of current MIOSHA Form 300 accident experience;
4. Be informed of work-related lost time accidents as defined by the MIOSHA Safety and Health Standards, Part 11, Recording and Reporting of Occupational Injuries and Illnesses, and other major accidents which occur in the workplace; be provided copies of all near miss, incident and accident reports in a timely manner: and review the results of plant safety investigations (Form 7086, "Supervisor's Investigation of Injury,") of such accidents and make necessary and desirable recommendations;
5. Receive prompt notification of any employee fatalities resulting from work-related injuries;
6. Participate in formal employee job-related safety training or instruction programs, and review and make recommendations to the Company's safety representative(s) concerning appropriate content of such programs; and
7. Be advised in writing of breathing zone air sample results and known harmful physical agents or chemicals to which employees are exposed and protective measures and applicable emergency procedures. In addition, whenever it is determined that an employee has had a personal exposure exceeding the permissible level as set forth in 29 CFR-1910.1000, "Air Contaminants", the Health and Safety Representative shall be informed in writing of such exposure and the corrective action to be taken.

D. Representative Training

The Company will provide annually the training or instruction it deems necessary to qualify the Unit Health and Safety Representative(s) to perform their functions satisfactorily. In addition to initial instruction, the Unit Health and Safety Representative(s) will receive specialized training appropriate to the Company's operations. The Union will be provided the opportunity to review and participate in such training or instruction programs and make necessary and desirable recommendations.

Section 4. Unit Benefit Plans Representative

A. Number; Appointment

Out of the number of representatives ascribed in Section 2 of this Article, the National Ford Department may appoint one full-time Unit Benefit Plans Representative.

B. Notice to Company

The National Ford Department shall advise the Company in writing of the name of the appointed Benefit Plans Representative. No representative shall function as such until the Company has been so advised.

C. Functions

The functions of the Unit Benefit Plans Representative are limited to matters pertaining to the Insurance Program and the SUB Plan, as outlined below.

1. Insurance Program

- a. Confer with employees, spouses, retirees, beneficiaries or insurance carriers regarding coverage eligibility, a denied claim, benefit amounts, and benefit payment delays.
- b. Meet with Company Hourly Personnel Benefits Representative(s) or other designated management representatives as required.

2. Supplemental Unemployment Benefit Plan (“SUB Plan”)

- a. Confer with employees regarding eligibility for benefits under the SUB Plan, a denied or suspended benefit or questions concerning appeal procedures under the SUB Plan.
- b. Meet with designated management representatives as required.
- c. Discuss with Company designated representatives those instances in which the Company determines benefit payments are not payable.
- d. Participate in Company–UAW Supplemental Unemployment Benefit Plan Committee hearings as required.

Section 5. Training Representative

A. Number, Appointment

Out of the number of representatives ascribed in Section 2 of this Article, the National Ford Department may appoint one full-time Training Representative.

B. Notice to Company

The National Ford Department shall advise the Company in writing of the name of the appointed Training Representative. No representative shall function as such until the Company has been so advised.

C. Functions

The Training Representative will participate in joint training initiatives and will serve as the Union's Representative on the Joint Apprenticeship Committee.

Section 6. Employee Assistance Plan ("EAP") Representative

A. Number; Appointment

Out of the number of representatives ascribed in Section 2 of this Article, the National Ford Department may appoint one full-time Employee Assistance Plan (EAP) Representative.

B. Notice to Company

The National Ford Department shall advise the Company in writing of the name of the appointed EAP Representative. No representative shall function as such until the Company has been so advised.

C. Functions

The functions of the EAP Representative are limited to matters pertaining to the Employee Assistance Plan. The EAP Representative will:

1. Assist in the identification, education, referral and follow-up of employees with problems which impair job performance relating to alcohol and drug dependency or emotional disorders while assuring requisite confidentiality standards are observed;
2. Act as liaison with appropriate members of line supervision, Labor Relations, plant medical, other Union representatives, diagnosis and referral agencies, and with providers of treatment and medical care;
3. Assist in evaluating the effectiveness of various programs, plans and services;

4. Participate in formal employee assistance training or instruction programs, and review and make recommendations to Company representatives concerning program content;
5. Assist in coordinating and implementing various local program applications and related services available under the Employee Assistance Plan;
6. Acquire appropriate certification and satisfy related conditions where required by laws or regulations.

D. Representative Training

The Employee Development and Training Program will provide training or instruction deemed necessary to qualify the Unit EAP Representative to satisfactorily perform his or her functions relating to the Employee Assistance Plan.

Section 7. Provisions Applicable to Full-Time UAW Representatives

A. Notice to Company

The President of the Bargaining Unit shall promptly advise the Company in writing of the names, positions and assignments of the UAW Representatives, and of any changes therein. No UAW Representative shall function as such until the Company has been so advised.

B. Duty to Remain in Plant and Area; Reporting to Supervisor

All UAW Representatives, except the President of the Unit Committee, shall remain in the plant, and, except when their duty requires them elsewhere, in their respective areas, while on Company time, and shall report in and out in the same manner as other employees are required to do.

A UAW Representative shall report to an employee's Supervisor, provided the Supervisor is in the department, before contacting such employee in pursuance of his or her duties.

C. Eligibility to Serve as UAW Representative

Any UAW Representative shall be an employee of the Company selected from among the employees he or she represents, and to be eligible to hold such position, shall have been in the regular employ of the Company, or on approved leave of absence, for at least one year immediately preceding his or her designation to such position unless an employee of at least one year's service is not available.

Section 8. Compensation of Full-Time UAW Representatives**A. General**

A full-time UAW Representative shall continue to be paid at the rate he or she was receiving at the time of assuming his or her duties except that his or her rate shall be adjusted in accordance with any adjustments made in the rate for the classification he or she then held. A UAW Representative shall be deemed to be an active employee of the Company for the purpose of applying the vacation plan. Notwithstanding the above, a full-time UAW Representative with one (1) or more years of continuous elected service as a full-time UAW Representative shall be entitled to receive consideration for promotion to a higher paying job under the provisions of Article V, "Company Responsibility," Section 2, "Promotions," of this Agreement, except that such full-time UAW Representative holding a non-trade classification at the time of election to full-time UAW Representative may be considered for promotion limited to openings in non-trade classifications. A full-time UAW Representative who is promoted to a higher paying job under the provisions of this Paragraph will not be considered for another promotion during the remaining period of the Agreement then in effect.

B. Incentive Plans

Notwithstanding Paragraph A of this Section, it is agreed by the parties that a full-time UAW Representative shall continue to receive a bonus equal to that he or she would have earned had he or she continued on his or her old job, except as such representative may be promoted in accordance with Paragraph A of this Section, in which case the UAW Representative shall receive a bonus based on the job to which he or she is promoted.

C. Compensation of Full-time UAW Representatives

The Company, the President, Local 600, and the President of the Bargaining Unit shall mutually determine the level of overtime for which the UAW Representatives shall be eligible. The parties shall consider the operating schedules of the Company in their deliberations.

D. Step-up Agreements

Notwithstanding Paragraph A of this Section, it is agreed by the parties that if a full-time UAW Representative is elected to that position from any classification of work coming under the provisions of a written automatic step-up agreement based exclusively on classification and seniority without reference to ability or qualification, such representative shall be reclassified to that classification which he or she would have received had he or she continued working on his or her job and the necessary adjustment shall be made in his or her rate.

Section 9. Incentive Committee

The Company and the Union shall form an Incentive Committee made up of two UAW Representatives (out of the number of representatives ascribed in Article VII, Section 2) and two representatives of the Company to review and discuss incentive plans.

ARTICLE VIII: GRIEVANCE PROCEDURE

Introduction

When an employee, or the Union collectively, has a grievance against the Company, it shall be processed in accordance with the Grievance Procedure hereinafter provided.

The parties shall make a sincere and determined effort to settle meritorious grievances in the voluntary steps of the Grievance Procedure and to keep the procedure free of unmeritorious grievances.

Any grievance that either (a) is not processed or (b) is disposed of in accordance with this Grievance Procedure shall be considered settled, and such settlement shall be final and binding upon the Company, the employee or employees involved, the Union and its members.

Except with respect to the right to present an individual grievance as expressly set forth in Section 1 of this Article, the Union shall, in the redress of alleged violations by the Company of this Agreement, be the exclusive representative of the interests of each employee or group of employees covered by this Agreement, and only the Union shall have the right to assert and press against the Company any claim, proceeding or action asserting a violation of this Agreement.

No employee or former employee shall have any right under this Agreement in any claim, proceeding, action or otherwise on the basis, or by reason, of any claim that the Union or any Union officer or representative has acted or failed to act relative to presentation, prosecution or settlement of any grievance or other matter as to which the Union or any Union officer or representative has authority or discretion to act or not to act under the terms of this Agreement.

The Company and Union agree to explore the exchange of grievance information more efficiently through electronic means and will implement mutually agreed changes.

Section 1. First Stage Grievances

Recognizing the value and importance of full discussion in clearing up misunderstandings and preserving harmonious relations, every reasonable effort shall be made to settle problems promptly at this point through discussion.

A. Initial Oral Discussion

An employee believing he or she has cause for grievance may, at his or her option, discuss the matter directly with his or her Supervisor or the employee may take it up with the District Committee Representative and the Supervisor.

It shall be the obligation of the Supervisor and the District Committee Representative to make their best efforts to assure that timely and thoughtful consideration is given to every grievance that is discussed within the scope of their ability and authority.

Initial oral discussion with the Supervisor shall be required for further processing of a grievance and failure to honor a request for oral discussion shall be a proper basis for taking the grievance to a second oral discussion step.

In the event oral discussion with the employee's Supervisor does not satisfactorily resolve the grievance, the District Committee Representative shall complete a "Record of Oral Discussion" form which must include the time, date and nature of the complaint, and must be signed by the employee(s) having the complaint. The Supervisor will verify thereon that oral discussion has been held.

B. Second Oral Discussion

In the event the grievance has not been satisfactorily resolved in the initial oral discussion and the District Committee Representative wishes to appeal the grievance further, he or she shall meet with the Area Manager and/or another representative designated by Management to discuss the grievance within two working days after the initial oral discussion. Such Company representative shall verify on the "Record of Oral Discussion" form that the second oral discussion has been held. It is understood that if a Labor Relations Representative is designated as the other Company representative and both Company representatives attend the meeting, then a Committee Representative may also attend.

Local arrangements for weekly meetings in the second oral discussion step may be established where deemed desirable for improving the effectiveness of oral discussion of grievances.

C. Disposition of Grievances

A settlement in either of the oral discussion steps shall be informal and limited to the particular grievance adjusted. Written dispositions shall not be requested by either party. However, the District Committee Representative will be provided a record of a back pay award when such has been granted to settle the employee's grievance.

D. Referral to Union

If the grievance is not satisfactorily resolved in the second oral discussion step and the District Committee Representative wishes to appeal the grievance to the Second Stage, he or she shall so specify on the "Record of Oral Discussion" form and submit three copies of said form to the Company representative who conducted the second oral discussion within two working days following such discussion. The Company representative will enter thereon a report of the second oral discussion and return two copies to the District Committee Representative within two working days following receipt. The District Committee Representative shall enter thereon his or her complete investigation of the facts and the results of the oral discussions. The District Committee Representative shall submit one copy of the completed form to the Union and one copy to the designated Company representative within two working days. If the Union believes the grievance to be well founded, and is satisfied that the obligation for oral discussion has been met, it may carry it to the Second Stage.

Section 2. Second Stage Grievances

Second Stage Grievances shall be processed in accordance with the following provisions:

A. Written Grievance

If the matter is not disposed of in the oral discussion steps, and it has been appealed to the Second Stage by the Union, it shall be reduced to writing on the form known as Employee Grievance, Second Stage; incorporated in this form shall be a "statement" setting forth all the facts relied on and specifying, when possible, the Section or Sections of the Agreement claimed to have been violated.

B. Presentation to Company

The Union shall within one week following receipt of the "Record of Oral Discussion" form present the grievance in writing to the designated Company representative for consideration at the Grievance Meeting. The grievance will be presented in triplicate.

C. Unit Grievance Meetings – Schedule

A Grievance Meeting shall be held at a regularly scheduled time each week (unless a longer interval is agreed upon locally) if there is business to be transacted, and shall continue on consecutive working days, until all business before it has been completed. It shall be attended by not more than four members of the Union representing the Union and by not more than four Company representatives. If either party wishes to do so, it may record the Grievance proceedings at its own expense in such manner as it desires.

D. Grievance Meeting – Agenda

Unless it has previously been withdrawn or satisfactorily adjusted, the grievance shall be considered at the next Unit Grievance Meeting which starts at least one week after the timely written presentation of the grievance for consideration.

E. Withdrawal or Adjustment of Grievance

The Union shall have power to withdraw a Second Stage Grievance, and the designated Company representative shall have the power to adjust a Second Stage Grievance.

F. Time Limit on Disposition

The Company shall give its decision in writing to the Unit President on all grievances considered at the Union Grievance Meeting not later than one week after the last session of the Meeting.

Section 3. Third Stage Grievances

If a satisfactory disposition of the grievance is not made in the Second Stage, the Unit President of the Union may, if he or she considers the grievance to be well founded, carry it to the Third Stage. Third Stage Grievances shall be processed in accordance with the following provisions:

A. Appeal Procedure

The Unit President shall, within one week of the written disposition in the Second Stage, give written notice to the designated Company representative, on triplicate copies of the Third Stage Grievance form, that the grievance is appealed to the Plant Review Board. The grievance must specify as provided in Article XII, Section 8, whether a claim of discrimination is included in the grievance.

Within one week after notice of appeal has been given by the Unit President, the parties will prepare and exchange a complete and detailed statement of all the facts and circumstances surrounding the grievance.

No grievance shall be considered by the Plant Review Board in the Third Stage until the next meeting after the prescribed statement of facts has been presented on behalf of the Union.

B. Statement of Fact and Position

Each party's statement shall be in detail sufficient to reasonably apprise the other party of the nature of (i) the grievance and the issues involved, (ii) the contentions made in support of the party's position on the issues, (iii) the basic facts relied upon in support of such position, and (iv) where a claim of discrimination is included in the grievance, a statement of the facts and circumstances supporting such claim.

Such statements shall fix the nature of the grievance and of the issues for all subsequent consideration of the case in the Grievance Procedure (including the Fourth Stage), and if either party shall attempt to deviate materially from the contents of such statement after furnishing it to the other party, the grievance shall be remanded to the Second Stage for reconsideration unless the other party agrees otherwise.

It is the purpose and intent of this Paragraph to assure that there shall be full discussion and consideration of the grievance, on the basis of a full disclosure of the relevant facts, in the voluntary stages of the Grievance Procedure.

C. Referral to Local Civil Rights Committee

The Unit President or his or her designated representative, before deciding whether to take a grievance which includes a claim of discrimination under Article XII, Section 8, to the Plant Review Board, may refer the grievance to the Chairperson of the Civil Rights Committee of the Local Union for a factual investigation and report. Such report must be completed and the grievance returned not later than one week following referral,

provided that such period may be extended by mutual agreement. Upon return, the grievance will be taken up at the next scheduled meeting of the Review Board.

D. Review Board

A Review Board shall be established.

The Review Board shall be composed of up to three persons representing the Union and up to three persons representing the Company. The Union representatives shall be an International Representative designated by the Regional Director of the area, who shall be the ranking Union representative, a representative of Local 600 designated by the President of the Local, and the Unit President. The Company representatives shall include one member of line management.

E. Review Board – Schedule of Meetings

The Review Board shall meet at a regularly scheduled time every other week if there is business to be transacted, and shall continue on consecutive working days until all business before it has been completed, unless a different schedule is agreed upon locally.

F. Review Board – Agenda

Grievances shall be heard, unless previously withdrawn or satisfactorily adjusted, at the first regular session of the Review Board scheduled not less than 15 calendar days after timely written appeal thereof to the Board, unless a shorter period is agreed upon locally.

G. Review Board – Record of Proceedings; Dispositions

If either party wishes to do so, it may record the Review Board proceedings at its own expense in such manner as it desires.

After the grievance has been discussed at the Review Board session, the Company shall furnish a copy of its decision in writing and a copy of a summary of the minutes of the meeting to the Union representatives on the Review Board within one week after the close of the session.

H. Power to Withdraw or Adjust Grievances

The Union Review Board Committee shall have power to withdraw a Third Stage Grievance, and the designated Company representatives shall have the power to adjust a Third Stage Grievance.

I. Authority of Regional Director

The Regional Director or his or her designated representative shall have the power to settle or withdraw on behalf of the Union any case or cases appealed to his or her level of the procedure, either before or after the Third Stage disposition by the Company is received, that in his or her judgment does not merit appeal to the next step.

Section 4. Disciplinary Cases

A. Notice of Action Taken

When an employee is given a disciplinary discharge or layoff, or a reprimand and warning, which is affixed to his or her personal record, the employee's District Committee Representative, if available, or if not, one of his or her Unit Committee Representatives, will be promptly notified in writing of the action taken. When disciplinary action is taken against an employee who is absent, the Unit Committee will be notified.

B. Waiver of Representation

When an employee signifies he or she does not want his or her Committee Representative present at a disciplinary hearing, the employee shall sign a waiver to that effect.

C. Time Limit on Grievances

Such disciplinary action will be deemed final and automatically closed unless a written grievance is filed within three (3) working days from the time of presentation of written notice provided for in Paragraph A of this Section. For the purpose of this Section, the phrase "working days" shall not include regularly scheduled days of rest for employees on necessary continuous 7-day operations.

D. Stage at Which Grievance Initiated

Where such disciplinary action is taken following a hearing at which the employee's Committee Representative has been present, or is taken by a Company representative other than his or her Supervisor, any grievance protesting such action shall be initiated at the Second Stage of the Grievance Procedure, subject to the three-day time limit and the requirement that the employee sign the grievance, except that this latter requirement shall not be applicable where disciplinary action is taken against an employee in his or her absence.

Section 5. General Grievances

General grievances affecting the employees in the Unit as a whole may be initiated by the Union directly at the Second Stage.

Section 6. Postponement of Action on Grievances

At any Unit Grievance Meeting or meeting of a Review Board, a grievance may be reserved by mutual consent for further investigation and consideration at a subsequent meeting, in which event the applicable time limits shall be measured from the close of such subsequent meeting.

Section 7. Fourth Stage – Appeal to Arbitrator

If a satisfactory disposition is not made of a grievance by the Review Board and if the grievance is the type of case upon which the Arbitrator is empowered to rule, the case may be appealed by the National Ford Department to the Arbitrator in accordance with the following provisions:

A. Time for Appeal

Notice of appeal shall be given within four weeks from the date of the decision of the Review Board.

B. Notice of Appeal – To Whom Given

Such notice shall be given by the National Ford Department to the Vice President, Human Resources and to the Arbitrator.

C. Notice of Appeal – Content

The notice of appeal shall specify the issue raised by the grievance and shall include a statement of the nature of the grievance, together with the award requested.

Section 8. Special Submissions to the Arbitrator

A. Initiation of Issues; Right to Appeal to the Arbitrator

Any issue involving the interpretation and/or the application of any term of this Agreement may be initiated by either party directly with the other party.

Upon failure of the parties to agree with respect to the correct interpretation or application of the Agreement to the issue, it may be appealed directly to the Arbitrator if it is an issue upon which he or she is empowered to rule.

B. Appeal Procedure

In cases appealed under Paragraph A of this Section, a written notice setting forth the specific issue shall be filed with the Arbitrator by the appealing party, and copy shall be simultaneously given to the other party.

When the Union is the appealing party, the National Ford Department shall file such notice, and the copy will be given to the Vice President, Human Resources. When the Company is the appealing party, the Vice President, Human Resources, will file such notice, and a copy shall be given to the National Ford Department.

Thereafter, the procedure set forth in Section 10 and following of this Article shall be followed.

Section 9. Withdrawal or Settlement after Appeal

The National Ford Department is authorized to withdraw or settle with the Company any grievance appealed by the Union to the Arbitrator at any time before it is heard by the Arbitrator.

After a case, upon which the Arbitrator is empowered to rule, has been heard, it may not be withdrawn by either party without the consent of the other.

Section 10. Briefs and Stipulations

A. Briefs in Arbitrator Cases

In special submissions, either party may file a brief with the Arbitrator at the time of the hearing or at any time prior thereto. Either party may file a reply brief not later than five days after the hearing.

In all other cases, either party may file a brief with the Arbitrator ten days prior to the time of the hearing, and may also file a reply brief not later than five days after the hearing, provided that notice of intent to file a reply brief has been given at least ten days prior to the time of hearing.

A copy of any brief filed with the Arbitrator shall be filed concurrently with the opposing party.

The Arbitrator, for good cause shown, shall have the power to extend the time for filing of briefs.

B. Stipulations of Facts and Issues

Upon the issuance of a hearing schedule or an agenda by the Arbitrator, the parties may agree upon written stipulations concerning the facts and issues in the cases scheduled for hearing. Agreed-upon stipulations shall be submitted to the Arbitrator and shall be final and binding upon the parties and the Arbitrator in the proceedings in the instant case. The Arbitrator will not permit the introduction of testimony or evidence on matters, which have been stipulated.

Section 11. Arbitrator's Office – Filing of Notices and Briefs

The Arbitrator shall maintain an office where all notices and briefs required to be filed with him or her may be delivered.

Section 12. Arbitrator Proceedings

A. Hearing Schedules; List of Pending Fourth Stage Appeals; Agenda

A list of pending Arbitrator cases will be published four months in advance of the scheduled Arbitrator hearing to facilitate review of the pending cases by Company and Local and Regional Union representatives. Thirty days prior to the date of the hearing,

the Arbitrator shall issue the agenda for the hearing. It will list unresolved fourth stage appeals in chronological order by date of appeal. Cases will be heard by the Arbitrator at the hearing in the same order. Notwithstanding the foregoing, procedures governing special submissions, discharge and similar cases, and further procedures governing hearing schedules, agendas and related matters shall be determined by the designated representatives of the National Ford Department and the Vice President, Human Resources.

B. Investigations and Hearings by the Arbitrator

The Arbitrator may make such investigations as he or she may deem proper. The Arbitrator will hold hearings open to the parties and may examine the witnesses of each party and each party shall have the right to cross-examine all witnesses produced and to make a record of all such proceedings.

Section 13. Time Limits for Arbitrator Decisions

It shall be the obligation of the Arbitrator to the Company and the Union to rule on cases heard by him or her within thirty (30) days after the hearing. Priority shall be given to deciding discharge cases. If, for good and proper reasons additional time is required, the Arbitrator may request an extension of the time limits set forth above by the parties and a reasonable extension thereof shall be granted.

Section 14. Powers of the Arbitrator

A. Scope of Powers

It shall be the function of the Arbitrator, and he or she shall be empowered, except as his or her powers are limited below, after due investigation, to make a decision in cases of alleged violations of the terms of this Agreement.

B. Limitations on Powers

1. The Arbitrator shall have no power to add to, or subtract from, or modify any of the terms of this Agreement; and
2. The Arbitrator shall have no power to rule on any dispute arising under Article XII, Section 4 of this Agreement.

Section 15. Disposition of Cases Beyond the Powers of the Arbitrator

In the event that there is an appeal to the Arbitrator in a case on which he or she has no power to rule, it shall be referred back to the parties without decision or recommendation on its merits.

Section 16. Government Approval of Awards Where Required

If any award of the Arbitrator requires the approval of any governmental agency, the said award will be subject to such approval.

Section 17. Finality of Arbitrator Awards; Exclusiveness of Remedy

There shall be no appeal from the Arbitrator's decision. It shall be final and binding on the Union, its members, the employee or employees involved and the Company. The Union will discourage any attempt of its members, and will not encourage or cooperate with any of its members in any appeal to any Court or Labor Board from a decision of the Arbitrator.

Neither the Union nor its members will attempt to bring about the settlement of any claim or issue on which the Arbitrator is empowered to rule by any other means.

Section 18. Arbitrator Fees and Expenses

The fees and expenses of the Arbitrator will be shared equally by the Company and the Union.

The expenses of any witness called by the Arbitrator shall be allocated to the parties by the Arbitrator, in his or her discretion. All other expenses shall be borne by the party incurring them, and neither party shall be responsible for the expenses of witnesses called by the other.

Section 19. Termination of the Arbitrator

A. Notice

If at any time either party desires to terminate the service of the Arbitrator, it shall give notice in writing to that effect, specifying the date of termination, and sending one copy to the Arbitrator and one copy to the other party.

B. Disposition of Pending Cases

The party terminating the Arbitrator's services shall specify in its notice whether or not it is agreeable to have the Arbitrator render decisions in all cases pending before him or her up to the date of said termination, and if it determines that the Arbitrator may decide such pending cases, the Arbitrator shall render decisions thereon not later than thirty (30) days from the date of said notice.

If the party terminating the services of the Arbitrator elects not to have pending cases decided by that Arbitrator, he or she shall render no further decisions subsequent to the time fixed in the notice, and all cases then pending before him or her shall be referred to his or her successor or to any other person the parties may agree upon.

Section 20. Special Procedures – Health and Safety

Disputes arising between the parties with respect to Article XII, Section 4 of this Agreement shall be handled as follows:

A. Complaint Procedure

An employee believing he or she has cause for complaint that the Company has not made reasonable provision for his or her health and safety may, at the employee's option,

discuss the matter directly with his or her Supervisor, or may take it up with the UAW Representative, who shall discuss the complaint with the employee's supervisor.

If the complaint is not resolved, the UAW Representative shall complete a "Health and Safety Complaint Form," which will be written to include a statement of all the facts relied on, and submit the form, in triplicate, to the Unit Health and Safety Representative, who will investigate the complaint. If the Unit Health and Safety Representative deems the complaint to be valid then he or she will meet with the appropriate member of Supervision to resolve the complaint.

In the event that the complaint remains unsettled, the Unit Health and Safety Representative shall meet with the designated Company safety representative to discuss the matter. The Unit Health and Safety Representative will present the "Health and Safety Complaint Form," in duplicate, to the Company safety representative, who will sign and date the form upon receipt.

The Company safety representative shall, within three working days after receipt of the form (unless an extension is mutually agreed upon), provide a written disposition setting forth all the facts relied upon and return one copy to the Unit Health and Safety Representative.

If the written disposition is not satisfactory to the Unit Health and Safety Representative, he or she may, within three working days from the date of the written disposition, or the expiration of any stated time period required to make necessary adjustments to resolve the complaint, process a written grievance into the first stage as provided below.

General complaints affecting the employees in the Unit as a whole may be initiated by the Unit Health and Safety Representative directly with the Company safety representative by submitting a completed "Health and Safety Complaint Form."

B. Grievance Procedure

1. First Stage – When a grievance on Health and Safety occurs, the UAW Representative, or the Unit Health and Safety Representative in those units where one is appointed, will take the matter up with the Labor Relations Office.

If not settled, the grievance may be referred in writing to the Unit President, who shall notify the Labor Relations Office in writing of the existence of the dispute.

2. Second Stage – The Supervisor, Labor Relations or his or her designated representative shall meet with the Unit President and the Unit Health and Safety Representative and attempt to resolve the dispute.

Following the discussion of the grievance, the Supervisor, Labor Relations or his or her designated representative shall furnish a written disposition to the Union on one copy of the special grievance form.

3. Third Stage – Failing to reach a settlement at the Second Stage, the Unit President may refer the grievance to the Local 600 Health and Safety Committee. If Local 600 considers the grievance as having merit, a letter appealing the case may be sent to the Vice President, Human Resources. A meeting will then be arranged by a representative from the Director's Office to discuss the grievance with the Local 600 Health and Safety Committee.
4. If not settled, the grievance may be appealed, as provided in Article VIII, Section 20, Paragraph C, Subparagraphs (1) and (2) of this Agreement.

C. Grievances Referred to the National Ford Department

1. Local Investigation and Meetings – Upon receipt of appeal from the Union, the National Ford Department shall, in an effort to attempt to settle the dispute at the Local level, send an International Representative to the plant to investigate the grievance.

If after completing the investigation the International Representative so requests, a meeting with representatives of the Company shall be held.

Prior to sending an International Representative to make such an investigation, the National Ford Department shall notify the Vice President, Human Resources.

2. Appeal to the Vice President, Human Resources – If a satisfactory disposition of the dispute is not reached as provided above, it may be appealed by written notice from the National Ford Department to the Vice President, Employee Relations and Union Affairs.

A joint committee composed of three (3) representatives of the Union designated by the National Ford Department, and three (3) representatives of the Company designated by the Vice President, Human Resources, will attempt to settle the issue.

This committee shall have five (5) working days from the date of receipt of such written notice of appeal to the Vice President, Human Resources, to attempt to settle the dispute by direct negotiations or by any other mutually satisfactory manner.

Any notice given under this Paragraph shall be canceled automatically sixty (60) working days from the date of such notice, unless this period is extended by mutual agreement or the notice is previously withdrawn by the Union.

D. Right to Strike

Failing to reach agreement as herein provided, the Union shall have the right to strike over such dispute; provided such strike is properly authorized in accordance with the provisions of the International Union's Constitution and By-Laws.

No strike shall commence subsequent to sixty (60) working days from the date of notice given under Paragraph (C) (2) of this Section, or any mutually agreed to extension of such period.

E. Confinement of Issues

It is expressly understood and agreed that no grievance, complaint, issue, or matter other than the strikeable issue involved will be discussed or negotiated in connection with disputes to which this Section is applicable, and the Union shall not request or insist upon the discussion or negotiation of any extraneous issues either before the authorization of a strike or after the occurrence of a strike.

Section 21. Special Procedures – New Job Rates

Base Rate Negotiations – Negotiations on the rate for the new job shall begin at the Unit level. If a satisfactory settlement is not made, the dispute may be appealed by the National Ford Department to the Arbitrator. In deciding any dispute with respect to this Section 21 regarding new job rates, the Arbitrator is not authorized to create a new wage rate, but only to assign an existing wage rate to the new job in accordance with existing labor grades and job descriptions under this Agreement.

Section 22. Back Pay

A. Limitations on Retroactivity

The Company shall not be required to pay back wages more than two working days beyond the verified date of the initial request for oral discussion as shown on the form – "Record of Oral Discussion;" provided, however, that:

1. In the case of a pay shortage of which the employee could not have been aware before receiving his or her pay, any adjustments made shall be retroactive to the beginning of the pay period covered by such pay, if the verified date of the initial request for oral discussion is within five working days after receipt of such pay.
2. In the case of a grievance protesting disciplinary action filed in accordance with the time limits specified in Section 4 (C) of this Article, the two working day limitation on Company liability referred to above shall not be applicable.

No decision of the Arbitrator or of the Company in any one case shall require a retroactive wage adjustment in any other case.

For the purpose of this Section, the phrase "working days" shall not include regular scheduled days of rest for employees on necessary continuous 7-day operations.

B. Computation

All claims for back wages shall be limited to the amount of wages that the employee otherwise would have earned less any unemployment compensation or compensation for personal services that he or she may have received from any source during the period of

the back pay; provided, that if the employee is required to return amounts received as unemployment compensation benefits to the state, such amounts shall not be deducted from the back pay, and suitable arrangements will be worked out for the restoration to the state of the money due it.

C. Time for Payment

Errors resulting in pay shortages shall be corrected within five working days from the filing of the grievance.

Back pay awards shall be paid within thirty days of such award except where the work involved makes it impractical.

Section 23. Extension of and Failure to Meet Time Limits

The time limits at any level of the Grievance Procedure may be extended by mutual agreement of the parties. Any grievance upon which a disposition is not made by the Company within the time limits prescribed in this Article or such extension as may have been agreed to may be referred to the next step in the Grievance Procedure, the time limit to run from the date the time for disposition expired.

Any grievance not carried to the next step by the Union within the time limits prescribed herein, or such extension as may have been agreed to, shall be automatically closed upon the basis of the last disposition.

The term "week" as used in this Article means calendar week.

Section 24. Notice to Other Party of Grievance Representatives

Each party shall promptly notify the other in writing of the representatives it has designated pursuant to this Article, and of any changes therein.

Section 25. International Representatives – Permission to Enter Plants

To facilitate the operations of the Grievance Procedure, representatives of the International Union may enter the Company's plants to investigate grievances in the Third and Fourth Stages when their presence is necessary and appropriate, provided they have secured prior permission of the Company.

In requesting such permission, the Union representative shall designate the grievances he or she intends to investigate.

The Company representative will grant permission for the Union representative to visit the plant after a mutually agreeable date and time has been set.

Section 26. Grievances Arising Prior to January 30, 2004

The Company has no liability for any grievances relating to issues arising prior to the Company's purchase of the Rouge Steel assets.

Section 27. Selection of Neutral Arbitrators

With respect to the arbitration of grievances, the UAW and the Company shall each select three (3) qualified, neutral individuals with expertise as a grievance arbitrator who are willing to serve as the Arbitrator for the Term of this Agreement. A coin flip will determine which party may strike a name from the list of the six proposed arbitrators first. The loser of the coin flip will strike a second name, the winner a third name, the loser a fourth name and the winner a fifth name. The last remaining name is the Arbitrator. In the event of the Arbitrator's resignation, incapacity or death, the parties shall repeat the above process to find a successor.

ARTICLE IX: SENIORITY AND RELATED MATTERS

Section 1. Seniority

- A. The seniority of Employees shall be the length of their continuous employment with the Company, which shall include the length of their seniority with Rouge Steel Company (including applicable time served with Ford Motor Company) as of the day before the acquisition by Severstal of the Rouge Steel Company assets, except as otherwise provided by this Agreement.
- B. Certain former Rouge Steel Company employees were hired in accordance with a special agreement referred to as the Rouge Transition Program, and such employees shall have their seniority rights determined in accordance with that Program.

Section 2. Acquiring Seniority; Probationary Employees

A. Acquiring Seniority

Any newly hired individual and any former employee of the Company who is rehired by the Company shall be regarded as probationary employees and shall establish seniority after the first three (3) months of continuous employment with the Company.

In order to become a seniority employee, a probationary employee must have been employed for a total of three (3) months within the year following the date he or she was hired or last rehired, whichever is the later. For the purposes of this Section, periods during which the employee was laid off, or on leave of absence for any reason, or employed on an excluded classification, shall not be considered as periods of employment.¹

Following completion of his or her probationary period, the employee shall be given seniority as of the date that he or she was hired or last rehired, whichever is the later.

B. Rights to Transfer and Discharge Probationary Employees

The Company may discharge or transfer employees at any time during the probationary period. However, any claim by a probationary employee that his or her layoff or discharge after 30 days of employment is not for cause, or any claim of discrimination in connection with his or her transfer or discharge may be taken up as a grievance.

C. Probationary Employees – Layoff and Recall

When possible, the Company shall adhere to a policy of laying off and rehiring probationary employees in accordance with their date of hire, provided that the Company shall retain the sole discretion as to the laying off, transferring and rehiring of probationary employees, except in cases of claimed unlawful discrimination.

¹ For crediting of periods of military service, see Article IX, Section 12, "Military Service; Veterans;" Subsection (B), "Reinstatement Following Military Service," of this Agreement.

When a probationary employee is laid off, his or her employment shall be terminated unless it is anticipated that the layoff will be temporary. If the employee is recalled within a period not exceeding the period he or she was employed continuously by the Company immediately preceding the date of layoff, the Company shall reinstate rather than rehire the employee.

D. Probationary Employees – Medical Leave

If a probationary employee is absent on medical leave for a period not exceeding the period he or she was employed continuously by the Company immediately preceding the date such absence commenced, the employee will be reinstated and returned to work if there is work available in his or her Unit which the employee can perform.

If the employee's period of absence exceeds the employee's preceding period of employment, the Company shall be under no obligation to reinstate him or her.

E. Rights of Probationary Employees

With respect to matters where provision otherwise has not been made, probationary employees are covered by the terms of this Agreement and shall have access to the Grievance Procedure for the enforcement of their rights thereunder.

Section 3. Loss of Seniority

Seniority shall be broken for the following reasons:¹

A. Quit

If the employee quits.

B. Discharge

If the employee is discharged and the discharge is not reversed through the Grievance Procedure.

C. Absent from Work

If a seniority employee with less than six months' seniority is absent for three (3) working days without properly notifying the Company and giving a satisfactory reason for his or her absence, unless it is not possible for the employee to do so.

¹ For expiration of sick leave, see Article IX, Section 10 of this Agreement.

D. Failure to Report

If the employee does not, within five (5) working days (excluding Saturdays, Sundays and Holidays) after notice to report has been sent to him or her, either report for work or give a satisfactory reason for his or her absence, unless it is not possible for the employee to comply with either of these requirements; and provided at least ten (10) working days have elapsed since the employee's last day worked.

Such notice will not be sent where a medical leave has been issued to cover an employee's disability for a specific extended period of time based upon a medical examination by the plant physician or when an employee on conditional medical leave provides medical evidence found acceptable by the plant physician.

Medical leaves will not be canceled except in unusual situations such as suspected abuse of the medical leave provision.

In cases where conditional or approved medical leaves of absence have expired, the Company may send a notice to report. Such notice shall be sent by certified mail to the employee's last known address according to the Company's records, and except in cases of recall, the notice shall be substantially in the form set forth in Appendix C, attached. The date on the notice shall be the same date the Post Office receives the notice for mailing.

Disputes as to the Company's failure to observe the procedural requirements of this provision, (e.g., timeliness of notice and transmittal to proper address) and the reasonableness of the employee's failure to respond to a notice where the employee's period of absence can be justified are subject to the regular Grievance Procedure.

E. Disability Settlement

If a settlement with the employee has been made with the approval of the Union for total disability.

F. Overstaying Leave

If an employee overstays a leave of absence by more than five (5) calendar days.

G. Continuous Unemployment

For employees who have not broken seniority, the period of time shall be not less than the following:

1. For employees with less than one year seniority, eighteen (18) months;
2. For employees with one year but less than two years seniority, thirty-six (36) months;

3. For employees with two but less than three years seniority, forty-eight (48) months;
4. For employees with three but less than four years seniority, sixty (60) months;
5. For employees with four but less than ten years seniority, for a period of time equal to their Company seniority plus twelve (12) months; and
6. For employees with ten but less than eleven years seniority, not less than one hundred and thirty-two (132) months.

Section 4. Seniority Lists

The Company shall continue to furnish a sufficient number of plant-wide and Line of Progression seniority lists, in seniority order to the Union every thirty days or on such schedule as is mutually agreed upon between the parties.

Any challenge as to the sequence of the seniority list shall be protested on a form mutually agreed upon by the Company and Union.

The parties agree to develop an on-going process to periodically review and evaluate LOP issues regarding the evolution of classification assignments and to promote internal consistency across plants. Furthermore, the parties agree to the LOP and classification changes that have been incorporated in Appendix B.

Section 5. Layoff and Recall

The principle of seniority will be recognized for purposes of layoffs by classification within a specific Line of Progression (“LOP”).

A. Production Employees

Reductions in force for production employees shall be by LOP, using job classification date of entry seniority. Employees in the lowest job classification in a LOP shall be reduced by Company seniority. Senior displaced employees in a permanent reduction in force will first be placed on available work. Any remaining senior displaced employees will exercise their seniority against junior employees in other departments and LOPs within the Utility Person classification, Labor Grade 1, on a Company-wide basis. Junior employees who are displaced in accordance with the aforementioned reduction in force procedures may be temporarily retained in their classification and shift until training has been completed so as not to adversely impact the Company’s manufacturing efficiency, quality of products or employee safety. The parties have agreed to Reduction in Force Guidelines and have recorded them in a separate document.

B. Skilled Trades Employees

Reductions in force for skilled trades employees shall be by “trade date” (Maintenance Technician-Mechanical or Maintenance Technician-Electrical) by department. Senior

displaced employees in a permanent reduction in force will first be placed on available work. Any remaining senior displaced employees will exercise their seniority against junior employees by classification and Trade Date in other departments. Junior employees who are displaced in accordance with the aforementioned reduction in force procedures may be temporarily retained in their classification and shift until sufficient training has been completed so as not to adversely impact the Company's manufacturing efficiency, quality of products or employee safety.

C. Recall

For the purpose of recall, the procedures stated in the above Sections will be followed in reverse order.

Section 6. Layoff and Recall of Union Officers

Notwithstanding their positions on the seniority list, those UAW Representatives who administer this Agreement shall have preferential seniority in case of a layoff and subsequent recall, provided that there is work available which they can perform, and provided further that in plants (if any) with less than one hundred (100) employees, deviation from this rule may be negotiated between the Company and the International Union.

Section 7. Temporary Layoffs

A. Definition and Applicability

A temporary layoff is defined as a layoff of not more than twelve (12) working days or for a set duration of time as agreed upon between the parties.

The provisions covering temporary layoffs shall apply to all employees, both production and non-production employees.

B. Right to Deviate from Seniority

In the event of a temporary layoff, the Company shall have the right to lay off employees as their work is completed, irrespective of their seniority; provided, however, that no other employee will be used on the jobs of employees who are temporarily laid off.

Upon resumption of work, employees shall be recalled as their jobs open up. If necessary to retain some employees as members of a skeleton crew in a department during a temporary layoff, seniority employees will be used when practical.

C. Discussions After 5 Days

After five (5) days have elapsed following a temporary layoff, the Union shall meet with the Company to discuss the practicability of recalling seniority employees to replace junior employees for the remainder of such temporary layoff period; and where the Company agrees that it is practicable to do so, it will make such replacements.

D. Local Negotiations

Deviations from the terms of Paragraphs A, B and C of this Section may be made by agreement between Management and the Unit for a particular temporary layoff. Any other agreement to deviate from Paragraphs A, B and C shall be subject to written approval of the National Ford Department and the Labor Relations Department.

E. Inverse Seniority

Upon request of the Local Union, the parties shall enter into an agreement applying the concept of inverse seniority where: (1) the layoff is for a definite time and limited duration, and (2) all employees with less than one year's seniority have been laid off from the affected group referred to below. The Union agrees that any such local agreement shall give full consideration to and shall not impair plant operating efficiencies, including, but not limited to, those inefficiencies which might occur as a consequence of undesirable bumping or replacement of employees. Consistent with this requirement, it is further agreed that employees shall be laid off and recalled under the terms of this inverse seniority layoff procedure by groups (defined by classification and department) to be negotiated by the parties. It is expressly understood that the parties shall not enter into arrangements which permit employees on inverse seniority layoff to return to work to be replaced on layoff by other employees during the period of limited layoff. Nor will an employee who is laid off pursuant to an inverse seniority arrangement be permitted to return to work as a result of exhaustion of, or disqualification from, State Unemployment Compensation Benefits or Company provided Supplemental Unemployment Benefits. Nothing in the foregoing shall preclude the Company from recalling any employee prior to the expiration of the limited layoff period. If the Union President believes that a particular layoff, which does not meet the above criteria, warrants the application of inverse seniority, it may make a request to that effect to the Local Union. The Local Union may take up any such requests which it believes to be meritorious with the Company.

F. Limitation on Use

The temporary layoff provisions shall not be used for the purpose of avoiding seniority adjustments by scheduling a series of temporary layoffs to meet planned production needs.

Section 8. Employees with Disabilities**A. Major Disabilities/Deviations from Layoff Rules**

Employees who have major physical disabilities may be exempted from the operations of the seniority provisions of this Agreement in the event of layoff, at the discretion of the Company.

B. Employee Incapacitated at Work/Placement and Retention

Any employee who has been incapacitated at his or her regular work by injury or compensable occupational disease while employed by the Company may be employed in other work in the plant which he or she can do, at the discretion of the Company after consultation with the Union without regard to any seniority provisions of this Agreement.

Section 9. Shift Assignments and Rotation

The Company agrees to the principle that seniority employees should be given consideration in assignment of shifts. However, it is recognized that it is impossible to operate the plants efficiently with all the more senior employees on any one shift and, therefore, seniority alone cannot be the sole determining factor in applying the above principle.

Seniority employees will be given consideration in the reassignment of shifts twice each year.

Employees desiring to exercise shift preference must make application during the months of March and September.

Shift preference adjustments shall be completed in the first two weeks of April and October respectively, each year.

Plant seniority will be utilized for shift preference, unless a Date of Entry or Trade Date has been established and is appropriate.

In consideration of plant efficiency, seniority alone will not be the sole determining factor in the selection of shifts.

Section 10. Medical Leaves of Absence

An employee who is unable to work because of injury or illness, and who furnishes satisfactory evidence thereof, shall be granted an automatic sick leave of absence covering the period of such disability, subject to the provisions of Section 2 of this Article.

At the expiration of such period, the employee will be returned to work which he or she can perform, in accordance with his or her seniority and qualifications, except as otherwise provided with respect to probationary employees in Section 2 of this Article.

No sick leave shall extend beyond a period of time equal to thirty-six (36) months, provided, however, that a sick leave because of compensable injury or occupational disease shall extend for the duration of compensable temporary total disability.

The employee's seniority shall accumulate throughout the period of such leave of absence.

Section 11. Personal Leaves of Absence**A. Procedure for Obtaining Leave of Absence**

An employee requesting a personal leave of absence shall make application to his or her

supervisor on a form to be provided for that purpose and shall then take the signed form to the Employment Office to receive an official leave of absence slip. An approved copy of the official leave of absence slip will be furnished to the employee before such leave shall become effective.

B. Personal Leaves Must Be For At Least Five Days.

A personal leave of absence may be granted for personal reasons for a period of at least five (5) days, but not to exceed thirty (30) days, upon application by the employee and with the approval of his or her supervisor.

C. Personal Leaves Over Thirty Days And Up To One Hundred Twenty Days

A personal leave of absence may be granted for a period greater than thirty (30) days, but not in excess of ninety (90) days, upon application by the employee and approval of the Management of the employee's home department, if: (i) the services of the employee are not immediately required, (ii) there are employees available at the plant who are capable of doing his or her work and (iii) the employee does not work in any occupation for his or her own gain during the leave of absence unless mutually agreed by the Company and the Union.

A personal leave of absence may be granted for a period greater than ninety (90) days, but not in excess of one hundred twenty (120) days, upon application by the employee and approval of the Management of the employee's home department, if: (i) required for the purpose of traveling to a foreign country, (ii) the services of the employee are not immediately required, (iii) there are employees available at the plant who are capable of doing his or her work and (iv) the employee does not work in any occupation for his or her own gain during the leave of absence unless mutually agreed by the Company and the Union.

Any violation of this provision may result in the employee losing his or her seniority, provided that proof of the violation is furnished by the Union to the Company within fifteen (15) days after date of reinstatement.

The employee's seniority shall accumulate throughout the period of such leave of absence.

D. Extension

Leaves of absence may be extended upon the approval of the Supervisor, Employment Office (or his or her designee).

E. Copies to Union

A copy of all approved official leaves of absence forms granted to employees shall be furnished by the Company to the Union.

Section 12. Military Service; Veterans

A. Employees Reinstated Prior to the Effective Date of Agreement/Seniority Credit

Any employee who, prior to the Effective Date of this Agreement, has received seniority credit for military training or service subsequent to May 1, 1940, shall continue to receive such seniority credit.

The employee's seniority shall accumulate throughout the period of the leave of absence.

B. Reinstatement Following Military Service

Employees now serving in the Armed Forces of the United States or employees who shall hereafter serve in the Armed Forces of the United States shall be entitled to reinstatement upon the completion of such service to the extent and under the circumstances that reinstatement may be required by the applicable laws of the United States, provided that any employee whose discharge from service is other than dishonorable, shall be accorded the same reinstatement rights as such laws provide in the case of persons honorably discharged.

If the employee is unable to apply for reinstatement by reason of physical disability during the period within which such application is required by law to be made, application must be made within ninety (90) days from the time such disability is ended.

For the purpose of this Section, it is understood that none of the employees covered by this Agreement has been or is employed in a temporary position within the meaning of that term as used in the applicable laws of the United States, and that probationary employees shall be entitled to credit for the period of such service toward the completion of the probationary period as well as the accumulation of seniority thereafter.

C. Reinstatement Following Military Service/Effect of Disability

Any employee reinstated following a period of training or service, who has incurred, during such period, a disability which prevents the employee from doing the work of the position to which he or she would otherwise be reinstated shall be treated in the first instance only, the same as an employee who has been incapacitated at his or her regular work by injury or compensable occupational disease as set forth in Section 8, "Employees with Disabilities," of this Article.

To be eligible for these benefits set forth in this Paragraph, the employee must have furnished to the Employment Office, within thirty (30) days of the time he or she applied for reinstatement, a statement from the Veteran's Administration, that he or she sustained an injury while in such service.

Section 13. Certain Other Leaves of Absence**A. Union Leaves of Absence**

An employee elected to a Union position or selected by the Union to do work which takes the employee from his or her employment with the Company shall, upon written request from the Union and submitted to the Company at least three days prior to the first day of absence, receive a temporary leave of absence for the period of his or her service with the Union, and upon the employee's return shall be reinstated at work in line with his or her seniority status in the position and labor grade in which he or she was engaged last prior to the leave of absence; the employee's seniority shall accumulate throughout the period of the leave of absence. Leaves of absence for a period of a year or more shall be renewed yearly.

B. Public Office Leaves of Absence

A seniority employee elected or selected for a full-time public office which takes the employee from his or her employment with the Company shall, upon prior written request, receive a temporary leave of absence for the term of such office or one year, whichever is less, and upon the employee's return shall be reinstated at work in line with his or her seniority status in the position and labor grade in which he or she was engaged last prior to the leave of absence. The employee's seniority shall accumulate throughout the period of the leave of absence. Such leaves of absence may be renewed yearly with the approval of the Company.

C. Peace Corps Leaves of Absence

A seniority employee entering the Peace Corps shall, upon prior written request and submission of evidence satisfactory to the Company, receive a leave of absence for the period of said employee's service in the Peace Corps, but not to exceed three (3) years. If the employee returns to work within thirty (30) days after completion of his or her service with the Peace Corps, the employee shall be reinstated at work in line with his or her seniority status in the position and labor grade in which he or she was engaged last prior to the leave of absence. The employee's seniority shall accumulate throughout the period of the leave of absence.

D. Educational Leave of Absence

An employee with one (1) or more years of seniority shall, upon written request at least thirty (30) days prior to the beginning date of the leave and subject to the following conditions, receive a leave of absence for up to one (1) year to further the employee's education. When applying for such leave, the employee must present evidence satisfactory to the Company of acceptance as a full-time student at an accredited college, university, or vocational institution; and upon completion of each semester or other school term encompassed by the leave, the employee must present satisfactory evidence of continuous attendance at the educational institution as a full-time student during such term(s). The course of instruction pursued must relate to the employee's employment opportunities with the Company. Such leave of absence may be renewed with the

approval of the Company, subject to the same conditions set forth above concerning evidence of acceptance and of continuous attendance at the educational institution as a full-time student.

The employee's seniority shall accumulate throughout the period of the educational leave of absence. If the employee completes or discontinues such educational program prior to the expiration date of the leave and makes application for reinstatement within five (5) calendar days of the date of completion or discontinuation, the employee shall be reinstated at work in line with the employee's seniority status in the position and labor grade in which the employee was engaged last prior to the leave of absence.

Section 14. Accumulation of Seniority – Supervisors and Other Excluded Employees

A seniority employee in a classification subject to the jurisdiction of the Union, who has in the past or will be in the future promoted to Supervisor, Vacation Replacement Supervisor, or other excluded salaried position outside the jurisdiction of the Union and who is thereafter demoted or transferred back to a classification subject to the jurisdiction of the Union shall accumulate seniority while working in the supervisory or excluded position for a period of up to twelve (12) months within any twenty-four (24) month period.

ARTICLE X: WAGES AND OTHER ECONOMIC MATTERS

Section 1. Wage Rates – General

A. From April 9, 2012 until April 7, 2013, the base hourly rate for each classification will be as follows:

<u>Classification</u>	<u>Labor Grade</u>	<u>Base Hourly Rate</u>
Utility Person	Labor Grade 1	\$16.885
Utility Technician	Labor Grade 2	\$18.560
Operating Technician I	Labor Grade 3	\$20.545
Operating Technician II	Labor Grade 4	\$21.660
Maintenance Technician (Mechanical or Electrical)	Labor Grade 4	\$21.660
Senior Operating Technician	Labor Grade 5	\$23.075
Maintenance Technician II	Labor Grade 5	\$23.075

B. From April 8, 2013 until April 6, 2014, the base hourly rate for each classification will be as follows:

<u>Classification</u>	<u>Labor Grade</u>	<u>Base Hourly Rate</u>
Utility Person	Labor Grade 1	\$17.39
Utility Technician	Labor Grade 2	\$19.12
Operating Technician I	Labor Grade 3	\$21.16
Operating Technician II	Labor Grade 4	\$22.31
Maintenance Technician (Mechanical or Electrical)	Labor Grade 4	\$22.31
Senior Operating Technician	Labor Grade 5	\$23.77
Maintenance Technician II	Labor Grade 5	\$23.77

ARTICLE X**WAGES AND OTHER ECONOMIC MATTERS**

- C. From April 7, 2014 until April 5, 2015, the base hourly rate for each classification will be as follows:

<u>Classification</u>	<u>Labor Grade</u>	<u>Base Hourly Rate</u>
Utility Person	Labor Grade 1	\$17.83
Utility Technician	Labor Grade 2	\$19.60
Operating Technician I	Labor Grade 3	\$21.69
Operating Technician II	Labor Grade 4	\$22.87
Maintenance Technician (Mechanical or Electrical)	Labor Grade 4	\$22.87
Senior Operating Technician	Labor Grade 5	\$24.36
Maintenance Technician II	Labor Grade 5	\$24.36

- D. From April 6, 2015 until April 3, 2016, the base hourly rate for each classification will be as follows:

<u>Classification</u>	<u>Labor Grade</u>	<u>Base Hourly Rate</u>
Utility Person	Labor Grade 1	\$18.27
Utility Technician	Labor Grade 2	\$20.09
Operating Technician I	Labor Grade 3	\$22.23
Operating Technician II	Labor Grade 4	\$23.44
Maintenance Technician (Mechanical or Electrical)	Labor Grade 4	\$23.44
Senior Operating Technician	Labor Grade 5	\$24.97
Maintenance Technician II	Labor Grade 5	\$24.97

E. From April , 2016 until March 31, 2017, the base hourly rate for each classification will be as follows:

<u>Classification</u>	<u>Labor Grade</u>	<u>Base Hourly Rate</u>
Utility Person	Labor Grade 1	\$18.73
Utility Technician	Labor Grade 2	\$20.59
Operating Technician I	Labor Grade 3	\$22.79
Operating Technician II	Labor Grade 4	\$24.03
Maintenance Technician (Mechanical or Electrical)	Labor Grade 4	\$24.03
Senior Operating Technician	Labor Grade 5	\$25.60
Maintenance Technician II	Labor Grade 5	\$25.60

Section 2. Hiring-In Rates, Incentive Grow In, Apprentice Rates and Lump Sum Payment

A. Hiring-In Rates

Hired or rehired employees shall be paid a hiring-in rate of 85% of the negotiated classification rate of the job to which he or she is assigned.

1. Upon completion of 78 weeks of employment such employee shall receive an increase to 90% of the negotiated classification rate of the job to which he or she is assigned.
2. Upon completion of 156 weeks of employment such employee shall receive an increase to 95% of the negotiated classification rate of the job to which he or she is assigned.
3. Upon completion of 234 weeks of employment such employee shall receive the negotiated classification rate of the job to which he or she is assigned.

If such employee is laid off due to a reduction in force and is subsequently rehired within one year of the date of probationary lay-off or the date the employee's seniority is broken, the employee shall have his or her hiring-in rate determined by the number of weeks of employment previously completed. Such weeks shall be applied toward the employee's rate progression to the negotiated classification rate of the job to which he or she is assigned. Under this Paragraph, at least three days must be worked in a week to have that week count as a week of employment. Each increase shall be effective at the beginning of the first pay period following the completion of the required number of weeks of employment.

B. Incentive Grow In

Employees hired or rehired on classifications other than those in Skilled Trades shall be paid no incentive payments (except as set forth below, consistent with the incentive participation level of the classification to which they are assigned):

1. Upon completion of twenty-six (26) weeks of employment, such employee shall receive fifty percent (50%) of the otherwise payable incentive of the job assigned.
2. Upon completion of fifty-two (52) weeks of employment, such employee shall receive seventy-five percent (75%) of the otherwise payable incentive of the job assigned.
3. Upon completion of seventy-eight (78) weeks of employment, such employee shall receive one hundred percent (100%) of the otherwise payable incentive of the job assigned.

If such employee is laid off due to a reduction in force and subsequently rehired within one year of the date of probationary layoff or the date seniority is broken, the employee shall have the percentage of otherwise payable incentive determined by the number of weeks of employment previously completed. Such weeks shall be applied toward progression to the percentage of otherwise payable incentive of the job assigned.

At least three days must be worked in a week to have that week count as a week of employment. Each change in the percentage of payable incentive shall be effective at the beginning of the first pay period following the completion of the required number of weeks of employment.

C. Apprentice Rates

Apprentices will be paid a percentage of the applicable journeyman base rate and incentive. Their base rate during the Program shall be no less than the average base wage rate for the classifications held for the four pay periods immediately prior to their transfer and entry into the Program, or the Apprentice Shop Hour Rate. At no time, however, will an apprentice's wage rate be greater than the journeyman base rate for their trade.

D. Lump Sum Payment

The Company shall provide a lump-sum ratification bonus (the "Bonus") of \$5,000.00 to be payable as soon as practicable following the Effective Date of the Agreement to all seniority employees who are on the active employment roll as of the Effective Date. Otherwise eligible employees returning to the active employment rolls from an approved leave of absence within one year of the Effective Date will also be eligible for the Bonus.

Section 3. Incentive Plans

The parties have reached agreement on the concept of new incentive plans that reward higher performance based upon key performance indicators ("KPIs") tied to the Company's operating

plan. The Company will implement those plans as soon as practicable after the Effective Date of the Agreement but in no case later than May 31, 2012, unless mutually agreed to by the parties.

The Company and the Union agree to meet periodically and discuss issues that may arise with respect to the implementation of new incentive plans, changes in the KPIs, the on-going operation of new incentive plans, and the effectiveness of those plans.

The parties also recognize and have agreed to meet on a timely basis and implement modifications to the incentive plans which will be required by the Company's modernization plans.

Section 4. Call-in Pay

Any employee called to work or permitted to come to work without having been properly notified that there will be no work shall receive a minimum of four hours of pay at the regular hourly rate (which, for call-in purposes, means the base classification rate, shift premium, if applicable, and does not include incentive pay) except in case of labor disputes or other conditions beyond the control of Management.

Section 5. Back-up Pay

Back-up Pay is a form of daily premium pay which is paid in circumstances where an employee is required by Management to report to work within the twenty-four hour period computed from the starting time of the first shift worked on a work day, with at least one non-worked intervening shift. In such circumstances, the employee will be paid time and one-half for hours worked prior to the expiration of the twenty-four hour period referenced above; it being understood that there will be no pyramiding of overtime (refer to Article X, Section 13, "Computation of Premium Time; Pyramiding," for the rules on the pyramiding of overtime). The rate to be used in this circumstance will be the normal overtime rate paid to employees paid under the incentive pay structure for hours worked over eight hours per day.

Section 6. Shift (or Turn) Premiums

- A. No. 3 Shift (Afternoon Turn) – A shift or turn premium of twenty-five cents (\$.25) per hour worked will be paid to employees who are working the No. 3 shift (afternoon turn).
- B. No. 1 Shift (Midnight Turn) – A shift or turn premium of fifty cents (\$.50), per hour worked, will be paid to employees who are working the No. 1 shift (midnight turn).
- C. Identification of Shifts/Turns
 1. An employee whose scheduled shift or turn starts on or after 7 p.m. but before 5 a.m. shall be deemed to be working the No. 1 shift (midnight turn).
 2. An employee whose scheduled shift or turn starts on or after 5 a.m. but before 10:30 a.m. shall be deemed to be working the No. 2 shift (day turn).
 3. An employee whose scheduled shift or turn starts on or after 10:30 a.m. but before 7 p.m. shall be deemed to be working the No. 3 shift (afternoon turn).

Section 7. Daily Overtime Premium

Time and one-half will be paid for time worked over ten (10) hours per day for employees working alternative work schedules. There is no daily overtime for employees working a traditional eight hour, five day schedule.

Section 8. Weekly Overtime Premium

- A. Amount – Time and one-half will be paid for time worked over forty hours per week. The sixth and seventh day of work during a calendar workweek also qualify for premium pay (see Section 11 of this Article). Hours to be included and treated as hours of work for the purpose of this calculation are: straight-time hours worked and the first eight hours of holiday pay for a given day. Daily overtime hours worked are not included in calculating weekly overtime (See Section 13 below).
- B. Identification of Workweek – The work-week shall be deemed to commence with the No. 1 shift Monday and end one hundred sixty-eight (168) hours thereafter.

Section 9. Calculation of the Overtime Premium Rate

The rate to be used in the calculation of overtime premium pay shall include the following components of pay: the base or classification rate, shift or turn premium (if applicable), and incentive (if applicable); this calculation does not include any other components of pay. The rate to be employed in paying the premium portion of overtime pay for hours worked during any pay period (except as modified, if applicable, by holiday pay rules) shall be based on the average straight time rate from that pay period.

Section 10. Sunday Work (Sunday "As Such" Premium)

Where Sunday is a normally scheduled day of work, or would otherwise be a straight-time day, time and one-quarter (1 and 1/4) shall be paid for hours worked on Sunday (Sunday "As Such" premium). For employees regularly scheduled to work some portion of Sunday as part of their first scheduled work day of the week (such as an employee working a Monday through Friday midnight shift work schedule starting at 11:00 p.m. Sunday night) such time worked shall not be considered eligible for premium pay for such straight-time hours worked.

Section 11. Pay for Work Performed on Regular Days Off (RDO's) and the Sixth or Seventh Day Premium

For pay periods during which an employee works some time on one or both of his or her regularly scheduled days off work (RDO's) and also works for some period of time on the five normally scheduled days of work of that calendar week, then Saturday and/or Sunday hours of work, as appropriate as sixth or seventh days of work during the calendar week, shall be paid at the overtime rate of time and one half (1 and ½). In such circumstances, the pay for the first normal shift of work on the RDO's (if other than Saturday or Sunday) will be paid at straight time consistent with Section 13 below, "Computation of Premium Time; Pyramiding."

Section 12. Holiday Premium and Holiday Scheduling

Double time and a half (2 and 1/2) shall be paid for hours worked on holidays as enumerated in Section 20 of this Article.

In scheduling work on a Company contractual holiday, the Company will take into consideration the request of employees to not be scheduled to work on a specific holiday. An optional sign-off period will commence twenty (20) calendar days before a scheduled holiday and terminate ten (10) calendar days thereafter. Any employee not wishing to work the holiday may make his or her request known before the sign-off period expires. Nothing herein guarantees that an employee signing the sign-off sheet will not be scheduled to work on the holiday, but the Company will consider the employee's request when scheduling.

Section 13. Computation of Premium Time; Pyramiding

Premium payments shall not be duplicated for the same hours worked under any of the terms of Sections 4 through 12, inclusive, of this Article.

For purposes of computing daily overtime, a day shall be deemed to commence with the starting time of the employee's first shift or turn worked; provided, however, that daily overtime subsequent to a change in the employee's scheduled starting time, other than daily overtime accrued during the 24-hour period commencing with the prior starting time, shall be computed beginning with the new starting time.

Any hours for which an overtime premium has been paid pursuant to Article X, Section 5, "Back-up Pay," or Article X, Section 7, "Daily Overtime Premium," or Article X, Section 8, "Weekly Overtime Premium, " shall be excluded from consideration in determining whether any premium payment shall be made for any other hour or part thereof.

Section 14. Computation of Working Time

The method of computing hourly working time will be in six-minute (1/10 hour) periods.

Section 15. Medical Treatment During Working Hours/Time Allowance

Where an employee who suffers a work injury or contracts an occupational disease in the course of employment by the Company leaves work with permission of Supervision and is given

medical treatment by the Company during work hours, the employee shall be compensated for the working time lost on the day in question when approved by the designated representative of Management.

A claim that such approval has been improperly withheld may be processed through the Grievance Procedure.

Section 16. Deduction of Overpayment and Payroll Shortages

The Company will not deduct from an employee's pay amounts by which he or she may have been overpaid in previous pay periods unless such overpayments are the result of clerical or mechanical errors in calculating the employee's pay and the Company notifies the employee within forty-five (45) days of the employee's receipt of such overpayment. The Company will itemize deductions pursuant to this Section on the employee's paycheck stub or equivalent record.

Eligibility for holiday pay depends in part upon an employee's working his or her next scheduled working day after the holiday. Since it is not always possible to determine whether an employee has met this eligibility criteria at the time of check issuance, this could result in an otherwise eligible employee not receiving timely holiday pay. Therefore, the Company will have such holiday paychecks prepared and issued assuming employee compliance with the aforementioned eligibility rules, subject, however, to making an appropriate deduction from future earnings in any case where the eligibility rules are not met. This arrangement will not be considered a precedent for holiday pay eligibility in the future, nor as a modification of the eligibility rules contained in Article X, Section 20, "Paid Holiday Plan."

In those circumstances in which an error causes a pay shortage of \$50.00 or more, the Company will process a manual payroll check so that the affected employee is paid on the pay date corresponding to the week worked.

Section 17. Jury Duty Pay

Any employee with one or more years of seniority who is called to and reports for jury duty (including coroner's juries) shall be paid by the Company for each day partially or wholly spent in performing jury duty, if the employee otherwise would have been scheduled to work for the Company and does not work, an amount equal to the difference between:

- A. The employee's regular straight-time hourly rate (average straight-time hourly earnings, including the classification rate and incentive earnings, but excluding shift premium, seven day operations bonus, overtime and all other premiums, for the last four pay periods worked immediately preceding the week prior to the week in which the employee reports for jury duty) for the number of hours up to eight (8) that he or she otherwise would have been scheduled to work and
- B. The daily jury duty fee paid by the court (not including travel allowances or reimbursement of expenses).

In order to receive payment under this Section, an employee must give the Company prior notice that he or she has been summoned for jury duty and must furnish satisfactory evidence that jury duty was performed on the days for which he or she claims such payment. The provisions of this Section are not applicable to an employee who, without being summoned, volunteers for jury duty. Jury Duty Pay for employees working an alternative work schedule is outlined in Article XI, Section 4.

Any employee who is called to and reports for an interview or an examination to qualify him or her for selection to a jury shall be considered to have performed jury duty and shall qualify for jury duty pay if otherwise eligible as provided above.

Section 18. Bereavement Pay

When death occurs in an employee's immediate family (i.e., current spouse; parent or stepparent; grandparent; parent, stepparent or grandparent of current spouse; child or stepchild; brother, half brother or stepbrother; sister, half sister or step-sister; or grandchild) a seniority employee, on request, will be excused for any three (3) regularly scheduled days of work (or for such fewer days as the employee may be absent) during the three (3) days (excluding Saturdays and Sundays, or, in the case of seven-day operations, excluding regular days off) immediately following the death provided the employee attends the funeral.

After making written application therefore, the employee shall receive pay for any scheduled hours of work up to eight per day for which he or she is excused (excluding Saturdays and Sundays, or, in the case of seven-day operations excluding regular days off) provided the employee attends the funeral. In the event the body of a member of the employee's immediate family is not buried in Continental North America solely because the death has physically destroyed the body or the body is donated to an accredited North American hospital or medical center for research purposes, the requirement that the employee attend the funeral will be waived.

Payment shall be made at the employee's regular straight-time hourly rate which shall be his or her average straight-time hourly earnings, including the classification rate and incentive earnings, if applicable, but excluding shift premium, seven day operations bonus, overtime and any other premiums, for the last four pay periods worked immediately preceding the week prior to the week in which the absence commences. Time thus paid will not be counted as hours worked for purposes of overtime.

In such cases when a bona fide memorial service is held at a funeral home or a place of worship in the same community area at the time of cremation, attendance at the memorial service would satisfy the requirement of funeral attendance under this section. Bereavement Pay for employees working an alternative work schedule is outlined in Article XI, Section 4.

Section 19. Military Duty Pay

A. Short-Term Military Duty Pay

An employee with one or more years of seniority who is called to and performs short-term active duty of thirty (30) days or less, including annual active duty for training, as a member of the United States Armed Forces Reserve or National Guard shall be paid by the Company for each day partially or wholly spent in performing such duty, if the employee otherwise would have been scheduled to work for the Company and does not work, an amount equal to the difference, if any, between:

1. The employee's regular straight-time hourly rate (average straight-time hourly earnings, including the classification rate and incentive earnings, if applicable, but excluding shift premium, seven day operations bonus, overtime and any other premiums, for the last four pay periods worked immediately preceding the week prior to the week in which the employee reports for military duty) for the number of hours up to eight (8) that he or she otherwise would have been scheduled to work and
2. His or her daily military earnings (including all allowances except for rations, subsistence and travel).

The Company's obligation to pay an employee for performance of military duty under this Section is limited to a maximum of ten (10) scheduled working days in any calendar year; except where the days of such active duty are the result of local states of emergency or riot, in which case they shall not be chargeable against the ten (10) scheduled working day maximum. Short-Term Military Duty Pay for employees working an alternative work schedule is outlined in Article XI, Section 4.

In order to receive payment under this Section, an employee must give the Company prior notice of such military duty and upon the employee's return to work must furnish the Company with a statement of his or her military pay while on such duty.

B. Military Leave Pay and Benefits for UAW Employees – U.S. Attack on Terrorism

The Company will extend eligibility for differential pay, health care insurance and profit sharing to Company employees who are members of the U.S. Armed Forces Reserves or National Guard and are activated after the Effective Date and before March 31, 2017. To be eligible for military leave pay and benefits, an employee must:

1. Be on active duty;
2. Stationed in an active war zone or area of current military conflict; and
3. Stationed overseas from the United States' mainland, states, territories or US protectorates.

The parties further agree that the benefits under Section 19, Paragraph B shall not extend beyond the term of the 2012 collective bargaining agreement. However, the Company reserves the right to modify or terminate the differential pay and benefits during the term of the Agreement if it first notifies the Union that it intends to do so.

Section 20. Paid Holiday Plan

- A. **Holidays Covered** – Unless otherwise provided herein, employees who meet all of the eligibility rules below will be paid eight (8) hours of pay or, if the employee is working an alternative shift, then the regularly scheduled hours for such alternative shift, at their regular straight-time hourly rate exclusive of overtime premium, for the enumerated holidays as follows: January 1, Martin Luther King, Jr. Holiday, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, Day preceding Christmas Day and Christmas Day.
- B. **Holiday Pay Rate** – For eligible employees, pay for non-worked holidays at the regular straight-time hourly rate shall be the average rate for the last four (4) weeks worked prior to the week before the Holiday, such average is to include the classification base rate and incentive pay, if applicable, but exclusive of all premiums.
- C. **General Eligibility Rules** – Employees must meet the following eligibility rules to receive holiday pay:
1. The employee has seniority as of the date of the holiday; and
 2. The employee must have worked the last scheduled working day prior to and the next scheduled working day after such holiday within the employee's scheduled workweek; provided, however, that such employee will not be ineligible for holiday pay based on this Subparagraph 2 because the Company imposed a disciplinary penalty of time off for the day prior to, or following, such holiday.
- D. **Weekend Holiday** – When any of the above enumerated holidays falls on a Saturday or Sunday, the Company will observe the holiday on a weekday.

- E. Holiday Schedule – The holiday schedule for this Agreement is attached as Appendix D.
- F. Employee On Layoff or Sick Leave – Seniority employees who have been laid off in a reduction in force or who have gone on sick leave during the workweek prior to, or during the workweek in which the holiday(s) falls shall receive pay for such holiday(s). Seniority employees on layoff or sick leave of absence when the holiday(s) occurs who return to work following the holiday(s) but during the week in which the holiday(s) falls shall receive pay for such holiday(s).
- G. Employee on Vacation – When one of the above holidays falls within an eligible employee’s approved vacation period, and the employee is absent from work during his or her regularly scheduled workweek because of such vacation, the employee shall be paid for such holiday.
- H. Effect of Regularly Scheduled Days Off – Employees shall receive holiday pay in the event the holiday falls on one of their regular scheduled days off provided that they meet the other eligibility requirements of this procedure for paid holiday time.
- I. Effect of Holiday Work – An employee shall not receive holiday “not worked” pay if such employee works on a holiday, except for the number of hours less than eight (8) that he or she shall have been requested to work. The employee shall be paid for time worked at double time and one-half in accordance with Section 12 of this Article.
- J. Failure to Perform Holiday Work Assignment – Employees who have accepted such holiday work assignment and then fail to report for and perform such work, without reasonable cause acceptable to Management, shall not receive pay for the holiday.

Section 21. Vacation – Amount and Eligibility Rules

- A. Employees will be eligible for vacation as detailed in Appendix E.
 - 1. Eligibility Date for accrual purposes will be January 1.
 - 2. When an employee applies for FMLA leave that would otherwise be unpaid (for example leave to care for a family member, leave for the employee’s own serious health condition that is otherwise unpaid or leave for a military exigency), the employee who takes such FMLA leave must use up to two (2) weeks of paid vacation time prior to utilizing unpaid leave under FMLA. Use of paid vacation time will run concurrent with the employee’s FMLA leave and will not extend the employee’s total FMLA leave. Additionally, the parties agree that the requirement to use paid vacation time will apply to all FMLA leave, including any intermittent leave under FMLA. The parties further agree that employees utilizing FMLA leave as described in this Section 21 will not be required to substitute unused available personal time for unpaid FMLA leave.

B. One or More Years Employees

1. An employee with one or more years of seniority on his or her vacation eligibility date, who is enrolled on the active employment rolls of the Company for thirty-two (32) or more weeks, and whose absences have not aggregated more than thirty-five (35) days, shall be entitled to a vacation during the vacation period as shown in Appendix E.
2. With the above rules of this Paragraph for vacation eligibility otherwise applicable, an employee who is enrolled on the active employment rolls of the Company less than thirty-two (32) weeks shall receive one-half of the vacation entitlement provided in Appendix E; except that an employee with one year but less than three years of seniority as of his eligibility date who is enrolled on the active employment rolls of the Company less than thirteen (13) weeks shall be entitled to no vacation.
3. An employee who meets all of the other eligibility requirements for a full vacation entitlement but whose absences have aggregated more than thirty-five (35) days shall have his or her entitlement reduced by one week, or forty (40) hours.
4. An employee with less than five years of seniority who has been enrolled on the active employment rolls of the Company less than thirty-two (32) weeks and has been absent more than thirty-five (35) days shall be entitled to no vacation.
5. An employee with five or more years of seniority whose vacation entitlement has been reduced because he or she has been enrolled on the active employment rolls of the Company for less than thirty-two (32) weeks shall not have his or her vacation entitlement further reduced because of the fact that he or she shall have exceeded thirty-five (35) days of absence.

C. Less Than One Year Employees

1. An employee with less than one year of seniority on his or her eligibility date (i) who has seniority as of his or her first eligibility date, and (ii) who is enrolled on the active employment rolls of the Company sixteen (16) or more weeks in the period from date of hire until his or her first eligibility date, and (iii) whose absences in the period from date of hire until his or her first eligibility date have not aggregated more than seventeen (17) days, shall be entitled to a vacation of one (1) week during the vacation period with pay for forty (40) hours.
2. With the above rules of this Subparagraph C for vacation eligibility otherwise applicable, an employee who is enrolled on the active employment rolls less than sixteen (16) weeks shall be entitled to one-half week vacation with pay for twenty (20) hours.

D. Equivalence of Active Employment

Military Service – Solely for the purpose of applying Paragraphs A through C of this Section, the time during which an employee was not on the active employment rolls of the Company by reason of service with the Armed Forces of the United States will be deemed equivalent to enrollment on the active employment rolls of the Company following his or her reinstatement on such rolls after such service in determining the amount of vacation for which he or she is eligible.

Union Leave of Absence – Solely for the purpose of applying Paragraphs A and B of this Section, entire year periods during which an employee with one or more years of seniority was not on the active employment rolls of the Company due to a Union leave of absence, pursuant to Article IX, Section 13, Paragraph A, will be deemed equivalent to years of enrollment on the active employment rolls of the Company following his or her reinstatement on such rolls in determining the amount of vacation for which he or she is eligible.

E. Employees Off Rolls on Eligibility Date

1. Reinstated in Following Year – Employees who are off the employment rolls on their eligibility date and who are reinstated during the ensuing year will be entitled to a vacation provided they are eligible for vacation benefits in conformity with the rules described in Paragraphs A through C of this Section.
2. Not Reinstated in Following Year – Except as otherwise provided below, any employee who is off the employment rolls due to a reduction in force on his eligibility date and who is not recalled during the ensuing year will be entitled at the end of such ensuing year to a proportional amount of vacation benefits based upon his or her employment during the vacation period in which he or she is so laid off equivalent to one-twelfth of the full vacation benefits which the employee would have been entitled to if he or she had continued to be enrolled on the active employment rolls until his or her eligibility date following his or her layoff for each full calendar month the employee has been on the active employment rolls since his or her last previous vacation eligibility date preceding his or her layoff.

A seniority employee covered by Paragraph C of this Section who is off the rolls due to a reduction in force on his or her eligibility date and who is not recalled during the ensuing year will be entitled at the end of such ensuing year to a proportional amount of vacation benefits based upon his or her employment during the vacation period in which he or she is so laid off equivalent to one-sixth of the full vacation benefits which the employee would have been entitled to if he or she had continued to be enrolled on the active employment rolls until the employee's eligibility date following his or her layoff for each full calendar month he or she has been on the active employment rolls since his or her date of hire.

3. Reinstatement Following Military Service – Any employee who by reason of service with the Armed Forces of the United States is not on the active employment

rolls of the Company in the year immediately prior to his or her vacation eligibility date, but is reinstated on such records as a full-time employee during the ensuing year, shall be entitled to vacation benefits for the vacation period during which he or she is reinstated in accordance with the following:

- a. If the employee is reinstated during the first half of such ensuing year, he or she shall be entitled to the full amount of such vacation benefits as the employee would have been entitled to had he or she been enrolled as a full-time employee on his or her eligibility date for such vacation period.
- b. If the employee is reinstated during the last half of such ensuing year, the employee shall be entitled to one-half of the amount of vacation benefits he or she would have been entitled to had he or she been enrolled as a full-time employee on his or her eligibility date for such vacation period.

F. Retiring Employees; Employees Entering Armed Forces; Deceased Employees

1. In the case of a seniority employee covered under Paragraph A and B of this Section, who after his or her vacation eligibility date either (i) retires under the provisions of the Retirement Plan, (ii) enters the Armed Forces of the United States or (iii) dies, a vacation benefit shall be paid upon his or her retirement, entering the Armed Forces, or death in a proportional amount based upon the employee's employment during the vacation period in which the employee is so retired or enters the Armed Forces or dies, equivalent to one-twelfth of the full vacation benefits which he or she would have been entitled to if he or she had continued to be enrolled on the active employment rolls until his or her next eligibility date for each full calendar month he or she has been on the active employment rolls since his or her last previous vacation eligibility date.
2. Vacation payments on the same basis as set forth in Subparagraph 1 above shall be made to any employee retired for total and permanent disability, except that eligibility for, and computation of the vacation benefit provided for in this Subparagraph shall be determined on the basis of his or her last day worked, rather than his or her retirement date.
3. In the case of a seniority employee covered under Paragraph C of this Section whose hire date is on or after January 30, 2004, a vacation benefit shall be paid upon the employee's entering the Armed Forces of the United States or his or her death, in a proportional amount based upon his or her employment during the vacation period in which he or she entered the Armed Forces or died, equivalent to one-sixth of the full vacation benefits he or she would have been entitled to if he or she had continued to be enrolled on the active employment rolls until his or her first eligibility date for each full calendar month the employee has been on the active employment rolls since his or her date-of-hire.
4. In the case of a deceased employee, the vacation benefits provided under this Paragraph shall be paid to the estate or, if permitted by local law, to the next of kin.

5. Payments under this Paragraph shall be computed as of the employee's last day worked in the manner set forth under Paragraph H of this Section.
6. If a retired employee, such laid off employee, or an employee entering the Armed Forces who has received a vacation benefit pursuant to this Paragraph is re-employed and becomes eligible for vacation under the other provisions of this Section, on the eligibility date following the employee's retirement, layoff, or entering the Armed Forces, such vacation shall be reduced by the amount of the vacation benefit received under this Paragraph.

G. Time Excluded from Absence Count

1. When an employee is absent from his or her regularly scheduled work because of work injury, occupational disease, or leave of absence for reserve military training, such absent time will not be counted in computing the thirty-five (35) days of absence.
2. When an employee is absent from his or her regularly scheduled work because of sickness three (3) consecutive working days or more, but not to exceed ninety (90) accumulated days in one year, and who furnishes acceptable proof of such sickness to the Company's Medical Department within two (2) weeks following his or her return to work, such absent time will not be counted in computing the thirty-five (35) days of absence.

Unless the Company's Medical Department rejects the submitted proof of illness within two (2) weeks following its submission by the employee, it will automatically be considered valid.

Disputes as to validity may be subject to the Grievance Procedure.

3. In the case of any employee who is a veteran by reason of service with the Armed Forces of the United States, whether reinstated or hired by the Company, absences from work by reason of either:
 - a. Hospitalization at Government expense for a service-connected disability, or;
 - b. Treatment as an out-patient by a hospital at Government expense for a service-connected disability; shall be regarded as sickness under the provisions of Subparagraph 2 of this Paragraph, provided, however, that such absence need not be for three (3) consecutive working days.

H. Vacation Rate of Pay

The hourly rate to be used to determine vacation pay shall be the average straight-time hourly earnings, including incentive earnings (if applicable), but excluding all other premiums, for the last four pay periods worked immediately preceding the week prior to the week in which the employee's vacation commences.

Section 22. Vacation – Scheduling

A. The vacation period begins on January 1 and ends on December 31.

B. Vacation Time Off Procedure – The Company recognizes the importance of providing vacation time off, in a manner that maintains efficiency of operations while giving due consideration to the desires of employees.

Accordingly, the Company will establish a procedure whereby employees not later than December of each calendar year may make application in writing for vacation time off, indicating first, second and third choices.

The Company will discuss with the Union, no later than February 1, the results of the review of employee applications for vacation time off and inform the Union of the Company's decision that: (i) employees will be given vacation time off from the job through a normal vacation scheduling program consistent with the need for maintaining efficient operations or (ii) a plant vacation shutdown will be scheduled during prime vacation time, provided employees have expressed a collective desire for vacations during prime time. If subsequent to February 1, the Company decides that a plant vacation shutdown should be scheduled, such shutdown can be scheduled only by mutual agreement between the Company and the Union.

In the event the Company selects the option of a plant vacation shutdown, the Union will be advised no later than April 1 as to the specific shutdown period and also which employees have been selected to work during the shutdown period consistent with good employee relations and efficiency of operations. Employees selected to work during such shutdown will be given vacation time off from the job through a normal vacation scheduling program during periods other than the shutdown period.

Each employee will be given a written disposition of his or her application. Approved vacation time off will not thereafter be canceled or changed without the consent of the employee.

C. Excused Absence Allowance – An employee may use up to one (1) week (40 hours) of his or her vacation provided under Article X, Section 21(A), as limited below, in units of no less than one-half day periods (4 hours), with pay at the employee's basic hourly rate, as specified in Article X, Section 21 (H), on the date each such period of vacation shall begin, for any of the following purposes:

1. Excused absences because of the employee's illness for which he or she does not receive accident and sickness insurance benefits,

2. Absences excused by the Company because of any personal reason, or
3. Additional scheduled vacation time immediately prior to or following the employee's other vacation time.

Absences under (2) above will be excused provided that: (a) the employee makes written request on a form provided by the Company at least one week in advance of the requested day; (b) there will be no adverse impact on the operations involved and if more than one employee is requesting the same day, this will be taken into consideration in determining the operational impact; and (c) if more employees working for the same supervisor request the same day off than can be accommodated, the employee(s) who requested first will be granted the day off.

The part of his or her vacation that an employee may use for excused absences under purposes (1) and (2) above shall not exceed one week (40 hours). In the event the employee's absences exceed 35 days or his or her weeks of enrollment are less than 32 as used for determining vacation eligibility, the part of the employee's vacation that he or she may so use shall not exceed one-half week (20 hours).

- D. Right to Deny Vacation – The Company shall have the right to deny vacation, upon payment of vacation pay as provided in Section 23, "Pay in Lieu of Vacation", of this Article, if in its judgment the exigencies of production so require.

Section 23. Pay-in-Lieu of Vacation

- A. Employee Denied Vacation – If by the first day of December an eligible employee has not received his or her proper vacation, the Company shall pay the employee a lump sum as vacation pay-in-lieu of such vacation, the sum to be computed as the amount to which the employee would be entitled if his or her vacation were to begin on the first day of December. This payment will include any vacation pay associated with any vacation time that is scheduled to be taken in December.
- B. Terminated Employee – An employee whose services are terminated for any reason on or after the date upon which he or she becomes entitled to a vacation and before the employee has received a vacation shall be paid a lump sum, in lieu of vacation, computed as the amount to which the employee would be entitled if his or her vacation were to begin on the day on which his or her employment was terminated.

Section 24. Hospital, Surgical, Medical, Drug, Dental and Vision Program

- A. Effective September 1, 2008, eligible employees and covered dependents will be eligible for the Community Blue PPO program (PPO), administered by Blue Cross Blue Shield, or Blue Care Network HMO as summarized in Appendix F.
- B. Exclusion from Arbitrator's Powers – The Program's Claims and Claims Review Procedures are the exclusive method for resolving claims involving benefits. The Arbitrator shall have no jurisdiction over any matter arising under this Section 24 or under the Program.

- C. The provisions of the Program shall be used in lieu of the provisions of the previous programs, and benefits under the Program shall be reduced where benefits received under the previous programs would reduce benefits if they had been received under this Program.
- D. Health Insurance Flexibility:
1. The Company reserves the right to modify the health insurance carrier for bargaining unit employees provided it maintains a plan with a similar benefit structure.
 2. The Company and Union will jointly review alternative health care providers, including Health Alliance Plan (“HAP”), and should any options provide cost effective, high value health care alternatives, the Company will consider such alternatives.

Section 25. Future Retiree Health Care Plan

The Company will maintain a Future Retiree Health Care Plan that is consistent with the provisions outlined in Appendix G.

Section 26. Life and Disability and AD and D Insurance

- A. Life Insurance - The Company will provide Life Insurance benefits to employees based on their hourly pay (defined as a four-week average of base hourly rate plus incentive) according to the schedule in Appendix H if they are a regular full-time Company employee at no cost. Hired or rehired employees will become eligible the first day of the month following the date of their employment with the Company.
- B. Accidental Death and Dismemberment Insurance (“AD&D”) – The Company will provide AD&D benefits to employees based on their hourly pay (defined as a four-week average of base hourly rate plus incentive) according to the schedule in Appendix H if they are a regular full-time Company employee at no cost. Eligibility for “AD&D” will be based on eligibility for Life Insurance benefits.

Section 27. Accident and Sickness Benefits and Extended Disability Benefits

- A. The Company will provide Accident and Sickness (“A and S”) benefits to employees based on their hourly pay (defined as a four-week average of base hourly rate plus incentive) according to the schedule in Appendix I if they are a regular full-time Company employee.

Hired or rehired employees will become eligible for (“A and S”) benefit coverage the first day of the sixth month following the date of employment.

- B. An employee may be eligible for A and S benefits if the employee: is wholly and continuously disabled by an accidental bodily injury, sickness or pregnancy while covered for A and S benefits; cannot perform all duties of his or her job; furnishes the claims processor with written notice and satisfactory proof of the disability on a timely basis; and is under a physician's care.
- C. An employee may be eligible for Extended Disability Benefits ("EDB") if the disability continues beyond the period to which the employee is eligible to receive A and S benefits. To be eligible for EDB benefits, the employee must be totally disabled, i.e., not engaged in any regular occupation or employment for remuneration or profit and prevented by bodily injury or disease from engaging in any regular occupation or employment with the Company.

Section 28. Supplemental Unemployment Benefit Plan ("SUB")

Supplemental Unemployment Benefit Plan ("SUB") - The Company and the Union agree that, notwithstanding anything to the contrary contained in the SUB Plan or the 1992 Agreement concerning the SUB Plan, between the Union and Rouge Steel Company, the Company shall assume the SUB Plan (and the related trust agreement) on an ongoing basis. The parties shall cooperate with each other and each shall take all actions necessary in order to effectuate the foregoing.

The new SUB Plan agreement will be amended to provide SUB benefits in weeks in which an employee on layoff receives holiday pay.

Section 29. Future Service Retirement Program

The Company will maintain a Future Service Retirement Program that is consistent with the provisions outlined in Appendix J. The Company will make contributions to the Future Service Retirement Program for service rendered on and after January 30, 2004.

Section 30. Tax-Efficient Savings Plan for Hourly Employees ("TESPHE")

A. Terms and Conditions

The Company will maintain a defined contribution savings plan for active hourly employees that is intended to qualify under Section 401(a) and 401(k) of the Internal Revenue Code ("TESPHE"). TESPHE will contain terms and conditions similar to the tax-efficient savings plan for hourly employees that Rouge Steel Company previously provided to its employees; provided, however, that the Company will not make matching contributions under TESPHE.

B. Investment Options

The Company, in conjunction with Fidelity or another provider, will review the performance of the current array of investment options and consider the addition of new mutual funds to TESPHE. The Company will review any proposed changes with the UAW prior to implementation.

C. Financial Education

The Company will work with Fidelity to make available financial education information to employees and will review the content of educational information with the UAW prior to implementation.

Section 31. Profit Sharing Plan

The Company will maintain a Profit Sharing Plan that is consistent with the provisions outlined in Appendix K.

**ARTICLE XI LABOR GRADES, CLASSIFICATIONS, WORKFORCE UTILIZATION
AND ALTERNATIVE WORK SCHEDULES**

**ARTICLE XI: LABOR GRADES, CLASSIFICATIONS, WORKFORCE UTILIZATION
AND ALTERNATIVE WORK SCHEDULES**

Section 1. General Concepts

The parties are committed to significant changes in work systems, work cultures, work practices, and local working agreements, so that meaningful efficiencies in the workplace can be achieved to bring about improved productivity, full utilization of resources and elimination of waste.

Section 2. Labor Grades and Classifications

A. Job classifications will include (5) labor grades for seven (7) classifications. These classifications will be as follows:

Labor Grade 1	Utility Person
Labor Grade 2	Utility Technician
Labor Grade 3	Operating Technician I
Labor Grade 4	Operating Technician II
Labor Grade 4	Maintenance Technician (Mechanical or Electrical)
Labor Grade 5	Senior Operating Technician
Labor Grade 5	Maintenance Technician II (Reliability Centered Maintenance Coordinator)

Job descriptions for the aforementioned classifications are contained in Appendix L.

B. Employees will perform a broader range of duties and eliminating lines of jurisdiction, which interfere with flexibility and productivity. This structure will also allow the Company to benchmark specific business units (i.e., Blast Furnaces, Basic Oxygen Furnace, Continuous Caster, etc.) to “best in class” work practices and productivity metrics for their respective operations.

C. Maintenance responsibility for equipment and machinery will transition to the operators of such equipment or machinery.

Section 3. Non-Trade Work Practices

After proper notification to the Union, the Company will continue to adopt more flexible and adaptable non-trade work practices.

Section 4. Alternative Work Schedules

The Company and the Union will work together to adopt alternative work schedules of ten (10) or twelve (12) hour per day schedules. Notwithstanding any other provisions of this Agreement, only the Overtime Premium of time and one half shall be applicable to hours in excess of forty (40) hours during such alternative work schedules. For purposes of this Section 4, straight-time

ARTICLE XI

LABOR GRADES, CLASSIFICATIONS, WORKFORCE UTILIZATION AND ALTERNATIVE WORK SCHEDULES

hours worked and the first eight (8) hours of holiday pay will be used to determine such forty hours.

In such cases, the Company and the UAW agree to modify the shift differential, jury duty, short-term military pay, holiday pay/premium, bereavement pay, vacation pay and rates of pay sections of the Agreement applicable to employees scheduled on ten (10) or twelve (12) hour shift schedules so that the application of the sections listed above are "cost neutral" in terms of their benefit to the employees and the employment cost to the Company.

"Cost neutral" means that the employee who works a ten (10) or twelve (12) hour schedule will receive the same economic benefit from the sections listed above as if the employee worked an eight (8) hour per day and forty (40) hour per week schedule, and the Company's wages and premiums paid to the employee during such schedule is approximately the same as if the employee worked a regular eight (8) hour per day and forty (40) hour per week schedule.

The guiding principle of cost neutrality is to adjust the economic concepts referenced in this Section 4 so that neither the Company nor the employee incur windfall economic penalties or gains that otherwise would not have been payable and received compared to an eight (8) hour per day/forty (40) hour per week schedule worked.

A. Alternative work schedules will consist of either ten (10) or twelve (12) hours per day schedules.

1. Shift Premium - Shift Premium shall be paid in accordance with Article X, Section 6, Shift (or Turn) Premiums. The applicable Shift Premium will be paid based upon the employees' established shift start time.
2. Holiday Pay - An employee scheduled to work an established Holiday as defined in Article X, Section 20, Paid Holiday Plan of the CBA shall be paid in accordance with Article X, Section 12, Holiday Premium and Holiday Scheduling which stipulates that employees shall be paid double time and half (2 and ½) for hours worked on an aforementioned holiday.

An employee who otherwise would not be scheduled to work a holiday and does not work the holiday shall receive the number of hours that he or she is normally scheduled at their regular rate as defined in Article X, Section 20.

3. Jury Duty/Military Pay - Article X, Section 17, Jury Duty Pay and Article X, Section 19, Military Duty Pay shall be modified for those employees assigned to an alternative work schedule to compensate employees who otherwise meet the requirements set forth in the CBA, twelve (12) hours per day not to exceed forty (40) hours of jury duty or military pay per pay period.
4. Bereavement - Article X, Section 18, Bereavement Pay shall be modified for those employees assigned to an alternative work schedule to compensate those employees who

otherwise meet the requirements set forth in the CBA, will be paid twelve (12) hours of pay for the day(s) taken.

5. Vacation/Personal/FMLA - Article X, Section 22, Vacation - Scheduling vacation will result in the employee being paid for up to 10 hours per scheduled day, unless the employee designates to use up to 12 hours of his or her available vacation allotment. If the employee takes an FMLA absence, he or she will be attributed with up to 10 hours of FMLA leave, whether paid or unpaid, or whatever portion of the shift that is used for FMLA. For those days which are fully utilized for FMLA purposes, the employee may take up to 12 hours if he or she so chooses.
6. Overtime Pay - As set forth in Article XI, Section 4, Alternative Work Schedules, overtime at a rate of time and one half shall be paid for hours worked in excess of ten (10) hours per day during such alternative work schedules. Additionally, an employee will be paid time and one half for hours worked over forty (40) hours in a workweek. For purposes of this Section 4, straight-time hours worked and the first eight (8) hours of holiday pay will be used to determine such forty (40) hours. Vacation/Personal/FMLA, Jury Duty, Military and Bereavement Pay will not be considered hours worked for purposes of overtime in any week when an employee takes such leaves.
7. Time Worked Under 40 Hours in a Workweek - Employees, who are assigned to an alternative schedule that provides for at least thirty-six (36) scheduled hours in any given workweek, will not be entitled to any additional hours or short week benefits as a result of being scheduled less than 40 hours for the workweek.

For workweeks when employees are scheduled for thirty-six (36) hours, the Company reserves the right to schedule mandatory training or informational meetings up to an additional four (4) hours on an otherwise scheduled work day.

8. Sunday Work (Sunday "As Such" Premium) - The parties reaffirm that employees scheduled on Sundays as a normally scheduled day of work, or would otherwise be a straight-time day, shall be paid time and one quarter (1 and ¼) for hours worked on Sundays in accordance with Article X, Section 10, Sunday Work (Sunday "As Such" Premium).

ARTICLE XII: MISCELLANEOUS**Section 1. Union Bulletin Boards**

The Company will maintain existing bulletin boards to be used solely by the Union for posting the following notices, except that additional notices may be posted by mutual consent.

Notices shall be restricted to the following types:

- A. Notices of Union recreational and social affairs.
- B. Notices of Union elections, appointments and results of Union elections pertaining to the local plant.
- C. Notices of Union meetings and educational classes.

The bulletin board shall not be used by the Union or its members for disseminating propaganda of any kind whatsoever; and among other things shall not be used by the Union for posting or distributing pamphlets or political matter of any kind whatsoever, or for advertising.

Section 2. Company Employee Identification (ID) Cards and Entry/Access Cards

Employees shall have their Company ID Cards on their person at all times while on Company property or while on Company business. Access cards shall be conspicuously displayed by employees while they are entering or exiting Company premises. These cards will be used in conjunction with an automated electronic time and attendance data collection system.

The Company will require each employee who needs a replacement Company Identification Card due to loss or card becoming defective due to abuse to reimburse the Company in the amount of \$15.00 for the cost of the Identification Card through a payroll deduction. An employee will not be asked to reimburse the Company for defective cards or cards damaged in the due course of Company business. Furthermore, an employee who loses his or her Identification Card will be able to receive one (1) replacement card at no cost during the term of this Collective Bargaining Agreement.

Section 3. Use of Supervisors on Development Work

Whenever it becomes necessary to develop or perfect a new mechanical process or job, it is agreed that the Company may use Supervisors for such purpose if a regular employee is not displaced thereby.

Section 4. Health and Safety

- A. The Company shall have the obligation to continue to make reasonable provisions for the safety and health of its employees during the hours of their employment. The Union shall cooperate with the Company's efforts to carry out its obligations.
- B. The Company shall provide protective devices, including gloves, wristlets, pads, mitts or other special kind of wearing apparel which it requires employees to wear as a safety measure, and any other equipment necessary to protect the employees from injury and sickness. The Company reaffirms its current practice of providing Personal Protective Equipment ("PPE") to address safety hazard issues that cannot be adequately addressed through engineering controls. The Company reserves the right to replace, modify, add or delete such individual PPE devices or apparel as appropriate to comply with applicable safety requirements. There is no intention not to provide required PPE.
- C. The Company and the Union commit to a joint effort to continue health and safety of all employees. The Company and the Union will strive for continuous improvements in this area through the involvement of all employees. The Company and the Union agree to hold regularly scheduled meetings to review health and safety issues, such as (A) Safety Training and Education, (B) Hazardous Substances Communication (HazCom), (C) Energy Control and Power Lockout (ECPL), (D) Guidelines, Responsibilities and Safety Practices (GRASP), (E) Skilled Trades and Apprenticeship Safety Training, (F) Power Materials Handling Vehicle (PMH), (G) Confined Space Entry (CSE), and (H) other issues of mutual safety concern.

The Company agrees to hold monthly meetings (for the purpose of discussing safety concerns) among the Unit Chairman, the UAW Health and Safety Representatives, the Vice President of Operations (or other senior member of Operations Management) and the Manager of Safety (or his designee, if he is not available) on a schedule to be established by the parties. The Union will provide an agenda for these meetings to all attendees at least three days prior to the meeting date.

- D. The Company and the Union will continue to use the "President's Accident Investigation Committee" as a means to thoroughly investigate and determine appropriate corrective action in cases of serious employee injury or equipment malfunction.
- E. The Company will use its OHSAS Health and Safety Management System procedure to examine ergonomic concerns reported through the Health and Safety Management System Safety Concern Log, and such concerns will be addressed by the parties at joint accident and incident review meetings.
- F. The Company and the Union further agree to continue to conduct joint health and safety reviews of plant facilities. This continuing review will include Company facilities and activities with regard to safety programs, federal and state regulations, and Company health and safety policies and procedures, such reviews will be conducted by a joint team of Union and Company representatives.

- G. The Company agrees to pay for one pair of Company-approved safety shoes (maximum of \$100) per employee, every two years.
- H. Air Monitoring & Testing - The Company shall conduct periodic and additional air monitoring throughout its facility to insure that no employee is exposed to hazardous airborne contaminants at or above permissible exposure limits. If a UAW Safety Representative believes a condition exists which would require additional air monitoring, he shall submit in writing a request for air sampling detailing the reason and or contaminant to be monitored. The request must be approved by the Company Safety Manager and/or designee.
- I. Noise Monitoring & Testing - The Company shall evaluate the operating areas of the plant to determine if personnel are being exposed at or above the allowable time weighted averages (TWA). All testing and monitoring shall be done only while operations are at full capacity. If a UAW Safety Representative believes a condition exists which would require additional noise testing he shall submit in writing a request for additional testing detailing the basis for this additional testing request. The request must be approved by the Company Safety Manager.
- J. Ergonomics - The Company commits that it will assess the need for an Ergonomic program during the term of the 2012 collective bargaining agreement.
- K. UAW Access to Personal Medical Records - The Company agrees to provide Personal Medical Records to UAW representatives provided that the Company receives a signed authorization to permit the UAW to receive the information in accordance with all HIPAA Guidelines.
- L. Safe Rigging and Lifting Practices - The Company and the Union recognize their commitment to the resolution of employee health and safety concerns and the need to provide training to the appropriate employees in safe rigging and lifting practices. The parties agree that this training program is intended to enhance the rigging and lifting skills of present trade and non-trade employees.
- M. Governmental Site Inspections - The Company commits to timely notification to the Union of site inspections by governmental agencies relating to health and safety issues.

The Company will make reasonable efforts to notify the President of the Bargaining Unit and the President of the Union, or their designated representatives, whenever there is a site inspection by a governmental agency relating to employee health and safety issues. For purposes of this notification, the respective President of the Bargaining Unit and President of the Union shall specify to the Vice President, Human Resources the manner in which the notification should be carried out.

Section 5. Smoking

Areas, which the Company considers as unsafe for smoking, will be so designated and smoking will not be permitted in such areas. In undesignated areas, smoking on the job will be permitted.

Section 6. Reporting Absences

A system is established for employees to verify the fact that they have notified the Company by telephone of their inability to report for work.

This centralized call-in number for all departments is required for appropriate notification to the Company and streamlines the call-in process to assist supervisors in filling vacancies for absenteeism.

Section 7. Continuous Improvement Initiatives/Employee Participation Process

To be a world class steel company, the Company must optimize the utilization of capital equipment, human resources and available technology to ensure the material reduction of operating costs such that the Company's competitive cost position is in the lower cost third tier of North American steel making facilities. In light of these considerations, the Company and the Union agree to commit to significant changes in work systems, work cultures, and work practices to bring about the meaningful efficiencies in the workplace that will enable the Company to achieve improved productivity, the full utilization of resources, the elimination of waste, and benchmarked "best in class" operating performance within the North American steel industry.

The objectives of the Company and the Union include: (1) improving productivity, and seeking lower employment costs per ton on a sustained basis; (2) increasing worker responsibility and influence in workplace decision making; (3) understanding the current state of competitiveness and world-class standards; (4) encouraging the use of problem-solving approaches to issues; and (5) committing to higher skill development, better education, and more productive utilization of a skilled and flexible workforce.

The Company and the Union commit to work together to achieve these improvements by:

- A. Establishing a senior advisory committee, which will (i) review and provide oversight for the Company's continuous improvement initiatives impacting operations and maintenance activities, (ii) consider and sanction pilot projects or continuous improvement initiatives that could further contribute to the mutual objectives set forth above, and (iii) strengthen the labor-management relationship through a more organized and systematic sharing of business information and review of labor-management issues;
- B. Establishing a joint UAW – Company employee participation steering committee, which will explore and share ideas regarding the guidelines for the employee participation effort, clarify mutual goals, and establish resources, training, information sharing, planning and provide oversight for the employee participation process; and
- C. Establishing additional ad hoc committees as may be helpful.

Section 8. Equal Application of Agreement

- A. In continuance of the policy established and maintained since the inception of their collective bargaining relationship, the Company and the Union agree that the provisions

of this Agreement shall apply to all employees covered by the Agreement without discrimination, and in carrying out their respective obligations under this Agreement neither will discriminate against any employee on account of race, religion, color, age, height, weight, sex, sexual orientation, national origin or against any qualified employee with a disability or disabilities.

- B. In an effort to make the grievance procedure a more effective instrument for the handling of any claims of discrimination, special effort shall be made by the representatives of each party to raise such claims where they exist, and at as early a stage in the grievance procedure as possible. If not earlier, a claim of discrimination shall be stated at least in the Third Stage grievance, as provided in Article VIII, Section 3 of this Agreement. The Unit President or his or her designated representative, before deciding whether to take the grievance to the Plant Review Board. The grievance and arbitration procedure shall be the exclusive contractual procedure for remedying such discrimination claims.

Section 9. Diversity in the Workplace

The Joint Diversity Committee shall review the Company culture and demographics of the UAW-represented workforce to assess conditions and recommend diversity initiatives to the Company and the Union's leadership teams to support diversity and outreach efforts.

Section 10. Skilled Trades Diversity

The Company and Union shall take proactive measures to inform, educate and encourage minority and women candidates to consider skilled trades work as a career option.

Section 11. EAP Awareness

The Company and the Union shall jointly develop and communicate information to employees about the EAP.

Section 12. Drug Free Workplace

The Company and the Union recognize the need to provide employees a workplace that is safe, healthful and efficient and free from substance abuse. Alcohol and drug abuse in our workplace threatens our ability to fulfill these fundamental obligations and to achieve the excellent quality and continuous improvement necessary for our success. Therefore the Company and the Union reaffirm their position with respect to alcohol and drug abuse as negotiated in the Severstal Dearborn, LLC. Substance Abuse Program.

- A. Employee possession of medically unauthorized drugs or controlled substances or alcohol on Company premises is prohibited and constitutes grounds for discipline, including termination.
- B. Employees under the influence of alcohol or other drugs that impair judgment, performance or behavior while on Company premises or while away from the workplaces on Company business are subject to discipline, including termination.

The parties agree to the adoption of a revised alcohol and drug testing procedure that is memorialized in a separate document.

Section 13. Violence in the Workplace

The Company and the UAW agree that they have a common interest in providing employees with a safe and secure work environment that is free of violence or the threat of violence.

The Company and the UAW further agree that a work environment where intimidation and threats of violence are permitted to exist undermines the type of work environment that is conducive to continuous improvement in safety, quality, operating efficiency, and employee satisfaction. The Company and the Union agree to work in cooperation to fully investigate and handle complaints of alleged work place violence in a diligent and expeditious manner.

Section 14. Independent Medical Examinations

When a difference of opinion occurs between an employee's personal physician and the Company's physician and the point in question cannot be resolved by discussion between the two physicians, it is agreed that the Company physician should refer the employee to a consultant for examination and impartial recommendation at Company expense. The Company physician should preferably use a board-certified specialist in the field of medicine in which the point of controversy exists. For example: an eye case should be referred to an ophthalmologist, a back case should be referred to an orthopedist, a heart case to a cardiologist or specialist in internal medicine. The job demands should be thoroughly described to the consultant at the time of referral. The Company physician should follow the recommendation of the consultant.

In order to facilitate the discussion between the personal physician and the Company physician, and to comply with the Health Insurance Portability and Accountability Act, it is required that the affected employee sign a Medical Release of Information.

Section 15. Customer Plant Visits

The Company will continue the process of including hourly personnel on an as-needed basis in customer plant visits to improve the reputation of the Company in the areas of quality and customer service.

Section 16. Insurance Inspection Reports

The Company shall provide the Union with copies of its insurance inspection reports.

Section 17. Waiver of Bargaining During Contract Term

The Company and the Union, for the Term of the Agreement, each voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated, to bargain collectively with respect to any subject or matter referred to, or covered in this Agreement, or with respect to any subject or matter not specifically referred to, or covered in this Agreement, even though such

subjects or matter may not have been within the knowledge or contemplation of either or both of the parties at the time that they negotiated or signed this Agreement.

Section 18. Partial Invalidity of Agreement

- A. In the event that any of the provisions of this Agreement shall be or become legally invalid or unenforceable, such invalidity or unenforceability shall not affect the remainder of the provisions hereof.
- B. If any legal proceeding to which the Company or the Union is a party invalidates or makes unenforceable any provision of this Agreement, and either party believes that revision of the provision to conform to legal requirements would be preferable to having it remain invalid or unenforceable, the Local Union and the Labor Relations Department shall discuss such possible revisions. If, as a result of these discussions, any revisions are made to this Agreement, such revisions will become effective immediately and be in effect for the duration of the Agreement without being conditioned upon ratification by the Union.

Section 19. Seniority Agreement for Bids, Permanent Vacancies Above Entry Classification, Training, Support Services and Overtime Scheduling

The responsibility for overtime assignments and the filling of temporary vacancies shall be assigned to individual departments. Furthermore, permanent vacancies will be handled through the appropriate bidding process administered by the Labor Relations Department.

A. Bid Procedure

The parties have agreed to Bid Procedure Guidelines and the Company will investigate automating the process. The Guidelines will be reviewed and updated as appropriate.

B. Permanent Vacancies Above the Entry Classification in a Line of Progression

Permanent vacancies above the entry classification in a Line of Progression (“LOP”) shall be filled as follows:

1. Employees classified at the next lower classification in the particular LOP where the vacancy exists shall be offered, as appropriate, in seniority order and regardless of shift, the opportunity to permanently fill the vacancy. Employees declining the opportunity to the next higher classification within the LOP must sign a Classification Waiver (the “Waiver”) indicating their decision to not accept the permanent opening.
2. The Waiver shall be applicable to permanent vacancy step-ups only and shall remain in effect until such time as the employee requests that it be withdrawn. Qualified employees will be required to accept daily step-ups as needed irrespective of their decision to waive their right to the permanent vacancy.

3. No adjustments shall be made to previously awarded permanent step-ups as a result of a request to withdraw a Waiver.
4. If all senior employees who were offered the opportunity to fill the permanent vacancy decline the offer, the low seniority employee within the affected classification and labor grade, regardless of their shift assignment, shall fill the permanent opening.
5. If an employee who had previously signed a Waiver subsequently becomes the lowest seniority employee within the affected classification, such employee will be treated as if no Waiver is in effect for the purpose of filling the vacancy.
6. For the purpose of permanent step-ups, seniority shall mean Company seniority for the Utility Person Occupation (Labor Grade 1) and Date of Entry seniority for all other occupations.
7. None of the provisions contained herein are applicable in the case where the Company disqualifies an employee.
8. If an employee is awarded a bid position and requests transfer back to his or her previous position, the employee must make the request within four (4) days of the award of the bid.

C. Training

The parties recognize that certain new and or restructure jobs may require skills, which certain newly incumbent employees do not possess. In light of this situation, the Company agrees to provide employees who do not have the required skills for their new or restructure jobs with reasonable training opportunities to ensure competent job performance.

In the event that, despite the efforts described above, the employee is not capable of acquiring the new job skills, then the Company shall be relieved of its obligation to provide further training and the employee shall be expected to bid on a vacancy for which he or she is qualified at the entry level of the employees present Line of Progression or another Line of Progression.

D. Support Services

The individual departments or plants, as appropriate, will have responsibility for the scheduling, training, and equalization of overtime opportunities of Crane Operators or other support services as may be appropriate. Crane Operators will be assigned to plants or departments as determined by specific Lines of Progression.

E. Overtime

1. Overtime opportunities will be equalized within a classification – Labor Grade in a Line of Progression.

2. Where entire crews on mills are worked overtime, every reasonable effort will be made to equalize overtime with other shifts of the specific department, plant or operation.
3. Overtime charges will be by hours worked. Current overtime records for each classification will be posted in a prominent location or be recorded and available for examination.
4. When it is necessary to incur overtime, the employee assigned and utilized shall be charged with the applicable overtime hours. Likewise an employee who refuses such overtime shall be charged if contacted.
5. The applicable overtime hours will be charged to employees who are on leave of absence or absent without leave at the time when their turn to work comes up. Employees on bereavement or jury duty will not be charged.
6. Employees on medical leave will not be charged.
7. Overtime opportunity lists will be renewed semi-annually on a date mutually agreed upon by the Company and Union.
8. Overtime sign-up lists will be closed, or redlined, four (4) days prior to the applicable date for unplanned overtime opportunities.
9. Supervisors returning to the hourly roll will be charged the high overtime hours or opportunities, as appropriate, for the classification to which he or she returned.
10. Overtime worked by employees receiving Workers' Compensation Benefits will be charged.

Section 20. Equality of Sacrifice

In the spirit of sacrifice and to reduce the overall salaried labor costs, the Company commits that it will make specific adjustments to the salaried staffing levels and modifications in the salaried employee compensation and benefit programs that correspond to hourly labor cost reductions.

Section 21. Recasting of Agreement

The Union and the Company shall be authorized to rearrange, simplify, and clarify the language of this Agreement to facilitate its use as a working document; but not to change in any way its substance or meaning.

Section 22. Company Parking Lots

The Company will conduct an evaluation of security features in each lot and implement additional security measures as necessary, including cameras if appropriate. Employees with specific concerns regarding parking should report those problems to the Security Department.

Section 23. Bus Service

The Company recognizes the importance of bus service for the efficiency of Company operations. The Company will review bus scheduling, including eliminating the run to Gate 4

(which is not used), and rerouting that bus to circulate between the Tool and Die Parking Lot and the various Severstal operations on the west side of the boat slip. After this change, there will be a North Caster Bus, a South Caster Bus and a general route bus. Such routes will be subject to modification by the Company in the future. The Company will also implement a complaint procedure to review issues and will meet periodically with the Union to discuss any issues.

Section 24. Additional Time Clocks

The Company will review any requests by the Union to add or relocate time clocks in specified locations. Determinations as to the installation of additional clocks will be made after analyzing and considering the costs or any other issues associated with the installation of the clocks in the requested locations and by mutual agreement.

Section 25. Modernization Investment

During the course of the 2012 negotiations, the parties discussed Severstal's investment commitment to the Dearborn facility. As stated previously, it is Severstal's strong desire to continue to operate the steel business there on an on-going cost-effective basis. It is the Company's continued firm intention to effectuate investments and capital expenditures, with a view to spurring competitiveness and profitability. The Company is completing a \$1.6 billion multi-year investment program in Dearborn which is not limited to a new blast furnace, Pickle Line Tandem Cold Mill, and Hot Dip Galvanizing Line; as well as upgrades to the Basic Oxygen Furnace, Continuous Caster, and Hot Strip Mill.

The Company continues to review its capital investment program for the future and will consider investment in a new Temper Mill, Inter Stand Cooling in the Hot Strip Mill, a Continuous Annealing Line, and an additional Blast Furnace should market conditions warrant such an expansion. However, investments of this magnitude will require significant scrutiny and a high level of sustained profitability of the Company for any of these projects to become a reality. The Company will keep the Union apprised of its capital investment program efforts.

Section 26. Victory Industries

During the 2007 negotiations, Severstal North America, Inc. (the "Company") and the Union discussed the purchase of Victory Industries by Stoik, a Russian-based subsidiary of OAO Severstal. The Company explained that Victory Industries has been a qualified supplier to the Company for over 20 years, performing miscellaneous machining, fabrication and repair and return work.

The Company further explained that Victory must compete with other qualified Company suppliers on the basis of quality of services and price. The Company assures the Union that this continuing supplier-customer relationship will not result in any negative impact to UAW represented employees of the Company.

The Company will notify the Union of any future purchases made by OAO Severstal or its subsidiaries that may compete with other qualified suppliers to the Company. The Company will remain a neutral party in any UAW organizing effort directed at suppliers to the Company.

The Company also recognizes its obligation pursuant to Article II: Recognition; Section 1. Paragraph C of the Collective Bargaining Agreement.

Section 27. Fitness Center

During the course of the 2012 negotiations, the parties discussed the Union's interest in reinstating the employees' use of the UAW-Ford Ernest Lofton Center for Physical Fitness ("Fitness Center").

The Company has concluded discussions with the Fitness Center and contracted with the Fitness Center to allow Severstal employees' use of the facility. The Company will underwrite the monthly fee for employees' use of the facility.

The parties agree that only active employees are eligible for this benefit. Retirees and employees on leave are not eligible.

Section 28. Copies of Contract

The Company will provide to the Union printed copies of the contract as well as an electronic version.

Section 29. Maintenance of Facilities

During the course of the 2012 negotiations, the parties discussed the Union's concerns regarding the maintenance of locker rooms, wash rooms and break rooms. The Company is committed to maintaining these facilities and will insure that they are cleaned regularly, maintained and repaired when necessary.

Section 30. Available Work for Employees with Restrictions

The parties recognize that the seniority provisions of the collective bargaining agreement must be followed when returning any employee to work within the bargaining unit. The Company commits to the Union that it will carefully consider the physical restrictions and capabilities of employees in order to determine if there is available work within the bargaining unit.

Section 31. Hot Food Service

The Company recognizes the employees' desire to have the opportunity to purchase hot food on Company property and will commence a search to find a qualified vendor to provide such a service.

Section 32. Union Awareness Training

The Company and Union will jointly develop a curriculum to provide employees during the term of the 2012 collective bargaining agreement, eight (8) hours of Union awareness training to enhance the cooperative nature of the UAW – Severstal relationship.

Section 33. Use of UAW Logo

The Company has reviewed the Union's request and agrees that use of the UAW logo on flagpoles, hardhats and internal signs is appropriate, provided that the logo is of an appropriate size for the item on which it is displayed, used in a tasteful manner and does not pose a safety hazard by its use. Further, the Company affirms its commitment to place UAW Local 600's logo on all hourly uniforms.

ARTICLE XIII: SKILLED TRADES PROVISIONS**Section 1. Shift Assignments and Rotations**

Skilled trades employee shall be eligible to exercise seniority for the purpose of a departmental shift assignment and rotation according to their classification and Trade Date. The Company will provide supplemental on-the-job or classroom training required to ensure efficient and effective maintenance coverage. The Company shall discuss with the Union any delays or deviations from the aforementioned provisions as such instances arise.

Section 2. Primary and Secondary Bid Procedure

The Company will fill interdepartmental Primary and Secondary Bids from an on-going Skilled Trades Bid List (the "Bid List") to be maintained by the Labor Relations Department. The Bid List will be closed at the end of each month and such Bid List will be used to fill any Primary and Secondary Bids in the immediately following month. Employees signing the Bid List may select any departments and shifts, in preference order. Subsequent placements will be based on seniority pursuant to the Agreement.

In the event that two or more Primary or Secondary Bid opportunities are to be filled on the same date, an employee's department and shift preference ranking shall be used. Once an employee has been awarded a bid, his or her name shall be removed from the Bid List until such time as the employee again adds his or her name to the list. Employees will be periodically reminded to update their preferences on the Bid List.

In order to facilitate the internal shift preference moves which are made in conjunction with a Primary or Secondary Bid posting, all maintenance departments shall maintain an on-going shift preference list whereby Skilled Trades personnel would indicate their desire to move to a preferred shift, if and when one becomes available. The shift preference list will be closed at the end of each month and will be used to effect any shift preference moves necessary as the result of a Primary or Secondary Bid opportunity to be filled during the following month.

The Company will make every attempt to place Primary and Secondary Bid winners and backfills (newly hired employees or newly graduated Apprentices) in their new departments simultaneously and as soon as possible after the bid winners are determined.

The Company further commits to make an announcement prior to filling a bid opportunity.

Section 3. Recall Rights of Maintenance Employees Affected by a Reduction in Force

During the course of the parties' 2012 collective bargaining negotiations, the parties discussed the displacement of maintenance employees who were reduced from a departmental bid position to available work. The parties acknowledge that these employees should be given the opportunity to return to their previously held position. The parties also acknowledge that under the collective bargaining agreement, available positions are filled according to the bid procedure. Therefore, the parties agree that when a maintenance vacancy is created, such positions will be filled by selecting employees, on an alternating basis, from both the bid list and the reduction in

force list, based upon trade seniority date. For example, the first position will be filled by the high seniority employee on the reduction in force list and the second available position will be filled by the high seniority employee on the bid list. The Company and the Union are committed to filling these open positions in a timely and efficient manner.

Section 4. Training

The Company commits to continue the training of MTM and MTE employees to address shift assignments, rotations and interdepartmental bids for the efficient administration of the seniority provisions of the Agreement and to minimize any deviations which may be required due to specialized skills, licensure and skill set issues.

The Company will continue to work with Henry Ford Community College (“HFCC”) to provide the necessary curriculum for Present Employees in the maintenance classifications. The Company intends to assess the skill sets of the current Maintenance Technicians – Mechanical (“MTMs”) and Maintenance Technicians – Electrical (“MTEs”) and identify any skill gaps or deficiencies.

It is the Company’s expectation that all present MTMs and MTEs will reach the necessary level of proficiency within that allotted time period. Where a maintenance employee is unable to successfully complete the necessary skill upgrade training, the employee will be afforded with an opportunity for remedial training, provided the employee made a good faith effort to complete the required training. If the maintenance employee is unable to qualify for the position in question following such remedial opportunity, the employee will be subject to further action, up to and including disqualification from the classification and given available work, if eligible.

If the maintenance employee fails to make a good faith effort to meet the necessary qualifications, he or she will not be given the opportunity for remedial training and will be disqualified from the classification. The Company agrees that it will meet with the Union and review the disqualification of a current MTM or MTE before notifying the employee.

Section 5. Out-plant Overtime

The parties have agreed to implement an out-plant overtime sign-up process. The Company and the Union will jointly determine the department(s) where the out-plant overtime sign-up process will be made available. Should skilled trades employees sign up for out-plant overtime opportunities when their home department has available overtime, they will be assigned the overtime opportunity in their home department. The Company reserves the right to periodically review the aforementioned practice and may modify this practice if it adversely impacts the availability or willingness of skilled trades employees to work overtime in their home department.

Section 6. Joint Apprenticeship Program

The Company and the Union will maintain standards for a joint apprenticeship program (the "Joint Apprenticeship Program") in accordance with the guidelines outlined in Appendix M.

Section 7. Skilled Trades Utilization

The concepts of (i) Incidental Work and (ii) Helping Hand will be extended to all organizations and trades not already utilizing these concepts to their fullest potential. Furthermore, before the implementation of these concepts, training sessions will be conducted for all maintenance supervisors to provide specific guidance and instruction regarding helping hand and incidental work concepts and the proper means of assigning work pursuant to this Agreement.

ARTICLE XIV: TERM OF AGREEMENT

Section 1. Expiration Date; Notice to Modify or Terminate; Automatic Renewal

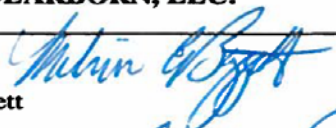









This Agreement will become effective on the Effective Date and will continue in full force and effect until 11:59 p.m., March 31, 2017 (the "Term of the Agreement"). This Agreement, and the Term of the Agreement, shall continue in effect for successive yearly periods after March 31, 2017, unless notice is given in writing by either party at least sixty (60) days prior to March 31, 2017, or by any anniversary date thereafter, of its desire to modify, amend or terminate this Agreement.

If such notice is given, this Agreement shall be open to modification, amendment or termination, as such notice may indicate, on March 31, 2017, or the subsequent anniversary date, as the case may be.

Section 2. Addressing of Notices

Notices shall be in writing and shall be sufficient if sent by certified mail addressed, if to the Union, to International Union, United Automobile Workers of America, 8000 East Jefferson Avenue, Detroit, Michigan, 48214, or to such other address as the Union shall furnish to the Company, in writing; and, if to the Company, to Vice President, Human Resources, 14661 Rotunda Drive, P.O. Box 1699, Dearborn, Michigan, 48121-1699, or to such other address as the Company shall furnish to the Union, in writing.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

SEVERSTAL DEARBORN, LLC:	INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA, UAW:
Melvin E. Baggett 	Bernie Ricke 
Michael Lewandowski 	A.J. Freer 
Annette Gibbons 	William Wilhelm 
Kevin Russo 	Kevin Ford 
	Harvey Hinchman 
	Steve LaBodie 

APPENDIX A

ASSIGNMENT AND AUTHORIZATION FOR CHECK-OFF OF MEMBERSHIP DUES

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

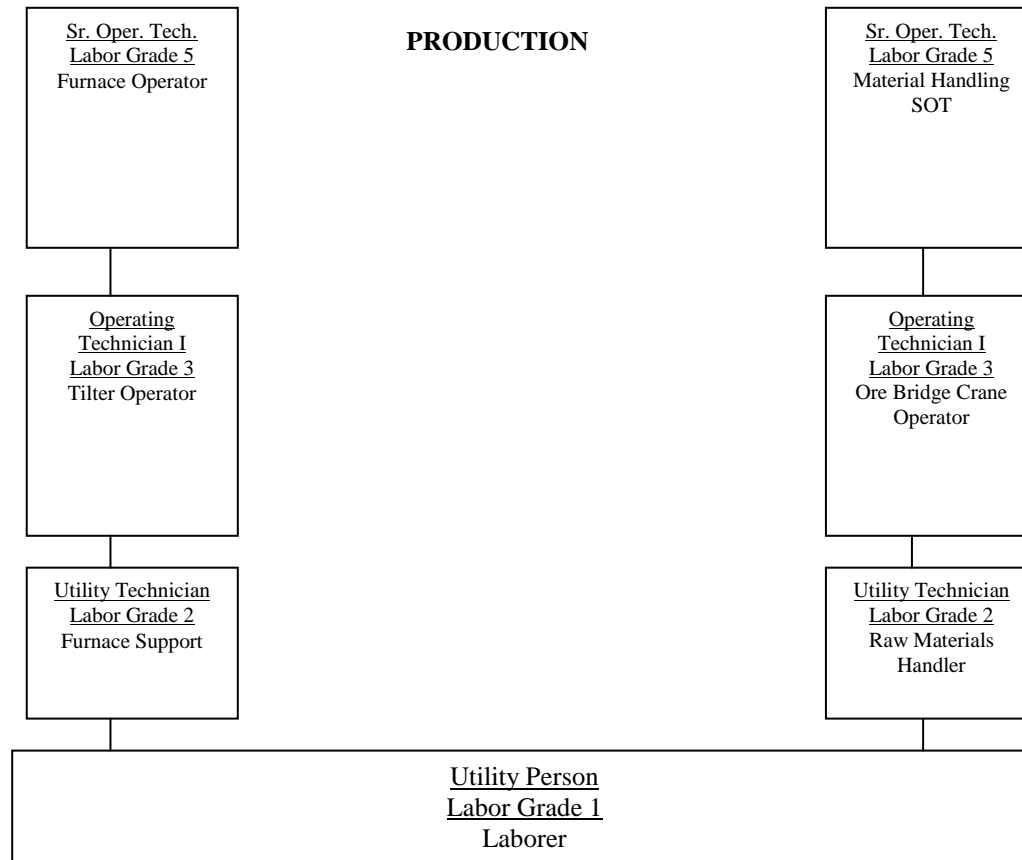
To: _____

I hereby assign to that Local Union of the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, designated by the International Union to the Company, in writing, as having jurisdiction over the Unit where I am employed, from any wages earned or to be earned by me as your employee, or from any Regular Supplemental Unemployment Benefits to be paid to me, such amount as may be in effect, from time to time, during the effective period of this assignment and authorization, and due from me to the Union as my monthly membership dues in said Union, and (if owing by me) any initiation fee. I authorize and direct you or the Trustee of the Company - UAW Supplemental Unemployment Benefit Plan Fund to deduct such amounts from my pay or from any Regular Supplemental Unemployment Benefits payable to me during each calendar month in accordance with such arrangements as may be agreed to between the Company and the Union, and to remit the same to the above Local Union.

This assignment and authorization may be revoked by me only at the times and in the manner hereinafter provided. I may revoke this assignment as of any anniversary date hereof by written notice, signed by me, of such revocation received by the Company by registered mail, return receipt requested, not more than twenty (20) days and not less than ten (10) days before any such anniversary date. I may also revoke this assignment by written notice, signed by me, of such revocation received by the Company by registered mail, return receipt requested, at any time when there is not in effect between the Company and the Union an agreement that the Company will check off membership dues on behalf of the Union.

Signed: _____

APPENDIX B
LINES OF PROGRESSION
LINES OF PROGRESSION
IRONMAKING (1 of 2)



LINES OF PROGRESSION
IRONMAKING (2 of 2)

MAINTENANCE

RAILROAD

WWT

Maintenance Tech. II
Labor Grade 5
RCM Coordinator

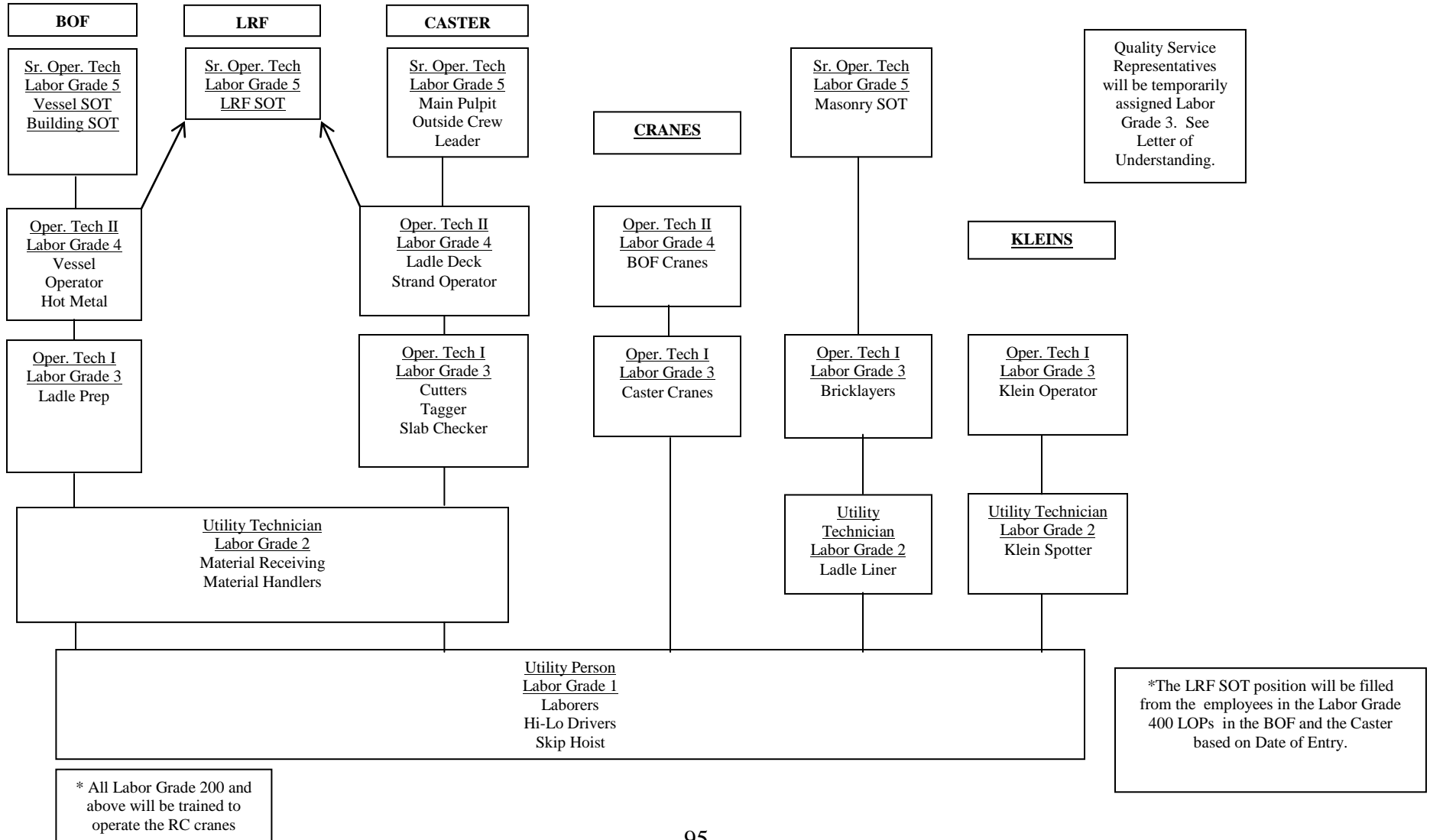
Maintenance Tech.
Labor Grade 4
Electrical Maint.

Maintenance Tech.
Labor Grade 4
Mechanical Maint.

Operating Tech I
Labor Grade 3
Locomotive
Operator

Operating Tech II.
Labor Grade 4
Power Service
Operator

LINES OF PROGRESSION STEELMAKING (1 of 2)



LINES OF PROGRESSION
STEELMAKING (2 of 2)

STEELMAKING
MAINTENANCE

Maint. Tech. II
Labor Grade 5
RCM Coordinator

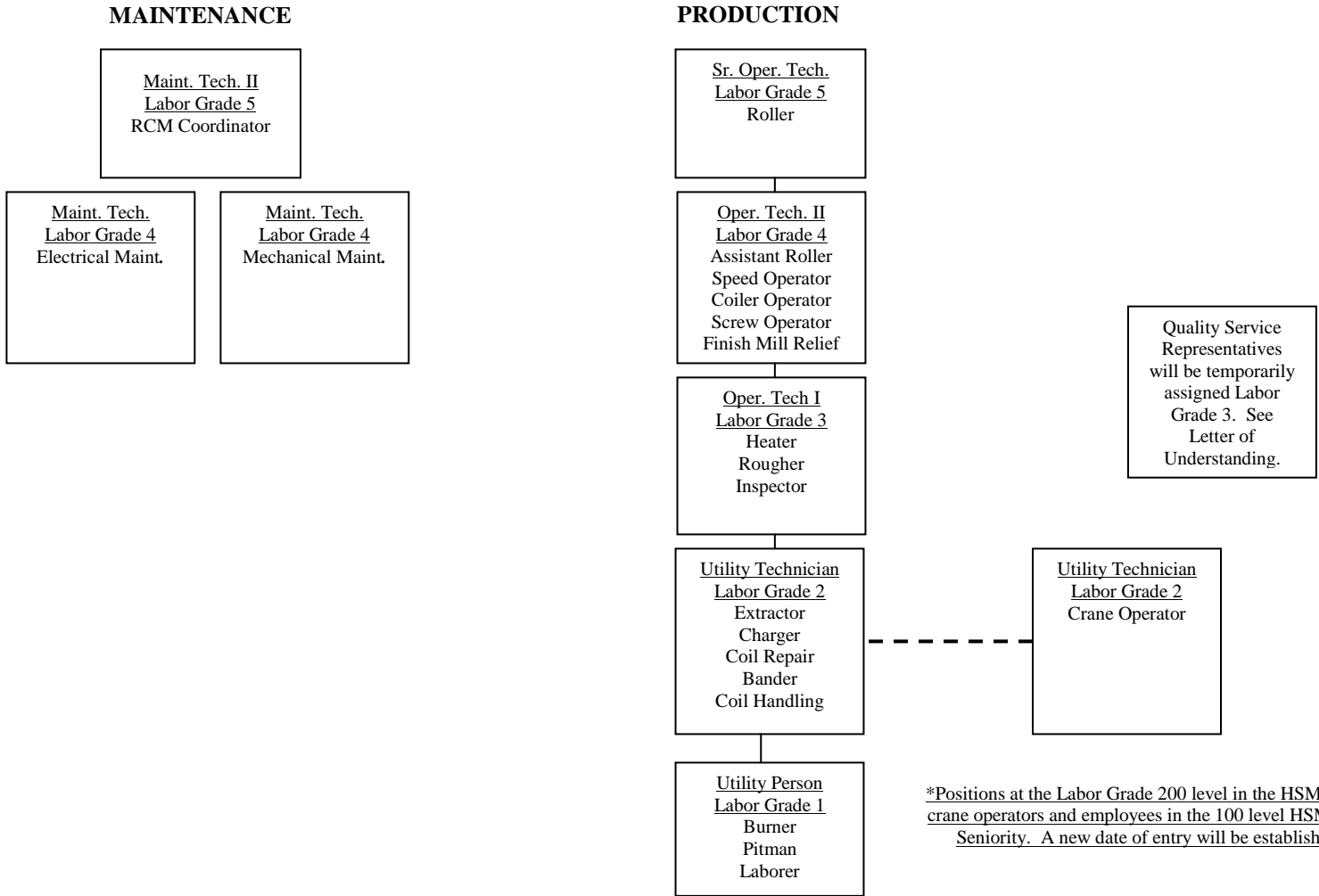
Maint. Tech.
Labor Grade 4
Mechanical Maint.

Maint. Tech.
Labor Grade 4
Electrical Maint.

STEELMAKING WWT

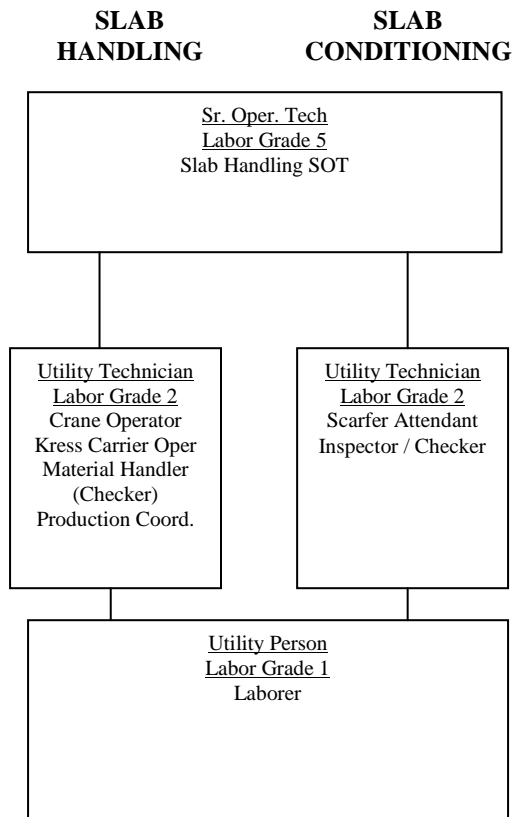
Oper. Tech II
Labor Grade 4
Power Service
Operator

LINES OF PROGRESSION HOT STRIP MILL (1 of 2)



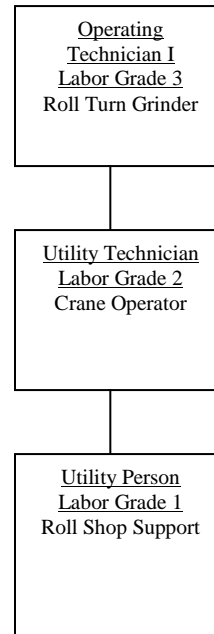
*Positions at the Labor Grade 200 level in the HSM LOP may be filled by the crane operators and employees in the 100 level HSM LOP based on Company Seniority. A new date of entry will be established in the new position.

LINES OF PROGRESSION HOT STRIP MILL (2 of 2)



LINES OF PROGRESSION HOT STRIP MILL ROLL SHOP

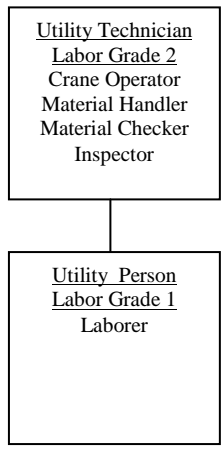
HOT MILL



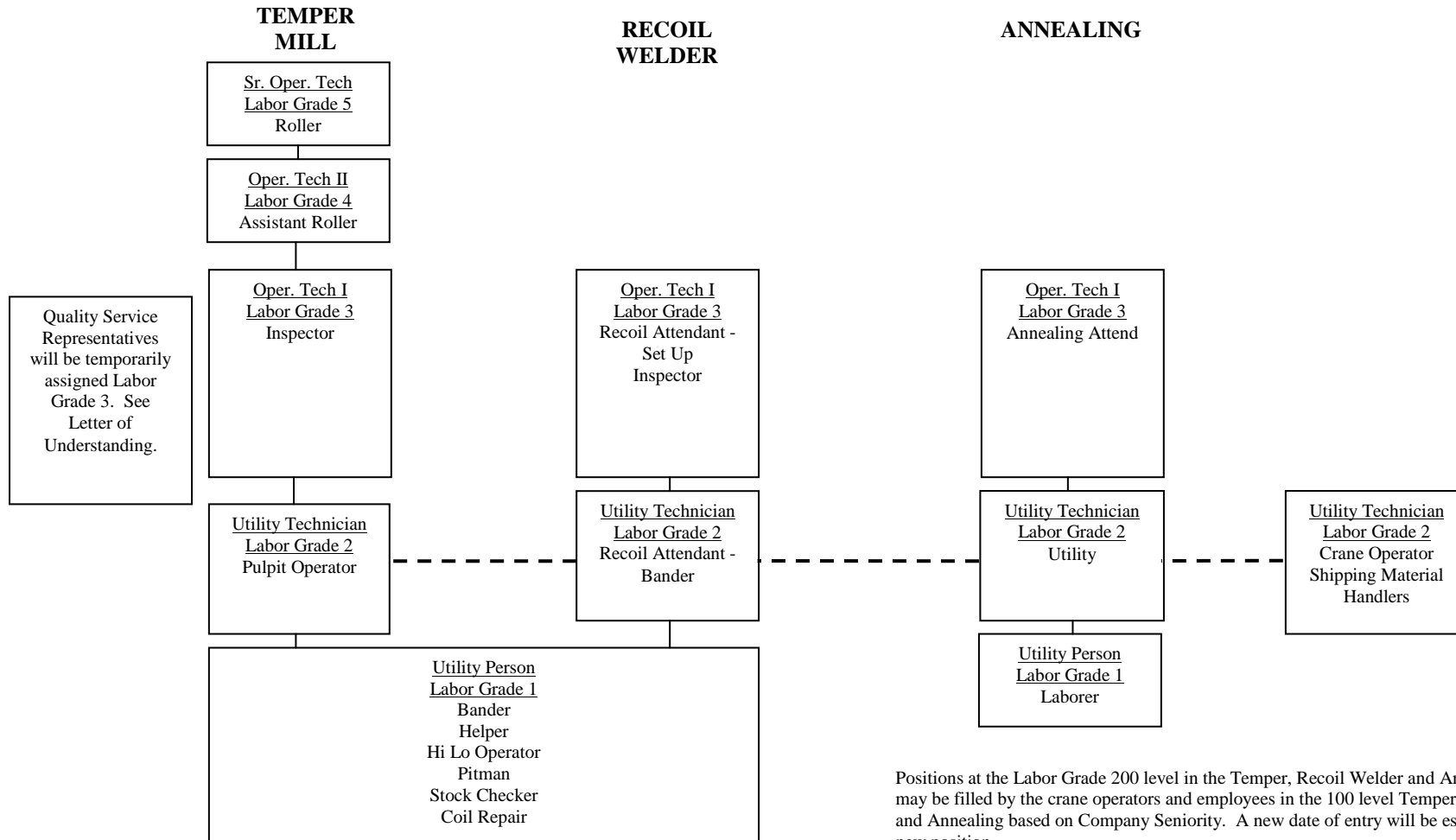
LINES OF PROGRESSION HOT BAND SHIPPING

HOT BAND SHIPPING

Quality Service
Representatives
will be temporarily
assigned Labor
Grade 3. See
Letter of
Understanding.



LINES OF PROGRESSION TEMPER MILL, ANNEALING, AND COLD MILL SHIPPING (1 of 2)



LINES OF PROGRESSION
TEMPER MILL, ANNEALING, AND COLD MILL SHIPPING (2 of 2)

MAINTENANCE

Maint. Tech. II
Labor Grade 5
RCM Coordinator

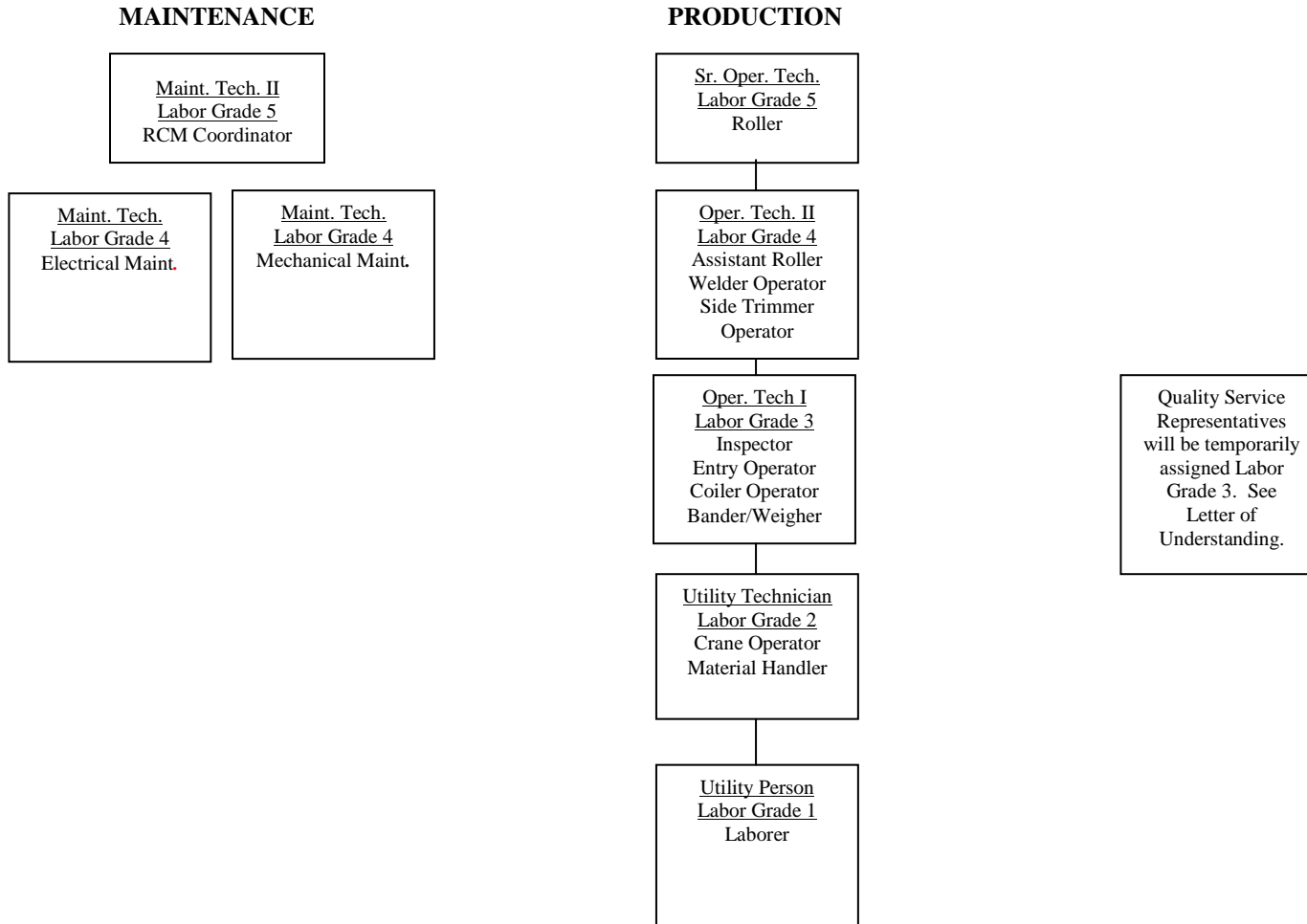
Maint. Tech.
Labor Grade 4
Electrical Maint.

Maint. Tech.
Labor Grade 4
Mechanical Maint.

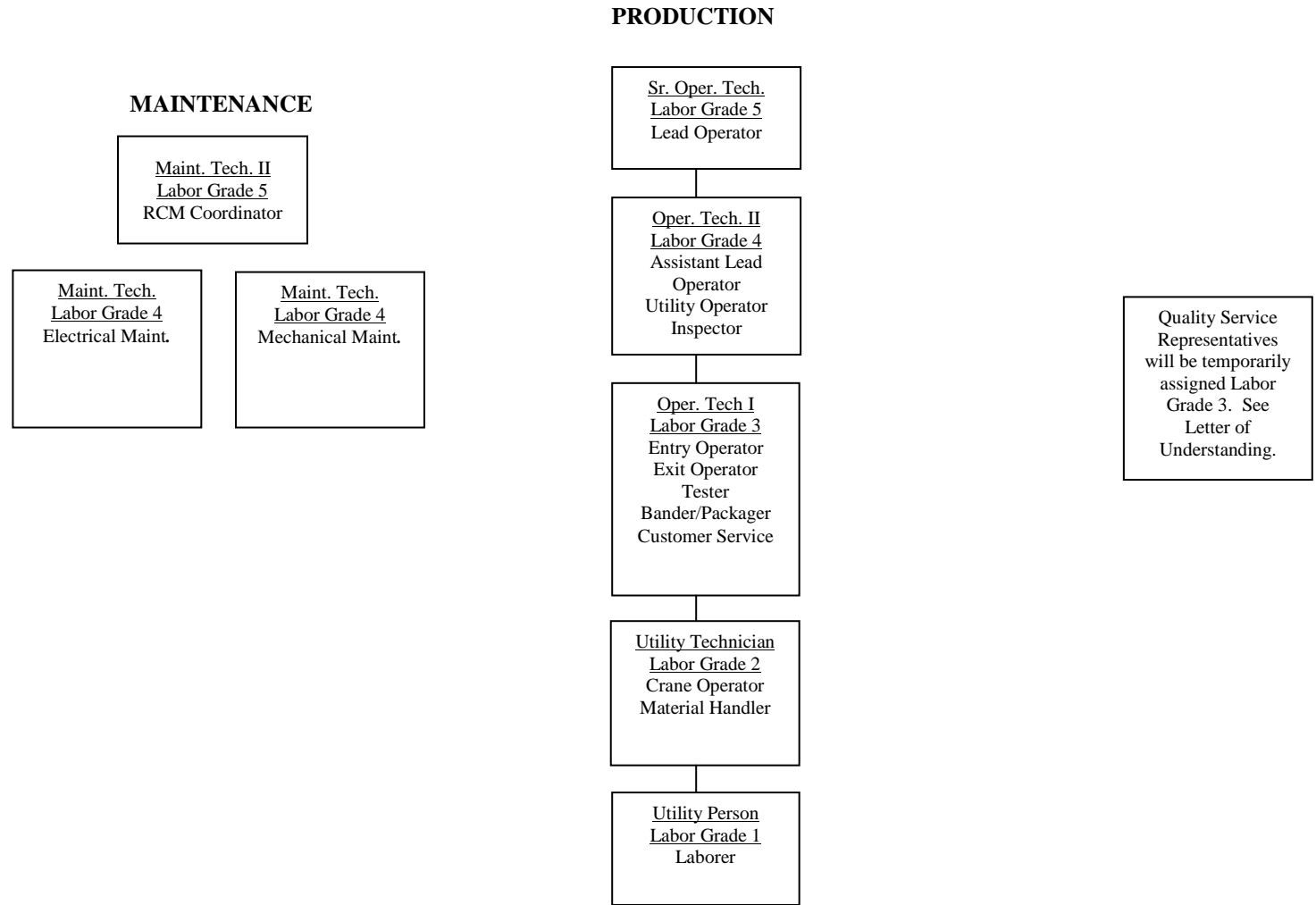
STEEL UTILIZATION
COORDINATORS

Oper. Tech II
Labor Grade 4
Steel Util. Coord.

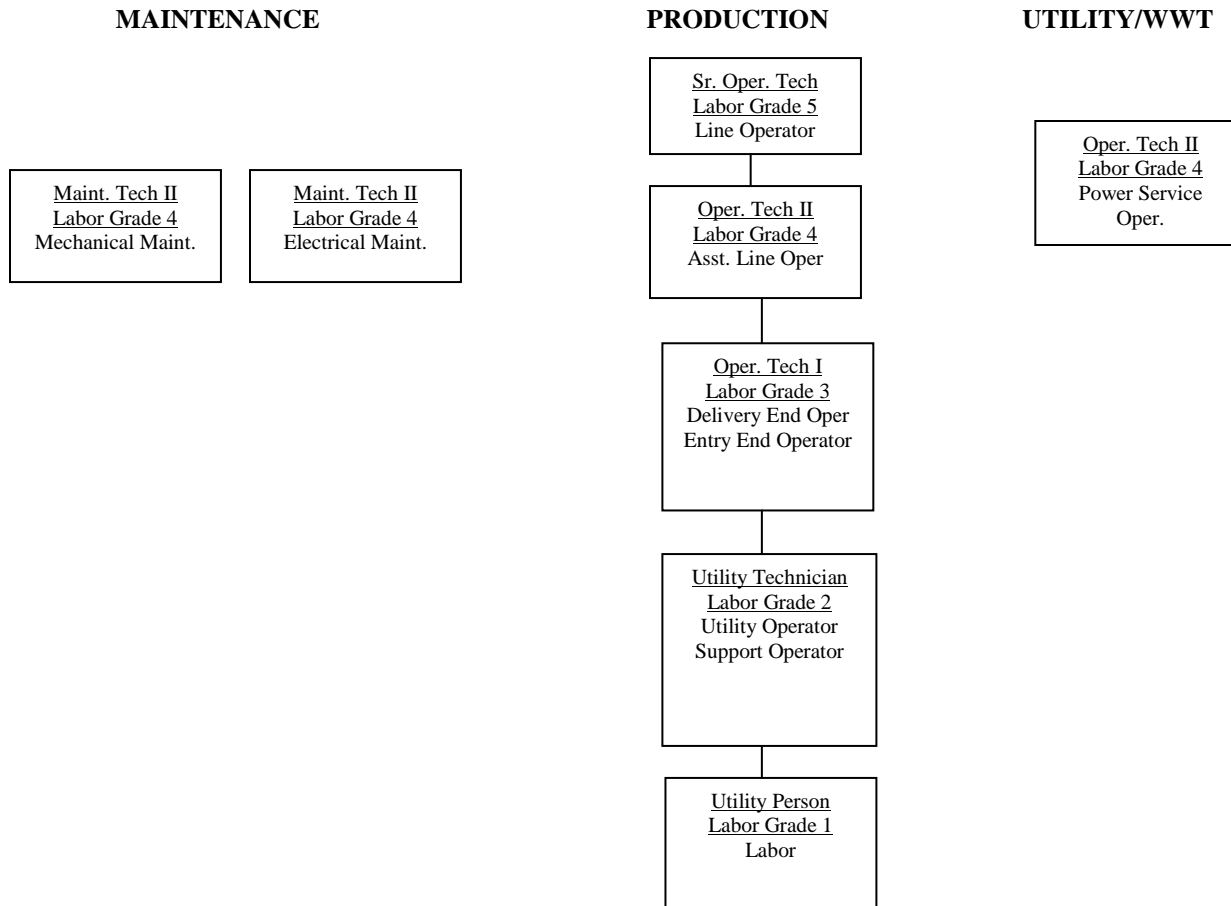
LINES OF PROGRESSION PLTCM



LINES OF PROGRESSION HDGL

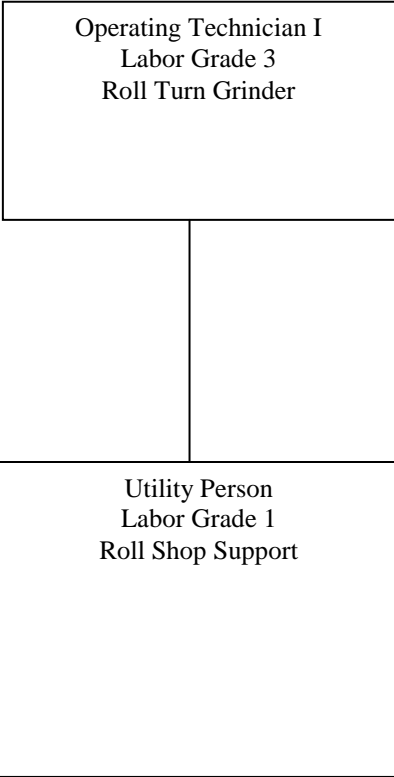


LINES OF PROGRESSION DOUBLE EAGLE



LINES OF PROGRESSION
PLTCM ROLL SHOP

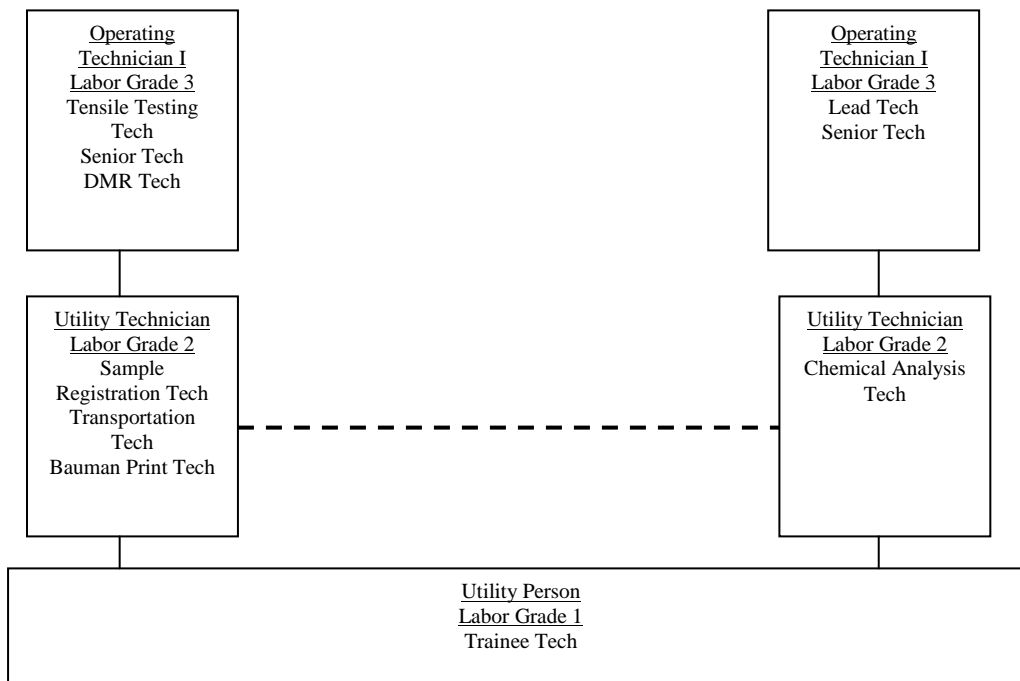
PLTCM



LINES OF PROGRESSION QUALITY ASSURANCE LABORATORY TECHNICIANS

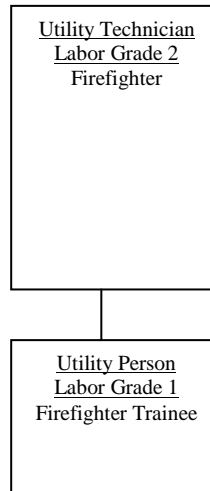
MECHANICAL LABORATORY

CHEMICAL LABORATORY



* New laboratory employees will be placed in the 100 level box for the first 90 days.

LINES OF PROGRESSION FIREFIGHTERS



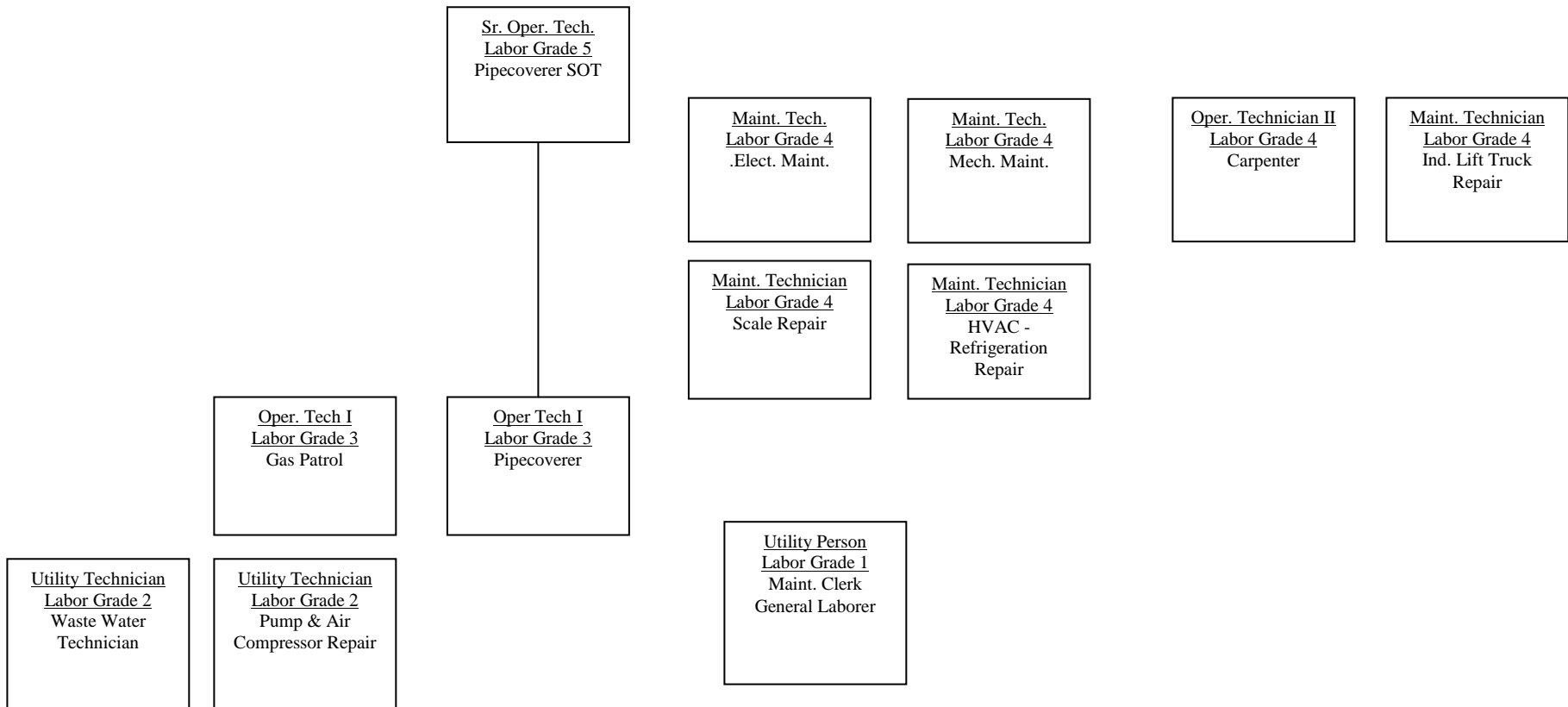
* New firefighters will be placed in the 100 level box for the first 90 days.

LINES OF PROGRESSION MAINTENANCE SERVICES AND UTILITIES

SCHAEFER RD WASTE WATER TREATMENT

MAINTENANCE SERVICES

MISCELLANEOUS SHOPS



APPENDIX C

FIVE-DAY NOTICE

Our records show that it has been five or more working days since you last worked. If you do not, within 5 working days (excluding Saturdays, Sundays and Holidays) from the above date, either report to the Labor Relations Office for work or give a satisfactory reason for your absence to the Labor Relations Office in writing, your employment will be terminated and you will lose your seniority (unless it is impossible for you to comply with the above). If you are unable to work because of illness or injury, and so report to the Labor Relations Office within the time stated above, you will be granted a sick leave of absence to cover the period of your disability upon presenting satisfactory evidence thereof.

Labor Relations Office
[_____]

APPENDIX D

HOLIDAY SCHEDULE

New Year's Day	Tuesday	January 1, 2013
	Wednesday	January 1, 2014
	Thursday	January 1, 2015
	Friday	January 1, 2016
	Monday (observed)	January 2, 2017
Martin Luther King, Jr.	Monday	January 21, 2013
	Monday	January 20, 2014
	Monday	January 19, 2015
	Monday	January 18, 2016
	Monday	January 16, 2017
Good Friday	Friday	April 6, 2012
	Friday	March 29, 2013
	Friday	April 18, 2014
	Friday	April 3, 2015
	Friday	March 25, 2016
Memorial Day	Monday	May 28, 2012
	Monday	May 27, 2013
	Monday	May 26, 2014
	Monday	May 25, 2015
	Monday	May 30, 2016
Independence Day	Wednesday	July 4, 2012
	Thursday	July 4, 2013
	Friday	July 4, 2014
	Friday (observed)	July 3, 2015
	Monday	July 4, 2016
Labor Day	Monday	September 3, 2012
	Monday	September 2, 2013
	Monday	September 1, 2014
	Monday	September 7, 2015
	Monday	September 5, 2016
Thanksgiving Holidays	Thursday & Friday	November 22 & 23, 2012
	Thursday & Friday	November 28 & 29, 2013
	Thursday & Friday	November 27 & 28, 2014
	Thursday & Friday	November 26 & 27, 2015
	Thursday & Friday	November 24 & 25, 2016
Christmas Holidays	Monday & Tuesday	December 24 & 25, 2012
	Tuesday & Wednesday	December 24 & 25, 2013
	Wednesday & Thursday	December 24 & 25, 2014
	Thursday & Friday	December 24 & 25, 2015
	Monday & Tuesday (observed)	December 26 & 27, 2016

APPENDIX E

VACATION SCHEDULE

VACATION SCHEDULE FOR 2012 AND BEYOND

Years of Seniority	Years on Active Rolls	Vacation Hours
1	One year or more	40
2	One year or more	40
3	At some time in each of any of 3 years	80
4	At some time in each of any of 3 years	80
5	At some time in each of any of 5 years	80
6	At some time in each of any of 5 years	80
7	At some time in each of any of 5 years	80
8	At some time in each of any of 5 years	120
9	At some time in each of any of 5 years	120
10	At some time in each of any of 10 years	120
11	At some time in each of any of 10 years	120
12	At some time in each of any of 10 years	120
13	At some time in each of any of 10 years	120
14	At some time in each of any of 10 years	120
15	At some time in each of any of 15 years	160
16	At some time in each of any of 15 years	160
17	At some time in each of any of 15 years	160
18	At some time in each of any of 15 years	160
19	At some time in each of any of 15 years	160
20	At some time in each of any of 20 years	160
21	At some time in each of any of 20 years	160
22	At some time in each of any of 20 years	160
23	At some time in each of any of 20 years	160
24 and above	At some time in each of any of 20 years	200

Note: When an employee is working an alternative work schedule as outlined in Article XI, Section 4, the maximum hours paid per day will be ten (10) hours, unless the employee designates to use up to 12 hours of his or her available vacation allotment. Similarly, if the employee working an alternative work schedule as outlined in Article XI, Section 4, takes an FMLA absence, that is paid as vacation, he or she will be paid a maximum of ten (10) hours, unless the employee designates to use up to 12 hours of his or her available vacation allotment.

APPENDIX F

HOSPITAL, SURGICAL, MEDICAL, DRUG, DENTAL AND VISION PROGRAM

Section 1. Medical

Eligible employees and covered dependents will be able to choose from two health care options: (1) Community Blue PPO, administered by Blue Cross and Blue Shield of Michigan, or (2) Blue Care Network HMO. Employees may elect between the two options once every twelve months. Basic benefits under these two options include:

		CMM or PPO		Blue Care Network HMO
		In-Network	Out-of-Network	
Annual Deductible	Per individual	\$250	\$500	\$0
	Per family	\$500	\$1,000	\$0
Annual Out-of-Pocket Limit	Per individual	\$1,000	\$2,000	\$0
	Per family	\$2,000	\$4,000	\$0
Co-pay		80/20	60/40	\$10 co-pay for office visits; \$15 co-pay for urgent care visits; \$25 for ER visits
Office Visits		20% co-pay in-network; 40% co-pay out-of-network		\$10 co-pay
Preventative Benefits		Not included		\$10 co-pay
<u>Prescription Drugs</u>				
Retail	Generic	\$10		\$10
	Brand	\$20		\$20
Mail Order	Generic	\$10		\$10
	Brand	\$20		\$20

Section 2. Dental

Eligible employees and covered dependents will be able to choose from two dental care options: (1) Blue Cross Blue Shield of Michigan (with the optional Dental Network of America, DNOA, within the plan), or (2) Midwestern Dental. Employees may elect between the two options once every twelve months. Basic benefits under this program include:

	Blue Cross Blue Shield Dental	Midwestern Dental
Annual Plan Maximum	\$1,300 per year	None
Oral Exam	100% R & C – routine exam covered only if you use a DNOA provider	Covered
Cleaning	100% R & C – twice per year; three times per year for individuals with periodontal disease	Covered
X-Rays	70% R & C - bitewing once per plan year; full mouth once during 60 months.	Covered
Palliative Treatment	100% R & C	Covered
Restorative (fillings, crowns, root canal, gum treatments)	70% R & C	Covered
Oral Surgery	70% R & C	Covered
Bridgework, Dentures	50% R & C	Covered
Orthodontics	50% R & C	Covered to age 19
Orthodontics Lifetime Maximum	50% to \$1,400 maximum per eligible dependent to age 19	Age 19 and over, \$1,250 maximum co-pay. Treatment already in progress may not be covered.

Section 3. Vision

Vision coverage for all eligible employees and covered dependents will be provided through Blue Cross Blue Shield of Michigan. Basic benefits under this program include:

Examination	\$5 co-pay at participating provider
Lenses and Frames	\$7.50 co-pay for basic frames and lenses at participating provider
Contact Lenses	Covered if medically necessary; plan pays \$55 for voluntary purchases.

APPENDIX G

RETIREE HEALTH CARE PLAN

Retirees from the Company and their surviving spouses, who are not eligible for Medicare and who satisfy the following requirements, will be allowed to participate in the Program as referenced in Appendix F.

Section 1. Retiree Health Care**A. Regular Retiree:**

1. The retiree has attained age 55 and accrued 15 years of combined seniority service with the Company and Rouge;
2. The retiree has accrued at least the following amounts of seniority service with the Company:
 - a. Five years if the retiree was less than age 60 on the date of closing;
 - b. Three years if the retiree was between ages 60 and 62 on the date of the closing; or
 - c. Two years if the employee was over age 62 on the date of the closing.
3. The retiree is not otherwise eligible for retiree health care benefits from Ford Motor Company.

B. Disabled Retiree:

1. The retiree is found unable to work at any regular job for pay by both the employee's personal physician and the Company physician, or, in the case of a disagreement, by an impartial examiner at the Company's expense;
2. The retiree has accrued 15 years of combined seniority service with the Company, Rouge Steel Company and Ford Motor Company; and
3. The retiree is not otherwise eligible for retiree health care benefits from Ford Motor Company.

The Company shall pay the annual premium cost under the Program for each retiree and for each spouse of a retiree; provided, however, that in no event shall the Company's annual premium cost exceed the premium cost for the 2009 calendar year (the "Annual Cap"). In the event the annual premium exceeds the Annual Cap, the retiree and/or the surviving spouse shall be required to pay the difference between the annual premium and the Annual Cap (the "Premium Short Fall") and the Company shall have no liability with respect to the Premium Short Fall. Each year, the annual premium to be paid by the retiree and/or surviving spouse, consistent with the foregoing, shall be determined by the Company. The Company will determine premiums separately for the non-Medicare eligible participants and for the Medicare eligible participants.

Medicare-eligible Severstal retirees and their Medicare-eligible dependents currently enrolled in the Blue Care Network plan option will be transitioned to the Blue Care Network group Medicare Advantage plan and must provide proof of Medicare Part B enrollment. Non-Medicare family members will remain in the Blue Care Network HMO.

Medicare-eligible retirees and dependents residing in Michigan and currently enrolled in the PPO plan option will continue to participate in the PPO until the Blue Cross group Medicare Plus Plan takes effect. At the time of their transition to the Medicare Plus Plan, retirees and dependents must provide proof of Medicare Part B enrollment.

Medicare-eligible retirees and dependents residing outside of Michigan will remain in the PPO or Blue Care Network plan option.

Section 2. VEBA Funding

Commencing on January 1, 2009, \$0.10 per hour worked shall be deferred from the Profit Sharing Plan for Hourly Employees and contributed to a qualified Voluntary Employees’ Beneficiary Association (“VEBA”), to defray post-employment health care costs for retirees, e.g. costs over the Annual Cap borne by retirees and Medicare Part B reimbursement. The Company will assume the start-up and day-to-day costs of VEBA administration.

Commencing with April 7, 2014, the Union agreed to defer a portion of the base wage increase each contract year as follows into the VEBA for funding retiree health care:

Negotiated Increase		3%	3.5%		3%		3%	
Breakdown: (Increase and VEBA Deferral)			(2.5% & 1.0%)		(2.5% & 0.5%)		(2.5% & 0.5%)	
	2012	2013	2014	2014	2015	2015	2016	2016
Grade	Base Rate	Base Rate	Base Rate	VEBA	Base Rate	VEBA	Base Rate	VEBA
100	16.885	17.39	17.83	0.17	18.27	0.09	18.73	0.09
200	18.560	19.12	19.60	0.19	20.09	0.10	20.59	0.10
300	20.545	21.16	21.69	0.21	22.23	0.11	22.79	0.11
400	21.660	22.31	22.87	0.22	23.44	0.11	24.03	0.12
500	23.075	23.77	24.36	0.24	24.97	0.12	25.60	0.13

APPENDIX H

LIFE AND AD&D INSURANCE

Hourly Rate ("Life and Disability Rate")			Life Benefit*	AD&D Benefit*
Up to	but less than	\$11.15	\$25,500	\$12,750
\$11.15	but less than	\$11.50	\$26,000	\$13,000
\$11.50	but less than	\$11.85	\$27,000	\$13,500
\$11.85	but less than	\$12.20	\$27,500	\$13,750
\$12.20	but less than	\$12.55	\$28,500	\$14,250
\$12.55	but less than	\$12.90	\$29,500	\$14,750
\$12.90	but less than	\$13.25	\$30,000	\$15,000
\$13.25	but less than	\$13.60	\$31,000	\$15,500
\$13.60	but less than	\$13.95	\$32,000	\$16,000
\$13.95	but less than	\$14.30	\$32,500	\$16,250
\$14.30	but less than	\$14.65	\$33,500	\$16,750
\$14.65	but less than	\$15.00	\$34,000	\$17,000
\$15.00	but less than	\$15.35	\$35,000	\$17,500
\$15.35	but less than	\$15.70	\$36,000	\$18,000
\$15.70	but less than	\$16.05	\$36,500	\$18,250
\$16.05	but less than	\$16.40	\$37,500	\$18,750
\$16.40	but less than	\$16.75	\$38,000	\$19,000
\$16.75	but less than	\$17.10	\$38,500	\$19,250
\$17.10	but less than	\$17.45	\$39,500	\$19,750
\$17.45	but less than	\$17.80	\$40,500	\$20,250
\$17.80	but less than	\$18.15	\$41,000	\$20,500
\$18.15	but less than	\$18.50	\$42,500	\$21,250
\$18.50	but less than	\$18.85	\$43,000	\$21,500
\$18.85	but less than	\$19.20	\$44,000	\$22,000
\$19.20	but less than	\$19.55	\$44,500	\$22,250
\$19.55	but less than	\$19.90	\$45,500	\$22,750
\$19.90	but less than	\$20.25	\$46,500	\$23,250
\$20.25	but less than	\$20.60	\$47,000	\$23,500
\$20.60	but less than	\$20.95	\$47,500	\$23,750
\$20.95	but less than	\$21.30	\$48,500	\$24,250
\$21.30	but less than	\$21.65	\$49,000	\$24,500
\$21.65	but less than	\$22.00	\$50,000	\$25,000
\$22.00	but less than	\$22.35	\$50,500	\$25,250
\$22.35	but less than	\$22.70	\$51,000	\$25,500
\$22.70	and over		\$52,000	\$26,000

*Twice the scheduled amount may be payable for an occupational-related death.

For those employees who last worked before the Effective Date of the 2012 Collective Bargaining Agreement, their Life Insurance amount is shown in the Collective Bargaining Agreement in effect when they last worked.

APPENDIX I

ACCIDENT AND SICKNESS (A&S) AND EXTENDED DISABILITY BENEFITS (EDB)

Hourly Rate			Wkly A&S	Monthly Extended	
("Life and Disability Rate")			Benefits	Disability Benefits*	
				Sched I	Sched II
Up to	but less than	\$11.15	\$265	\$955	\$1,045
\$11.15	but less than	\$11.50	\$270	\$985	\$1,080
\$11.50	but less than	\$11.85	\$280	\$1,015	\$1,115
\$11.85	but less than	\$12.20	\$290	\$1,040	\$1,145
\$12.20	but less than	\$12.55	\$295	\$1,070	\$1,180
\$12.55	but less than	\$12.90	\$305	\$1,100	\$1,215
\$12.90	but less than	\$13.25	\$315	\$1,135	\$1,245
\$13.25	but less than	\$13.60	\$320	\$1,165	\$1,280
\$13.60	but less than	\$13.95	\$330	\$1,195	\$1,315
\$13.95	but less than	\$14.30	\$340	\$1,225	\$1,345
\$14.30	but less than	\$14.65	\$345	\$1,255	\$1,380
\$14.65	but less than	\$15.00	\$355	\$1,285	\$1,415
\$15.00	but less than	\$15.35	\$365	\$1,315	\$1,445
\$15.35	but less than	\$15.70	\$375	\$1,345	\$1,480
\$15.70	but less than	\$16.05	\$380	\$1,375	\$1,515
\$16.05	but less than	\$16.40	\$390	\$1,405	\$1,545
\$16.40	but less than	\$16.75	\$400	\$1,435	\$1,580
\$16.75	but less than	\$17.10	\$405	\$1,465	\$1,615
\$17.10	but less than	\$17.45	\$415	\$1,500	\$1,645
\$17.45	but less than	\$17.80	\$425	\$1,525	\$1,680
\$17.80	but less than	\$18.15	\$430	\$1,560	\$1,715
\$18.15	but less than	\$18.50	\$440	\$1,590	\$1,745
\$18.50	but less than	\$18.85	\$450	\$1,620	\$1,780
\$18.85	but less than	\$19.20	\$455	\$1,650	\$1,815
\$19.20	but less than	\$19.55	\$465	\$1,680	\$1,845
\$19.55	but less than	\$19.90	\$475	\$1,710	\$1,880
\$19.90	but less than	\$20.25	\$480	\$1,740	\$1,915
\$20.25	but less than	\$20.60	\$490	\$1,770	\$1,945
\$20.60	but less than	\$20.95	\$500	\$1,800	\$1,980
\$20.95	but less than	\$21.30	\$505	\$1,830	\$2,015
\$21.30	but less than	\$21.65	\$515	\$1,860	\$2,045
\$21.65	but less than	\$22.00	\$525	\$1,890	\$2,080
\$22.00	but less than	\$22.35	\$530	\$1,920	\$2,115
\$22.35	but less than	\$22.70	\$540	\$1,950	\$2,145
\$22.70	and over		\$550	\$1,980	\$2,180

Benefits are payable for the duration of the disability to the lesser of 52 weeks or a period equal in duration to employee's seniority since the most recent hire date. Regardless of seniority, A&S can continue for up to 52 weeks if employee is still hospitalized for the same disability or is receiving workers' compensation benefits.

* EDB Schedule I applies to employees who have less than 10 years of seniority.

Schedule II applies to employees who have 10 or more years of seniority.

For those employees who last worked before the Effective Date of the 2012 Collective Bargaining Agreement, their Life insurance amount is shown in the Collective Bargaining Agreement in effect when they last worked.

APPENDIX J

FUTURE SERVICE RETIREMENT PROGRAM

The Company has established a Future Service Retirement Program that is consistent with the following provisions:

Type of Program: Defined contribution program with the Company making contributions directly into the individual accounts of the participants. This benefit is provided through TESPHE.

Eligible Employees: Members of the Bargaining Unit.

Eligibility: Eligible employees become participants of the plan on the date that they obtain seniority status under the Agreement.

Vesting Service: Current active participants in the Future Service Retirement Program will retain their vesting service earned while employed by Rouge Steel Company prior to January 30, 2004.

On and after January 30, 2004, a participant earns one (1) year of vesting service for each plan year during which the participant completes at least 750 hours of service.

Plan Year: The twelve-month period commencing on January 1 and ending on the following December 31.

Company Contributions: The Company makes contributions each payroll to each participant's individual account based on an hourly rate times number of hours worked, with contributions limited to 2,080 hours per plan year, according to the following table:

Age	Contribution Per Hour Worked	Age	Contribution Per Hour Worked
Less than 25	\$0.50	40 - 44	\$1.00
25 - 29	\$0.50	45 - 49	\$1.30
30 - 34	\$0.75	50 - 54	\$1.80
35 - 39	\$0.75	55 and older	\$2.60

APPENDIX J**RETIREMENT PROGRAM**

Employee Contributions:	None.
Investments:	Investment options are the same as those for TESPHE. Employees control the investments of their individual accounts and can change their investment directions by contacting the Plan's recordkeeper.
Vesting:	Participants become 100% vested in their individual accounts after completing at least three (3) years of vesting service (five years of vesting service was required prior to January 1, 2007), or upon attainment of age 65 as an active employee.
Benefit Commencement:	Benefits can commence upon normal retirement, termination, death or disability.
Form of Payment:	Lump-sum distribution.

APPENDIX K
PROFIT SHARING PLAN

Section 1. Level of Payout

- A. The Company agrees that it will create a profit sharing pool (the "Pool"), and will distribute the Pool within forty-five (45) days of the end of each fiscal quarter, in the manner described below. The fourth quarter payment will be distributed within fifteen (15) days following completion of the Company's annual financial statements, which may include an adjustment for the correction of errors in prior quarters; however, no return of payments already made will be sought.
- B. After the end of each Quarterly Determination Period, the Company will create a pool for the quarter that ended based on its EBITDA (the "Pool"), which shall consist of the following percentages of the Company's quarterly Profits:
1. Five Percent (5%) of all EBITDA between \$53.00 and \$85.00 per Ton Shipped;
 2. Seven and one-half percent (7.5%) of all EBITDA between \$85.01 and \$105.00 per Ton Shipped; and
 3. Ten percent (10%) of all EBITDA above \$105.00 per Ton Shipped.

Section 2. Calculation of Profits

- A. Quarterly Profits shall be defined as Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA"), calculated as follows on the basis of consolidated Severstal Dearborn, LLC's Net Income determined in accordance with International Financial Reporting Standards ("IFRS"): Net Income plus (i) Income Tax Provision less (ii) Income Tax Benefit plus (iii) Interest Expense less (iv) Interest Income plus (v) Loss on Disposal of Plant, Property, and Equipment less (vi) Gain on Disposal of Plant, Property, and Equipment plus (vii) Depreciation and Amortization. Furthermore, EBITDA shall reflect the following exclusions:
1. Income or loss (whether or not identified as special credits or charges) related to extraordinary, unusual or infrequent items (as defined by IFRS), as well as credits or charges for plant closures, restructuring, business dispositions, or other items that do not reflect the normal operations of the Company; and
 2. Any cost or expense associated with the Profit Sharing Plan or any other profit sharing or similar plan for any of the Company's employees.

For the sake of clarification, if the Company acquires assets that are not or will not be operated by employees under the Agreement, profits from the operation of those assets will not be part of the Profit Sharing Plan.

3. Quarterly Profits as determined in Section 2 above will be allocated in accordance with Section 3 below.
 - a. The Company agrees to calculate Quarterly Profits under the above-listed formula as well as the formula under the 2007 Collective Bargaining Agreement for the first year of the Agreement and will pay profit sharing based upon whichever calculation pays the higher profit sharing amount. The Company commits to reviewing the new calculations listed above and making the new calculation cost neutral to the 2007 formula.
 - b. The parties agree that the Company profit sharing obligations described in Sections 1 through 3 above constitute the full and complete profit sharing obligation as of the Effective Date of the Agreement and going forward for the term of this Agreement.
 - c. The transition to the EBITDA formula will be implemented by mutual agreement.
 - d. The parties agree to continue the profit sharing deferral to the VEBA as previously agreed.

Section 3. Individual Entitlement

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

1. Hours shall include the following, but shall not exceed forty (40) hours for any week for any Participant: hours worked (including straight time and overtime hours), vacation and holiday hours at the rate of eight (8) hours for each holiday or day of vacation; hours on Union business; and hours, at the rate of eight (8) hours a day, while receiving Workers' Compensation benefits (based on the number of days absent from work while receiving such benefits).
2. Any payments made to a Participant pursuant to the Profit Sharing Plan shall not be included in the Participant's earnings for purposes of determining any other pay, benefit or allowance of the Participant.
3. Participants shall be allowed to defer all or a portion of their payment under the Profit Sharing Plan to TESPHE to the extent permitted by law.

Section 4. Administration of the Profit Sharing Plan.

- A. The Profit Sharing 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 and supporting documentation shall be forwarded to the President of the Union, providing a detailed description of any adjustments made to Income from Operations and stating that Quarterly

Profit was determined in accordance with GAAP and that Quarterly Profit was calculated in accordance with this Paragraph.

- B. The Union, through its President or his/her designee, shall have the right to review any information, calculation or other matters concerning the Profit Sharing Plan. The Company shall provide the Union with any information reasonably requested in connection with its review. The Union and any outside consultants that it uses shall not disclose any portion of such information that is confidential. The reasonable actual costs incurred by the Union in connection with any such review 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 Union and the Company 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.

Section 5. Prompt Payment.

Notwithstanding Section 4, the Company shall comply with the requirements of Sections 1 through 3 based on its interpretation of the appropriate payout. If the process described in Section 4 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.

Section 6. 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.

APPENDIX L**POSITION TITLES, LABOR GRADES AND JOB DESCRIPTIONS**

Position Title: Utility Person
 Labor Grade 1

Operates equipment and performs tasks such as operating labor, general labor and light mobile equipment operation required to support and maintain plant operations. Supports and assists in maintenance activities.

Position Title: Utility Technician
 Labor Grade 2

Operates equipment and performs tasks that support operations of the various producing units and works with materials and equipment to handle, transport and process product and materials. Directs the flow of material to and from producing units and inspects material. Operates equipment associated with producing units such as roll grinders, etc. and operates material handling equipment such as overhead electric cranes, and mobile equipment such as tractors, heavy equipment, bulldozers, front end loaders, mobile cranes (various sizes and types), etc. Inspects and performs maintenance on all associated equipment.

Position Title: Operating Technician I
 Labor Grade 3

Operates and is responsible for producing and support units other than those described above or operates key sections of a producing unit and assists Operating Technician II or Senior Operating Technician as a member of the operating team. Directs support crew members, performs administrative duties, and communicates with maintenance, as required to maximize production. Performs and assists in production and maintenance tasks and functions necessary to assure maximum production, quality and inspection. Performs or leads maintenance activities as required and coordinates and works in conjunction with Maintenance Technicians.

Position Title: Operating Technician II
 Labor Grade 4

Operates and is responsible for a significant producing unit or operates and assists Senior Operating Technician on a major producing unit as a member of the operating team. Directs other operating and support crew members, performs administrative duties, and communicates with maintenance, as required to maximize production. Performs and assists in production and maintenance tasks and functions necessary to assure maximum production, quality and inspection. Performs or leads maintenance activities as required with operating crew members and coordinates and works in conjunction with Maintenance Technicians. Includes hybrid operating/maintenance jobs.

Position Title: Maintenance Technician
(Mechanical or Electrical)
Labor Grade 4

Performs all maintenance functions (mechanical or electrical/electronic) necessary to maintain all operating and service equipment using standard and specialized tools and equipment including mobile equipment as required. Operates equipment in conjunction with repairs and provides assistance in operating functions as necessary to maintain continuity of operations. May work alone, with minimal supervision or with other Maintenance Technicians and coordinates and works in conjunction with operating team members in the performance of maintenance tasks.

Position Title: Senior Operating Technician
Labor Grade 5

Operates and is responsible for a major producing unit (such as Hot Strip Mill) as a member of the operating team. Directs other operating and support crew members, performs administrative duties, and communicates with maintenance, as required, to maximize production. Performs and assists in production and maintenance tasks and functions necessary to assure maximum production, quality, and inspection. Performs or leads maintenance activities as required with operating crew members and coordinates and works in conjunction with Maintenance Technicians.

Position Title: Maintenance Tech II
Labor Grade 5
Reliability Centered Maintenance Coordinator (“RCM Coordinator”)

Performs all maintenance functions necessary to maintain all operating and service equipment using standard and specialized tools and equipment, including mobile equipment as required. Implements predictive preventive maintenance initiatives by assisting in the planning and implementation of work. Required to work closely with area Reliability Engineers, CAMs, Maintenance Manager, Planning Supervisors, SAC (Severstal Asset Care) Facilitators, Implementers and RCM department to achieve objectives. Interfaces with Severstal/UAW Training Coordinators to insure that the practical application of training and skills upgrade received at Henry Ford Community College is implemented in the workplace. Performs other duties as outlined.

APPENDIX M**JOINT APPRENTICESHIP PROGRAM**

The Company and the Union will establish standards for a joint apprenticeship program (the "Joint Apprenticeship Program") that develop two distinct classifications of skilled trade graduates in accordance with the guidelines as follows:

1. The two classifications of skilled trade graduates will be (a) Maintenance Technician Mechanical and (b) Maintenance Technician Electrical (collectively, the "Skilled Trade Graduates").
2. The Company will provide an appropriate training schedule for Skilled Trade Graduates – namely, training classes, work experiences and plant experiences – to develop a well-trained maintenance technician who satisfies the business needs of the Company.
3. A Joint Apprenticeship Committee – comprised of two representatives from the Union (out of the number of representatives ascribed in Article VII, Section 2 of the Agreement) and two representatives from the Company – will create the standards for the Joint Apprenticeship Program and the application of such standards.
4. The Joint Apprenticeship Committee will review the applicable provisions of the Federal Register, Volume 43, Number 93, and 29 CFR Parts 29 & 30, and will consider whether the Joint Apprenticeship Program may appropriately include such provisions.
5. The Joint Apprenticeship Committee may consider the creation of additional skilled trade graduate classifications that are consistent with the business needs of the Company.
6. The recruitment, selection, employment and training of apprentices during their apprenticeship shall be without discrimination because of race, color, religion, national origin, gender and sexual orientation.
7. The Joint Apprenticeship Committee will take affirmative action to provide equal opportunity in apprenticeships.
8. The Joint Apprenticeship Committee may revise the standards and training schedules, or create new standards and training schedules, at any time.

APPENDIX N
FIREFIGHTERS

During the course of the 2012 negotiations, the parties discussed the inclusion of the Firefighters Unit into the Steel Unit collective bargaining agreement. As a result of those discussions, the parties agreed to permit the Firefighters Unit to vote on their inclusion into the Steel Unit and coverage under the 2012 Steel Unit collective bargaining agreement under the following terms:

Section 1. New Collective Bargaining Agreement

The Firefighters shall be covered under the new collective bargaining agreement for the Steel Unit, effective with its ratification by the Steel Unit and Firefighters Unit (the "Effective Date"). Upon the Effective Date, the Firefighters Agreement dated April 3, 2007 will become null and void.

Section 2. Transfer to Hourly Roll

Effective the first of the month following the Effective Date, Firefighters on the active salaried employment roll will transfer to the hourly roll of the Company and will participate in those wages and benefits outlined in Article X of the 2012 Steel Unit collective bargaining agreement (unless specifically addressed herein) and assigned labor grade and benefit election where benefit election is required for participation, unless a different participation is agreed below.

Firefighters assigned to salary grade 5 as salaried employees will transfer to labor grade 200 as Utility Technicians – Firefighters effective the first of the month following the Effective Date. Employees new to the department will be assigned to Labor Grade 100 as Utility Person for a period of ninety (90) days for training purposes.

A Firefighter whose base hourly rate of pay on the day preceding the transfer is higher than that specified for the new labor grade shall maintain his or her base hourly rate at the time of transfer for the duration of the 2012 Steel Unit collective bargaining agreement.

Section 3. Base Hourly Rate

A Firefighter whose base hourly rate of pay on the day preceding the transfer is higher than that specified for the new labor grade shall maintain his or her base hourly rate at the time of transfer until such time that the corresponding rate in the Severstal 2012 Steel Unit collective bargaining agreement equals or exceeds the base hourly rate of pay on the day preceding the transfer.

Section 4. Incentive Plan

Firefighters will be eligible for the plant-wide incentive program. However, those Firefighters whose current base hourly rate exceeds the sum of the corresponding base hourly rate and incentive will not be eligible for the incentive program until such time the corresponding base rate plus incentive equals or exceeds the red circled rate.

Section 5. Benefits

Firefighters shall participate in the benefit programs offered to bargaining unit employees under the 2012 Steel Unit collective bargaining agreement.

Section 6. Vacation Hours

Vacation hours will be determined in accordance with Article X, Section 21 of the 2012 Steel Unit collective bargaining agreement effective 2013. For 2012, hours remaining under the salaried plan will be transferred to the hourly plan.

Section 7. SUB Plan

Firefighters shall be credited under the SUB Plan for time worked on the salaried roll as if the time had been worked on the hourly roll.

Section 8. Seniority

Seniority and other related matters will be subjected to the Severstal 2012 Steel Unit collective bargaining agreement. However, in the event there is a reduction in force, Firefighters will be reduced according to the line of progression, and the lowest seniority employee(s) will be laid off. If the affected employee has prior service within other represented groups, the affected employee may exercise his or her seniority against the most junior non-bid labor grade 100 employee plant-wide.

Section 9. Filling Vacancies

Available positions will first be filled in accordance with the guidelines of the Severstal Departmental Line of Progression. Remaining positions will be filled under the auspices of the Severstal Bid Procedure, subject to candidates meeting specific qualifications and testing requirements. Qualified candidates must have prior certifications and appropriate testing to confirm skill competency.

Section 10. Dues and Assessments

Union dues and assessments shall be determined consistent with Article IV of the 2012 Steel Unit collective bargaining agreement.

Section 11. Union Representation

The part-time union representative positions are continued for the term of the 2012 collective bargaining agreement to aid in the transition to the hourly roll, after which time the positions shall be discontinued.

Section 12. Maintenance of Uniforms and Turn Out Gear

The Company commits to continuing its practice of providing uniforms and a uniform service for Firefighters. Additionally, the Company will insure that Firefighters' turn out gear is cleaned twice per year. The Company will investigate the feasibility of acquiring equipment for cleaning the turn out gear in-house.

APPENDIX O

QUALITY ASSURANCE LABORATORY TECHNICIANS

During the course of the 2012 negotiations, the parties discussed the inclusion of the Salaried Laboratory Workers Unit into the Steel Unit collective bargaining agreement. As a result of those discussions, the parties agreed to permit the Salaried Laboratory Workers unit to vote on their inclusion into the Steel Unit and coverage under the 2012 Steel Unit collective bargaining agreement as Quality Assurance Laboratory Technicians under the following terms:

Section 1. New Collective Bargaining Agreement

The Salaried Laboratory Workers shall be covered under the new collective bargaining agreement for the Steel Unit, effective with its ratification by the Steel Unit and Salaried Laboratory Workers Unit (the "Effective Date"). Upon the Effective Date, the Salaried Laboratory Workers Agreement dated June 24, 2009 will become null and void.

Section 2. Transfer to Hourly Roll

Effective the first of the month following the Effective Date, Salaried Laboratory Workers on the active employment roll will transfer to the hourly roll of the Company and will participate in those wages and benefits outlined in Article X of the 2012 UAW Steel Unit collective bargaining agreement (unless specifically addressed herein) and assigned labor grade and benefit election where benefit election is required for participation, unless a different participation is agreed.

Salaried Laboratory Workers assigned to salary grade 06 as salaried employees will transfer to labor grade 300 as Operating Technicians effective the first of the month following the Effective Date. Salaried Laboratory Workers assigned to salary grade 05 as salaried employees will transfer to labor grade 200 as Utility Technicians effective the first of the month following the Effective Date. These former salary grade 05 employees' rate of pay will be initially set at the labor grade 300 level as of the Effective Date of the Steel Unit collective bargaining agreement. They will be red circled at that rate (\$20.545/hour) until such time as the 200 level wage rate (base and incentive) increases to the labor grade 300 level (base and incentive) at which these employees were red circled. Employees new to the department will be assigned to Labor Grade 100 as Utility Person for a period of ninety (90) days for training purposes.

Section 3. Base Hourly Rate

A Salaried Laboratory Worker whose base hourly rate of pay on the day preceding the transfer is higher than that specified for the new labor grade shall maintain his or her base hourly rate at the time of transfer until such time that the corresponding rate in the Severstal 2012 Steel Unit collective bargaining agreement equals or exceeds the base hourly rate of pay on the day preceding the transfer.

Section 4. Incentive Plan

Salaried Laboratory Workers will be eligible for the plant-wide incentive program. However, those salaried laboratory workers whose current base hourly rate exceeds the sum of the corresponding base hourly rate and incentive will not be eligible for the incentive program until such time the corresponding base rate plus incentive equals or exceeds the red circled rate.

Section 5. Benefits

Salaried Laboratory Workers shall participate in the benefit programs offered to bargaining unit employees under the 2012 Steel Unit collective bargaining agreement.

Section 6. Vacation Hours

Vacation hours will be determined in accordance with Article X, Section 21 of the 2012 Steel Unit collective bargaining agreement effective 2013. For 2012, hours remaining under the salaried plan will be transferred to the hourly plan.

Section 7. SUB Plan

Salaried Laboratory Workers shall be credited under the SUB Plan for time worked on the salaried roll as if the time had been worked on the hourly roll.

Section 8. Seniority

Seniority and other related matters will be subjected to the Severstal 2012 Steel Unit collective bargaining agreement. However, in the event there is a reduction in force in the Quality Assurance Laboratory, such employees will be reduced according to the line of progression, and the lowest seniority employee(s) will be laid off. If the affected employee has prior service within other represented groups, the affected employee may exercise his or her seniority against the most junior non-bid labor grade 100 employee plant-wide. Reductions in force in other lines of progression will not affect a reduction in force in the Quality Assurance Laboratory line of progression.

Section 9. Filling Vacancies

Available positions will first be filled in accordance with the guidelines of the Severstal Departmental Line of Progression. Remaining positions will be filled under the auspices of the Severstal Bid Procedure, subject to candidates meeting specific qualifications and testing requirements. Qualified candidates must have a degree in a related field or equivalent laboratory experience and appropriate testing to confirm skill competency.

Section 10. Dues and Assessments

Union dues and assessments shall be determined consistent with Article IV of the 2012 Steel Unit collective bargaining agreement.

Section 11. Union Representation

The part-time union representative positions are continued for the term of the 2012 collective bargaining agreement to aid in the transition to the hourly roll, after which time the positions shall be discontinued.

APPENDIX P
ROTATING SHIFTS

Section 1. Twelve Hour Rotating Shift Premium

There will be a “Twelve Hour Rotating Shift Premium” of \$1.00 per hour on all hours worked for those employees who are on a twelve hour rotating shift schedule. All other shift premiums are eliminated for those employees who receive the Twelve Hour Rotating Shift Premium.

Section 2. Primary Operations

The primary operations will not move to rotating shifts during the term of the Agreement, unless mutually agreed upon by the parties.

Section 3. Hot Strip Mill

- A. There will be a moratorium of not less than ninety (90) calendar days before commencing rotating shifts.
- B. There will be a specific trial period of one hundred twenty (120) calendar days upon commencing rotating shifts.
- C. Employees will be given specific notice prior to commencement of the rotating shifts trial period.
 1. At conclusion of the trial period the employees will be given a vote by secret ballot jointly administered by the Company and Union.
 2. If a majority of the employees vote no for continuing rotating shifts, then the Company will revert to the prior scheduling practices at a time mutually agreed to by the parties, but no later than thirty (30) days.
 3. When working the twelve hour, rotating shifts schedule, employees will receive the Twelve Hour Rotating Shift Premium as outlined above.
 4. It is the Company’s intention to add a 4th crew for scheduling practices in the Hot Strip Mill.

Section 4. PLTCM and HDGL

- A. Employees presently working a twelve hour rotating shift schedule in the PLTCM and HDGL will receive the \$1.00/hour Twelve Hour Rotating Shift Premium upon the Effective Date of the Agreement.
- B. These operations will continue on the twelve hour, rotating shift schedule for a period of one hundred eighty (180) calendar days.

- C. At the conclusion of the one hundred eighty (180) calendar days, the employees will be given a vote by secret ballot jointly administered by the Company and Union.
- D. If a majority of the employees in the particular area/mill vote no for continuing rotating shifts, then the Company will revert to the prior scheduling practices at a time mutually agreed to by the parties, but no later than thirty (30) days.

Section 5. New Operations

The parties agree that when there are new operations at the plant, there will be a one hundred eighty (180) calendar day trial period for the new operations to be on rotating shifts. The commencement of the trial period will be upon mutual agreement of the parties. The same voting procedure described for the Hot Strip Mill will be followed for the new operations.

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