

Agreement

between

Morgan AM&T – Coudersport

and

IUE-CWA and Local 88612

Ratification Date – February 21, 2010

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AGREEMENT

Section 1. MORGAN AM&T – COUDERSPORT SITE (hereinafter called the "Company") and the IUE-CWA, the Industrial Division of the Communication Workers of America (CWA) and LOCAL 88612 (hereinafter jointly referred to as the "Union"), having engaged in discussions for the purpose of establishing harmonious employment relationships, acknowledge that this Agreement is designed to provide a fair and reasonable method by which employees covered by this Agreement can participate through their exclusive bargaining agent in the establishment of terms and conditions of their employment and to establish an orderly procedure for the resolution of differences between the Company and the members of the bargaining unit. As a result, the parties have agreed as follows:

A. It is in the best interest of all parties to promote effective, respectful and trusting relations between the Company and the Union; and

B. This Agreement totally integrates all wages, hours, terms and conditions of employment existing between the parties, eliminating all past and existing practices.

Section 2. The parties hereto have entered into this Agreement setting forth the wages, hours and other conditions of employment to be observed during the term hereof and providing procedures for prompt and equitable adjustment of grievances and complaints for the purpose of promoting and improving the economic and industrial relations of the employees and the Company.

Section 3. The Union recognizes the responsibilities imposed upon it as the bargaining agent of the employees and realizes that the Company, in order to provide maximum opportunities for continued employment, must be in a strong competitive position, which means that it must distribute its product efficiently and at the lowest possible cost consistent with fair labor practices and in conformity with this Agreement. The Union agrees to cooperate in the attainment of these goals.

Section 4. The Union realizes the necessity of encouraging full productivity consistent with fair labor practices and in conformity with this Agreement, and agrees that it will cooperate with all levels of supervision in discouraging any practice which imposes any unreasonable restriction on productivity and it further agrees that it will support management in its effort to improve productivity, establish efficient methods, eliminate waste, conserve materials and supplies, improve the quality of job performance and strengthen good will between the Company, its customers, its employees, the Union and the public.

Section 5. The Company and the Union acknowledge that during negotiation prior to the signing of this Agreement, they had the unlimited right to make proposals with respect to any matter which would be the subject of collective bargaining, and that the understandings and agreements arrived at by the parties in good faith and after the exercise of that right and

opportunity are set forth herein. Further, and for the life of this Agreement, the Company and the Union each voluntarily and unqualifiedly agree that the other shall not be obligated to bargain collectively with respect to any matter covered by this Agreement, even though such matters may not have been within the knowledge or contemplation of either or both of the parties at the time of the negotiations or execution of this Agreement.

ARTICLE I **RECOGNITION**

Section 1. The Company, pursuant to certification of the National Labor Relations Board, recognizes the IUE-CWA, the Industrial Division of the Communication Workers of America (CWA) and Local 88612 (hereafter jointly referred to as the “Union”) as the sole collective bargaining agent for all production and maintenance employees, including final inspectors, cell leaders and group leaders, employed by the Employer at its Coudersport, Pennsylvania facility; excluding office clerical employees, salaried green end inspectors, watchmen and guards, professional employees and supervisors as defined in the Act.

Section 2. The Company and the Union agree that they will not discriminate or show favoritism to any employees because of membership or non-membership in the Union.

Section 3. The Company and the Union agree that they will afford equal opportunities to all employees regardless of race, color, religion, sex, age, handicap or national origin and to comply with governmental regulations, including FMLA and ADA, and applicable state laws on this subject. Equal opportunity shall include, but not be limited to, the areas of promotion, transfer, rates of pay and selection for training. Use of the masculine pronoun in this Agreement shall apply equally and impartially to both male and female employees covered hereunder.

ARTICLE II **LEGALITY**

Section 1. It is the intent of the Company and the Union that this Agreement comply in every respect with applicable statutes, constitutional requirements, affirmative action obligations and other governmental regulations, as well as judicial opinions. If any tribunal (including, but not limited to, a court of competent jurisdiction or any administrative agency or governmental body having jurisdiction) adjudges any article, section or clause in this Agreement to be in conflict with any law, regulation or affirmative action obligation, all the remaining articles, sections and clauses which are not rendered meaningless, inoperable or ambiguous as a result of the judgment shall remain in full force and effect for the duration of this Agreement.

Section 2. In the event a tribunal renders such a decision, negotiations will be opened to make necessary adjustments, but the negotiations will be confined to changes necessary to comply with the decision of the tribunal.

ARTICLE III
AGENCY SHOP AND CHECK-OFF

1. All new employees, as a condition of employment, shall become members of the Union within two (2) calendar months from their date of employment. All current members of the union must remain members as a condition of employment for the life of this Agreement. All employees who are not members of the Union shall be given an election to either become members of the Union or to pay, as a condition of employment to the Union, the employee's exclusive Bargaining Agent, an amount of money equal to the Union's regular and usual dues. For employees now inactive, such payments shall start immediately following their becoming active.

2. Separation from the payroll will occur only upon written notice by the Union to the Company that an Employee has failed to tender payment either as a Union member or Agency fee participant. The Union agrees to indemnify the Company from action taken under this provision.

3. During the term of this Agreement, the Company agrees to deduct from the earnings of all Employees who, on the date of this Agreement, are members of the Union and who thereafter become members and have signed and delivered to the Company authorization cards to check-off stipulated monthly dues, together with the initiation fee, if payable, and pay same monthly to the CWA. Such deductions shall be the last pay day of each month.

Any change in such stipulated monthly dues, agency fees, and initiation fee shall be transmitted to the Company in writing and the Company shall comply promptly with such notification. Furthermore, the Company will likewise check-off from the earnings of all employees who are not members of the Union, but who give written authorization to so deduct the equivalent agency fee and pay same to the CWA. Said authorization shall be binding and effective upon such Employees who give said authorization, until revoked in accordance with provisions of said authorizations. Employees may revoke their check-off authorization in accordance with revocation provision, but must then pay their dues or fees direct to the Union.

4. Indemnity. The Union shall indemnify and save the Company harmless against any and all claims, demands, suits or other forms of liability which may arise by reason of any action taken in making deductions and remitting same to the union pursuant to the check-off provisions.

ARTICLE IV
CHECK OFF

Section 1. Effective the first month following ratification of this contract, the Company agrees to honor individual written contribution deduction authorizations for the IUE-CWA Committee On Political Education (“COPE”). It is understood that each authorization must be voluntarily made by the employee and provided to the Company in writing. Thereafter, such deduction shall be on a monthly basis from the last pay of the month.

Section 2. The Company hereby agrees to honor contribution deduction authorizations in the following form:

I hereby authorize the Company to deduct from my pay the sum of per month and to forward that amount to the COPE at IUE-CWA Local No. 88612 headquarters. This authorization is voluntarily made on the specific understanding that the signing of this authorization and the making of payments to the COPE are not conditions of membership in the Union or of employment with the Company and the COPE will use the money it receives to make political contributions and expenditures in connection with federal, state and local elections.

Section 3. Said deductions shall first be made for the calendar month after the authorization is submitted to the Company by the Union for that individual employee. Authorizations may be revoked by the employee by written instruction to the Company (a copy of which written revocation instruction the Company shall give the Union). Once an authorization is revoked, an employee’s re-authorization shall not be recognized for three (3) months thereafter.

ARTICLE V
BARGAINING UNIT WORK

Non-bargaining unit employees will not perform bargaining unit work except:

- to resolve production problems such as engineering changes and production modifications,
- to train and instruct production employees, or where qualified bargaining unit employees are not available,
- to participate in Continuous Improvement activities

ARTICLE VI
MANAGEMENT RIGHTS

Section 1. The Union recognizes the Company as the body of authority solely vested with the right to run its business. It shall have the right to take any action it considers necessary and proper to effectuate any management policy express or implied, except as expressly limited under this Agreement. Nothing in this Article shall be construed to restrict or to limit any management authority.

Section 2. Except as expressly restricted by specific provisions of this Agreement, the Company's management rights include, but are not limited to, the right to manage and direct employees, including the right to select, train, hire, promote, transfer, assign, evaluate, retrain, lay off, recall, reprimand, suspend, discharge, or discipline for just cause; to manage and determine the location, type and number of physical facilities, type of equipment, programs and the work to be performed; to subcontract work, which, in such case, the Company will notify the Union; to determine the Company's goals, objectives, programs and services, and to utilize personnel in a manner determined by the Company to effectively and efficiently meet those purposes; to determine the size and composition of the work force and each department's organizational structure, including the right to lay off employees from duty or to transfer employees between jobs; to promulgate and enforce reasonable work rules, Company orders, policies and procedures; to require employees to use or refrain from using specified equipment, uniforms and other tools of duty; to determine the hours of work and work schedules; to determine when a job vacancy exists, the duties to be included in all job classifications, and the standards of quality and performance to be maintained, including fair production standards; to determine overtime and the amount of overtime required; to maintain the security of records and other pertinent information; to determine the location of facilities and equipment of the Company; and to do all things appropriate and incidental to any of its rights, powers, prerogatives, responsibilities, and authority, and in all respects to carry out the ordinary and customary functions of the administration.

ARTICLE VII
NO STRIKE/NO LOCKOUT

Section 1. The Company and the Union subscribe to the principle that any and all differences arising under this Agreement should be resolved by peaceful and appropriate means without any interruption of the Company programs and operations. Therefore, the Union agrees that during the term of this Agreement it shall not directly or indirectly call, authorize, instigate,

engage in, support, encourage, ratify, assist in any way, or sanction any strike, picketing, handbilling, sympathy strike, slowdown, work stoppage, or any interruption or interference with the normal operations of the Company.

Section 2. In addition, no member of the bargaining unit shall instigate or participate, directly or indirectly, in any strike, picketing, handbilling, sympathy strike, slowdown, work stoppage, sick out, or any interruption or interference with the normal operations of the Company. Violation of this provision shall be proper cause for disciplinary action, including discharge.

Section 3. In the event any violation of this Article occurs, upon notice from the Company, the Union shall actively discourage and endeavor to prevent or terminate any violation of this provision by using its best efforts to immediately notify all bargaining unit members that the strike, picketing, handbilling, sympathy strike, slowdown, work stoppage, or other interference with normal Company operations is prohibited and is not in any way sanctioned or approved by the Union. Furthermore, the Union shall use its best efforts to immediately advise members of the bargaining unit to return to their duties at once.

Section 4. The Company agrees that during the term of this Agreement it shall not lock out any bargaining unit members covered by this Agreement.

ARTICLE VIII

UNION STEWARDS AND OFFICERS

Section 1. The Company shall recognize stewards to assist or to adjust grievances or problems or conduct other representational functions on behalf of the Union. The maximum number, a combination of stewards and Shop Committee, of union representatives may not exceed ten percent (10%) of the hourly work force. It is understood that the selection of such stewards shall not interfere with the orderly process and production needs of the Company. It is agreed that any union activities will not be permitted by the Company, other than the discussion of grievances at the first or second step, unless otherwise expressly agreed by the Company. Notification to the supervisor will be made prior to this discussion.

Section 2. The Company shall recognize stewards on each shift as designated by the Union.

Section 3. The Shop Committee shall consist of the President, the Chief Steward and three (3) other members of the bargaining unit designated by the Union.

Section 4. The Stewards will have seniority preference on their assigned shift within the Department that they are steward over, with the Chief Steward and the other members of the Shop Committee having seniority preference over all bargaining employees provided they are capable of performing the available work.

A. Department Steward and Area Stewards shall only have seniority preference over employees from the department roster on which their name appears.

B. Department or Area Stewards who are transferred from their department or shift due to the application of the job bidding section of this Agreement shall forfeit their Steward position or rights.

C. Department or Area Stewards who have been transferred for lack of work from the department they are stewards over, shall be the first to be returned to the department, when work is available provided such person is capable of performing the work.

Section 5. The Company will permit second and third shift union stewards and officers to attend union meeting. While at the meeting, the employee's time will be paid by the union, and the employee is responsible to return to work promptly at the conclusion of the union business.

ARTICLE IX

GRIEVANCE PROCEDURE

Section 1. Should any grievance arise under this Agreement, it shall be settled in accordance with the procedure set forth in this article, and, except as otherwise specifically provided in this Agreement, this procedure is the sole and exclusive method of disposing of such grievances. A grievance shall be defined as any complaint of the Union, employee, or employees regarding wages, hours of employment, working conditions, or any matter arising under or relating to this Agreement.

STEP 1: Any employee having a grievance shall report it to his or her department supervisor, and they will attempt to make the necessary settlement. At the employee's discretion, a Union Steward may accompany the employee at this step of the grievance procedure. The supervisor will provide a response within two (2) working days of presentation of the grievance.

STEP 2: If the grievance is not satisfactorily adjusted in Step 1, it shall be reduced to writing and signed by the employee, employees, or Union representative within three (3) working days of the Step 1 answer. Any grievance not submitted in writing to the appropriate Company representative within five (5) working days of the occurrence giving rise to it shall be considered resolved in favor of the Company. The Company shall answer the written grievance, in writing, no later than five (5) working days after receiving a copy of it.

STEP 3: After receipt by the Union of the Company's answer in Step 2, the grievance may be presented to the Plant Manager and/or his designee and the Shop Committee shall then meet within five (5) working days in an attempt to resolve the grievance. The Union International Representative may attend the Step 3 meeting. This time may be extended by mutual written agreement of the Company and the Union. A written disposition shall be delivered to the Union within five (5) working days after the conclusion of the last meeting in Step 3.

STEP 4: Arbitration: If the grievance is not settled in Step 3, then the Union, upon written notice to the Company, may demand that the matter be submitted to arbitration. Such demand must be made not later than fourteen (14) calendar days from the date of receipt of the Company's answer in Step 3. In conjunction with the demand upon the other party, the demanding party shall request a panel of arbitrators from the Federal Mediation and Conciliation Service, such panel to consist to at least seven (7) names from the National Academy. The parties shall thereafter choose an arbitrator under the Agency's then-applicable rules.

Section 2. The arbitrator's function is to interpret this Agreement. The arbitrator shall consider only the particular issue presented in writing by the Company and the Union. The arbitrator shall have no authority or power to add to, delete from, disregard or alter any of the provisions of this Agreement, but shall be authorized only to interpret the existing provisions of this Agreement as they may apply to the specific facts of the issue in dispute. The arbitrator shall not decide on the merit or wisdom of any action or failure to act, but only on the contractual obligation inherent in this Agreement. If the arbitrator should find that the Company was not prohibited by this Agreement from taking or not taking the action grieved, he or she shall have no authority to change or restrict the Company's action or inaction or to substitute his or her own judgment for that of the Company. Unless a specific provision of this Agreement expressly grants the Union or employees a right, privilege or benefit claimed by it or them, the arbitrator shall not award any such right, privilege or benefit to the Union or employees.

Section 3. Any dispute as to procedure shall be heard and decided by the arbitrator in a separate proceeding prior to any hearing on the merits. Any dismissal of a grievance by the arbitrator, whether on the merits or on procedural ground, shall bar any further arbitration. Each party shall bear one-half of the fee of the arbitrator and any other expense jointly incurred by mutual agreement incident to the arbitration hearing. All other expenses shall be born by the party incurring them, and neither party shall be responsible for the expenses of witnesses called by the other party.

Section 4. Neither party shall be required during the term of this Agreement to provide the other party with any data, documents, or reports in its possession or under its control for any purpose or reason unless they are relevant to a filed grievance and the parties waive all other rights to such information. Copies of all documents used to support and answer a grievance shall be made available to the parties.

Section 5. The procedure set forth in this Article shall be the exclusive method of redressing grievances between the parties, and the decisions of arbitrators or any settlements reached by the Employer and the Union in any step of the grievance procedure shall be final and binding to the Union, the Employer, and the employees. It is clearly understood that at any stage in this grievance procedure, the Union has the final authority, in its representative capacity for the aggrieved employee(s), to decline to process a grievance further, if after a reasonable and fair exercise of the Union's judgment, it is concluded that a grievance: (1) lacks merit or justification under the terms of this Agreement; or (2) has been settled or adjusted in a fair and equitable manner, consistent with the terms and spirit of this Agreement and the underlying continuing relationship of the parties.

Section 6. The time limits imposed by this Article shall be considered as binding. However, these limits may be extended by mutual agreement of the parties. Failure of the Union or employees to comply with any of the time limits shall constitute a waiver of the Union's right to process the grievance further, and failure of the Employer to comply with any of the time limits will result in the grievance automatically advancing to the next higher step.

ARTICLE X

HOURS OF WORK AND OVERTIME

Section 1. This article shall not be interpreted as a guarantee of hours of work per day or per week. The regularly scheduled work week will begin at 12:01 a.m. Monday and ends Sunday at midnight. The normal scheduled work day will consist of eight hours in 24 hours, and the normal scheduled work week will consist of five days, Monday through Friday, except for those engaged in continuous operations shift work. Employees normally remain on the shift to which they are assigned except when, in the judgment of the Company, production requirements necessitate a transfer. The Company will endeavor to accommodate requests to work on a particular shift whenever practical with senior employees being given first consideration. All employees who want to work different hours can do so once the change is approved by management. The Company will have the final decision.

Section 2. The normal work week for third shift employees will start Sunday evening at 11:00 p.m. and end at 7:00 a.m. on Friday morning. The Company may terminate such a work schedule if costs or other disadvantage occurs.

(A) Third shift employees who start their work week Sunday evening will be paid straight time, plus shift premium and only be paid overtime when it becomes applicable. When approved by the supervisor to work overtime for a third shift employee's Monday, hours worked prior to the start of normal third shift work hours will be compensated at time and one-half.

(B) When an employee is filling in on Sunday for an employee who is normally scheduled for Sunday, such employee will be paid at the straight-time rate or time and one-half if this is in addition to his regular shift.

(C) When holidays occur, the third shift employees starting their work week on Sunday evening will observe such holiday on the same day that the first shift employees following their shift would observe the holiday.

Section 3. All work performed in excess of eight (8) straight-time hours in any one work day or forty (40) straight-time hours in any regularly scheduled work week shall be paid for at the rate of time and one half. The payment of time and one-half shall not be pyramided with any other premium (other than shift differentials) meaning that no duplications of premium payment shall be made for the same hours worked on any work week.

Section 4. Any employee who is scheduled to work on Saturday or Sunday will receive a minimum of four (4) hour's work or pay at the applicable rate. All work performed on Saturday will be compensated at one and one-half times the applicable rate. All work on Sunday will be compensated at two times the applicable rate, except with respect to continuous shift operations or as outlined in section 2(A) above.

Section 5. When the need for overtime is known, notice of required daily overtime shall be given no later than five (5) hours into the applicable shift of the day in question, and notice of required weekend overtime shall be given no later than the preceding Thursday five hours into the applicable shift.

Section 6. The following procedure will be used in meeting both daily and weekend overtime requirements:

- (a) When overtime work is needed, it will first be offered to qualified employees who have signed the overtime sign up sheet for the classification. When not all of the qualified employees on the sheet are offered overtime assignments, reasonable efforts will be made to rotate overtime among the employees who regularly sign up for overtime within the classification.

- (b) If an insufficient number of qualified employees have been obtained in this fashion, then the overtime will be offered to qualified employees who have signed an extra list. An extra list for each classification shall be posted seeking names of individuals who are qualified in that classification but not currently working in the classification. It is the employee's responsibility to see that the employee's name is on this extra list if the employee wants to be considered for overtime work. In the event that someone is on vacation and unable to sign the overtime sheet(s), the employee shall notify the Human Resources Department or designee within one week prior to the vacation so that the employee's name can be added to the overtime list(s).
- (c) After these lists have been exhausted, then, and only then, non-bargaining unit employees may be used. If at any time non-bargaining unit employees work without first exhausting the first two steps, the union will proceed with the grievance procedure.
- (d) If the supervisor still needs qualified employees, then qualified employees currently in the classification (and within the appropriate eight or twelve hour rotation) will be required to work the overtime, and continuing up the seniority list on a rotational basis.
- (e) Employees temporarily transferred to a classification will share in the overtime of that classification.
- (f) Once an employee has agreed to work or has been assigned to work overtime, hours not worked will be assessed under the attendance policy.

Section 7. In cases where an employee gives advance notice of a compelling personal reason for being excused from overtime, the Company will make a sincere attempt to accommodate a request to be excused from that assignment.

Section 8. No employee will be forced to work more than twelve (12) consecutive hours except as outlined in section 10. When employees, after completing their full eight (8) hour shift are obligated to work for a period of four (4) hours more, they may take a half hour lunch period. However, employees working operations continuously for twelve (12) hours will be paid this half hour lunch period without the necessity of putting in the half hour time.

Section 9. In the event that someone has been overlooked for overtime worked, in order to provide an equitable resolution, the Human Resources supervisor or designee will provide a voucher to the employee to make up any missed hours of work at the employee's convenience in the classification in which they are employed. Missed time and one-half hours may be made up any time during the work week or Saturday. Missed double time hours may be made up any time

during the work week or on a single future Sunday. Missed double time hours shall be compensated at double time regardless of which day of the week the hours are made up. Employees shall notify their supervisor of their intent to work the overtime hours at least 24 hours prior to working them so that available work can be arranged. The employee must present their voucher to their supervisor so that hours worked can be deducted from the total hours available on the voucher. Voucher hours must be consumed within two calendar months of their issuance; if not, the employee shall not be compensated for any unused voucher hours.

Section 10. For safety and/or production reasons in high-temperature process areas, in the event that an employee provides insufficient notice of absence (e.g. call-in vacation, personal emergency) the Company may require employee(s) from the current shift to work up to an additional 4 hours while coverage for the work area can be established. Should an absence with insufficient notice occur, the Company may use non-bargaining personnel to man some portion or all of the hours of absenteeism. Under no circumstance will an employee be required to work more than 14 consecutive hours.

Section 11. An employee shall work available overtime in the classification as assigned by the Company. If the overtime is other than the employee's current classification, the employee shall be compensated at their current rate or the top rate of the different classification whichever is higher. However, ramp employees shall be compensated at their current rate regardless of the classification in which they work.

Section 12. 12-hr shift schedule. The Company may utilize a "12-hour shift schedule" where needed within the plant for operational reasons according to the following terms:

- (a) HOURS OF WORK: The 12-hour shift schedule workweek shall be from Monday through Sunday inclusive. Unless otherwise agreed by the Company and the Union for particular operations, the Monday shall begin with the 6:00 AM shift and the Sunday shall end with the 6:00 PM shift. Employees on the 12-hour shift schedule shall receive 45 (forty-five) minutes for breaks during the shift in increments of 10, 15, and 20 minutes, respectively. Employees shall work either night shift or day shift with no rotation from shift to shift. The 12-hr shift schedule is shown below:

Starting on Monday: 1-ON, 2-OFF, 2-ON, 3-OFF, 2-ON, 2-OFF, 2-ON (14-day rotation, 84-hr pay periods with 8 overtime hours)

- (b) VACATIONS: Vacations shall be permitted consistent with the needs of the operation and may be taken in blocks of 4, 8, or 12 hours. As provided for within the collective bargaining agreement, vacation shall continue to be earned and calculated by hours. Hours taken as vacation shall be included as time worked for overtime purposes.
- (c) OVERTIME: Overtime pay for employees working the 12-hour shift schedule shall be at time and one-half for any hours worked over 40 in a four shift workweek, and hours worked over 36 in a three shift workweek, and hours over 12 in a single shift. It is understood that the 14 hour limitation on required work in Article X, Section 10 will apply. When an employee working the 12-hour shift schedule works on a Sunday that is the employee's scheduled Sunday off, or the employee works on a Sunday in a different department than the one to which the employee is regularly assigned, the employee will be paid at double for the Sunday work. However, double time will not be paid if the employee has not worked all required hours in the preceding seven days, and will not be paid if the Sunday work resulted from the trading of a shift. The payment of time and one-half or double time shall not be pyramided with any other premiums (other than shift differentials) meaning that no duplication of premium payment shall be made for the same hours worked on any workweek. Nothing in this agreement prevents the Company from assigning work on the 12-hour shift schedule at straight time to other employees not on the 12-hour shift schedule. Employees working the 12-hour shift schedule will be maintained in a separate overtime rotation schedule from those working the normal 8-hour shift schedules.
- (d) HOLIDAYS: The holidays contained within the collective bargaining agreement shall remain the same and shall be paid as follows. Employees who work on a holiday that falls on their regularly scheduled day on will be paid eight (8) hours of holiday pay at straight time, plus twelve (12) hours of straight time pay for working on the holiday. Employees who do not work on a holiday that falls on their regularly scheduled day on will be paid eight (8) hours of holiday pay, and the twelve hour scheduled shift that day will be counted as time worked for overtime purposes. Employees who do not work on a holiday that falls on their regularly scheduled day off will be paid eight (8) hours of holiday pay, and those eight (8) hours will not count as time worked for overtime purposes. For purposes of this article, all holidays shall be observed on the day on which they fall unless the company and the union mutually agree to change the observed day. For purposes of holiday observance and calculations for the 12-hour shift schedule, shifts

with 6:00 AM and 6:00 PM starting times on the day of the holiday shall be considered as within the holiday.

- (e) **JOB CLASSIFICATIONS AND RATE OF PAY:** The Company shall have the right to institute the 12-hour shift schedule within any job classification for periods of not less than four (4) weeks. The Company will provide at least one week's notice before starting or stopping a 12-hour continuous shift operation, except in event of an unforeseeable emergency. A 12-hour continuous shift operation will only be stopped at the end of the two-week cycle. The rate of pay shall be the same as for the classification plus an additional \$.25 per hour. The existing shift differential premium will be paid only for hours worked during the night-time 12 hour shift.
- (f) **JOB FILLING:** When filling individual positions on a 12-hour shift schedule, the regular bidding procedure in Article XIX will be used. When there is a need to implement the 12-hour shift schedule in a new area, volunteers from the classification, based on highest seniority, will be given the first choice to fill the openings. If there are an insufficient number of volunteers, then the openings will be offered to any employee in classifications entitled to bid. If there are still an insufficient number of volunteers, unfilled positions for the 12-hour shift schedule shall be assigned to the current employees in the classification based on least seniority. After the employees have been identified, choice of day versus night shift shall be offered based on seniority with higher seniority having preference. Any employees in the affected classification who are displaced may select any available openings by seniority. If the Company converts a 12-hour shift schedule to an eight hour schedule, the 12-hour shift employees will remain within that classification on the shift that they were on before the 12-hour shift schedule.
- (g) **DEATH IN THE FAMILY:** For the purposes of Article XXII, Section 4, the Company will pay up to a total of 36 hours pay in the event of the death of one of the family members for which three days are paid under that Section for scheduled time missed during those three days. For one of the family members for which one day is paid, the Company will pay up to twelve (12) hours pay. Paid time off due to bereavement will be counted as time worked for overtime purposes.
- (h) **LIMITATION ON USE:** Not more than 40 employees on the payroll as of February 15, 2004, may be employed on the 12-hour shift schedule (except on a voluntary basis or in order to avoid layoff). All employees hired after that date may be required to work on the 12-hour shift schedule, and will not be counted in the 40 employee limit. Also, it is recognized that the availability of the 12-hour shift schedule may provide the opportunity for the Company to maximize employment at the plant, especially in bringing in new or

expanded work. Accordingly, it is agreed that this limitation may be exceeded by mutual agreement of the Company and the Union.

- (i) Employees who were Baking Operators on eight-hour continuous shifts as of February 12, 2004, will not be required to accept a twelve-hour shift schedule, nor will they be displaced by employees on such a schedule. In other words, Baking Operators on continuous shifts as of February 12, 2004, will be able to stay on the eight-hour schedule unless events other than the implementation of the twelve-hour schedule cause them to be displaced.

ARTICLE XI
LUNCH AND REST PERIODS

Employees shall receive a ten minutes paid break in the first half of the shift. Employees shall receive a fifteen-minute paid lunch to be scheduled by the Company as nearly as practical to the middle of the shift. The lunch shall be scheduled by the Company as nearly as practical to the middle of the shift for each shift of eight (8) hours or more. An additional five-minute paid break will be provided when employees work ten (10) hour shifts. If employees work twelve (12) hour shifts, they will receive an additional thirty (30) minute paid break.

ARTICLE XII
REPORT-IN PAY

An employee who reports for a regularly scheduled shift and who has not received notice to not report shall receive not less than four (4) consecutive hours of any available work and pay therefore, or not less than four (4) hours pay at the discretion of the Company. Notice will be sufficient if the message is left, at least two (2) hours prior to the start of the employee's shift, with a responsible member of the employee's household, such as a wife, son or daughter (beyond the age of 16). No report-in pay shall be required in the event of fires, storms, floods, strikes, work stoppages or any other cause beyond the control of the Company which interfere with the work being provided.

ARTICLE XIII
CALL-IN PAY

Any employee recalled to work after his scheduled shift hours and having left the plant will be paid at one and one-half the applicable rate for all hours worked, (any portion of an hour will be considered one hour), or a minimum of three (3) hours' straight-time at the employee's classified rate.

ARTICLE XIV
WAGES

Section 1. Ratification Bonus and Wage Increases.

Provide a \$600 Bonus as soon as practicable following ratification to all employees who are on the active payroll as of the ratification date (who actually performed work during the payroll period prior to the ratification date).

General Wage Increases: All base wage rates and top wage rates (on the rate classification sheet) shall be increased per below.

<u>Effective 2/14/2011</u>	<u>Effective 2/13/2012</u>
\$.30	\$.35

Section 2. Hiring Rate Employees hired after date of ratification of this Agreement shall be hired at a rate not less than \$8.00 per hour.

Section 3. New Hire Rate Adjustments. New employees who successfully complete one year of service will receive a \$.50 per hour increase. Thereafter, an employee shall receive a \$.50 per hour increase, in addition to the above general wage increases, every three months until the rate reaches the base rate of pay for the job classification. If an employee has excessive frequencies under the Company's attendance policy, the employee shall not receive the scheduled increase. The Company has the unilateral right to accelerate an employee on the progression as a reward for exceptional performance. Employees not in the ramp schedule will receive \$.25 every three calendar months until top rate is reached. Time with the Company, not time in a job classification, will determine the period for which rate increases shall apply. In addition, these rate adjustments shall apply to all existing employees not currently at top rate at

the time of their next regularly scheduled increase. Existing employees with excessive frequencies under the Company's attendance policy shall not receive scheduled increases.

Section 4. Group Leader Wage Adjustments. Group leaders will receive \$.40 per hour more than the highest rate of the positions led. Senior group leaders will be selected at the Company's discretion, and will receive a rate of \$.80 per hour more than the highest non-group leader rate of the position led.

Section 5. Wage Adjustments Due to Job Bidding. When an employee bids to a new job classification, their new wage will be:

- Their current wage if they are in the ramp, or
- Their current wage if it is between the base rate and top rate of the new job classification, or
- The top rate of the new job classification if their current wage is above the top rate of the new job classification

ARTICLE XV
SHIFT DIFFERENTIAL

Section 1. Employees who work the second or third shift shall be paid \$.70 per hour for each regular eight (8) hour shift. This differential is included in the overtime computation.

Section 2. Employees working the first or day shift who then continue working into overtime will be paid \$.70 per hour for those hours worked after 6:00 p.m. If the greater part of the overtime is worked after 6:00 p.m., employees will receive the shift differential for all overtime hours.

ARTICLE XVI
HOLIDAYS

Section 1. Employees will be paid eight hours straight-time pay for the following holidays:

New Year's Day	Thanksgiving Day
Good Friday	Day after Thanksgiving Day
Easter Monday	First Day Deer Season
Memorial Day	Last Work Day before Christmas
Independence Day	Christmas
Labor Day	

Section 2. In order to be eligible for holiday pay, the following conditions must be satisfied:

- (a) The employee must have been employed for a minimum of two calendar months

- (b) The employee must work all regularly scheduled hours on the scheduled work day before the holiday and the scheduled work day after the holiday, unless the employee has a doctors slip indicating that the employee was sick that day in which case this clause will not apply; and
- (c) Under no circumstances shall an employee be entitled to receive holiday pay if the employee is on leave of absence or layoff during the holiday week.

Section 3. Paid holidays falling on Saturday will be observed on the preceding Friday, and those falling on Sunday will be observed on the following Monday.

Section 4. Employees will receive one and one-half times their regular hourly rate in addition to holiday pay for work actually performed on the holiday. Employees who are scheduled to work on the holiday and do not report will receive holiday pay but will be subject to any other disciplinary measures which may be appropriate.

ARTICLE XVII
VACATIONS

Section 1. Employees shall be entitled to annual vacation with pay as determined below:

<u>Length of Service</u>	<u>Vacation</u>
Less than 1 year	No vacation
1 year but less than 2 years	1 week
2 years but less than 3 years	1 week and 1 day
3 years but less than 7 years	2 weeks
7 years but less than 9 years	2 weeks and 1 day
9 years but less than 10 years	2 weeks and 2 days
10 years but less than 15 years	3 weeks
15 years but less than 20 years	4 weeks
20 years but less than 25 years	5 weeks
Over 25 years	5 weeks and 1 day

Section 2. In order to attract new Master Mechanics, 1st Class Mechanics, or 2nd Class Mechanics, the Company has the sole right to negotiate to anywhere in the progression up to 2 weeks of vacation.

Section 3. In order to receive vacation pay, employees must take vacation time off. However, for any employee who is entitled to receive more than two weeks of vacation under the above schedule, the employee may elect to receive vacation pay at the regular hourly rate,

including shift differential, if applicable, in lieu of time off subject to the approval of the Company. Vacation may not be accumulated from year to year, and must be used in the anniversary year when it was earned. Employees may apply their earned vacation to a twelve week unpaid leave of absence under the Family Leave Act.

Section 4. If a paid holiday falls during an employee's vacation period, the employee may elect to receive an extra day's pay, or to take a day off with pay selected by mutual agreement of the employee and his or her supervisor.

Section 5. In order to be eligible for vacation pay, an otherwise eligible employee must be in the actual employ (e.g., not on a leave of absence) of the Company at the time designated for the vacation. Also, the employee must actually work during an anniversary year before being eligible to receive vacation pay for that year.

Section 6. Vacations will, as far as possible, be granted at the time most desired by the employees in accordance with departmental seniority, but the Company reserves the right to designate vacation times in order to assure the orderly and efficient operation of the plant. In addition, the Company reserves the right to schedule vacations during plant shutdowns, provided notice of such shutdown is communicated to the Union at least ninety (90) days before the shutdown, unless such would cause personal hardship (e.g., loss of non-refundable deposit). Further, this provision shall be applicable only with respect to one (1) week of vacation each calendar year regardless of the number and/or length of plant shutdowns.

Section 7. Whenever an employee with less than five (5) years of service is absent more than a month during their anniversary year preceding the anniversary year when vacation is to be taken, that employee's vacation will be reduced on a pro-rata basis according to the months of work missed during that preceding anniversary year. Employees with five (5) or more years of service shall not be subject to such pro-rata adjustments.

Section 8. A vacation request form must be received by the Company at least one (1) calendar week in advance of the requested time off if such request is for more than one (1) day. If the request is for one (1) day or less, the vacation request must be received by the Company at least forty-eight (48) hours in advance of the requested time off, except that shorter notice may be permitted if the employee's immediate supervisor agrees. An employee may use up to 7 days of earned vacation without providing the notice stipulated above. Effective January 1, 2011, such vacation days without notice may not be used on the scheduled work days before or after the holidays recognized under this Agreement. Additional vacation time used without providing the stipulated notice will be granted as paid vacation, if available, but will be applied as frequency time towards attendance and emergency time. An employee must notify their supervisor of their intent to cancel their vacation by the end of their shift the regular working day before the

scheduled vacation, otherwise the employee must take the planned vacation unless the employee's immediate supervisor agrees to shorter notice.

Section 9. The Company's current practice regarding emergency pay shall be continued, except that at year end, employees with fractional entitlements will have their entitlements rounded down to the next lowest whole number if the fractional amount is one-third or rounded up to the next largest whole number if the fractional amount is two-thirds. Additionally, if an employee has twelve months of perfect attendance during a calendar year, they shall be provided an additional eight hours of emergency time.

Section 10. Earned vacation will be paid in all cases of employment termination, regardless of reason.

Section 11. All vacation request forms will be answered, signed, dated and returned by the end of the next regularly scheduled work day for the Plant at-large. Failure to do so will result in the automatic granting of such request.

ARTICLE XVIII

SENIORITY

Section 1. Seniority, for the purpose of this Agreement, shall be determined by the service of the employee with the Company. Service shall mean continuous employment with the Company from the employee's last date of hire.

Section 2. All new employees shall be on probation for the first six (6) months of their employment. During such probationary period, the Company shall have exclusive control over such probationary employees, including, but not limited to, the right to discipline and/or discharge without recourse. After a new employee completes the probationary period, such employee shall become a regular employee with seniority retroactive to the initial date of hire.

Section 3. If more than one (1) employee has the same seniority, their seniority shall be determined by the employee's clock number. The lower the clock number, the greater the seniority.

Section 4. Seniority shall be terminated for the following reasons:

- (1) Voluntary termination of employment;
- (2) Discharge for just cause;
- (3) Layoff exceeding two (2) years;
- (4) Medical leave of absence exceeding one (1) year, unless the employee has seniority exceeding one (1) year, in which case seniority shall be terminated upon the expiration of time on a medical leave of absence equal to the length of the employee's seniority, but in no case more than five (5) years;

- (5) Failure to report to work within forty-eight (48) hours after the Company sends a recall letter to the last known address of the employee, it being the responsibility of each employee to notify the Company of any change in address;
- (6) Failure to report to work within forty-eight (48) hours of the termination of any excused leave of absence unless such time is extended by the Company;
- (7) Being absent for two (2) consecutive working days and failure to notify the Company;
or
- (8) Retirement.

Section 5. Termination of seniority shall constitute termination of all rights under this Agreement.

Section 6. At the Union's request, the Company will provide the Union with an up-to-date seniority list.

Section 7. Former bargaining unit employees who continue to work for the Company shall retain their seniority, but will not accrue additional seniority while not in the bargaining unit. Years of service accrued as of the date of ratification of this agreement will be retained. Former bargaining unit employees who continue to work for the Company may be permitted by the Company to return to the bargaining unit based on their seniority, but if a bargaining unit employee is laid off from work as a result, the former bargaining unit employee must take the position of the least senior employee, provided he is qualified for that position.

ARTICLE XIX **JOB BIDDING**

Section 1. When a job vacancy, other than in the position of group leader, occurs or a new job is created, which constitutes a bargaining unit position, and the Company has determined the need to fill that position, the Company shall post a notice of the opening(s) for four (4) calendar days. The notice will contain an estimate of the number of positions to be filled.

- Any employees who wish to be considered for the posted job must apply for the position in writing. Such bids to fill vacancies must be in writing and shall be deposited in a locked box to be provided by the Company and to be placed in centrally located areas. The Employer and the Union representative shall open the box and examine the bids to determine that all bids are considered.
- All applications which are timely filed will be reviewed by the Company.
- Preference in awarding the bid will be given to the employee with the most seniority.

- When a bid is awarded, the employee must accept or reject the award at that time.

Section 2. If one or more positions are being eliminated, or if one or more positions are being reduced due to work being moved into a cell, employees in the positions being eliminated will have an exclusive opportunity to bid on any posted vacancies according to the procedure described in Section 1.

- The Company shall specify on the posting that bids are limited to those people on the same shift as the vacancies being posted.
- If no employee expresses interest, the person with the least seniority on the shift on which the job is available shall be assigned the new job whether they were working within the eliminated/reduced classification or they were currently on available work.

Section 3. The positions of group leader shall be filled at the Company's sole and unilateral discretion without resort to the job posting/bidding procedure with the following stipulations:

- Before selecting a group leader with less than one year of seniority, the Company will post the job for interest and interview all those expressing interest to determine if they have the necessary skills and qualifications to perform the job.
- Group leader positions for new cells will be selected after the cell is established and jobs within the new cell are filled.
- A cell must have more than one employee for a group leader position to exist for that cell.

Section 4. The Company reserves the right to disqualify an employee if the employee cannot satisfactorily demonstrate the ability to perform the work involved. Under these circumstances, an employee may be disqualified from a particular job function within a classification. If an employee's disqualifications from performing a particular job function or functions preclude the employee from performing a majority of the positions in a classification, the employee will be disqualified from that classification. Any employee who is disqualified from a classification will be assigned to available work in the plant. Employees relocated to a cell due to their current work being moved into that cell shall not be disqualified.

Section 5. A successful bidder or a new employee may not be a successful bidder on another job until at least nine (9) months have passed since the successful bid (date job accepted) or date of hire. Notwithstanding this nine (9) month period in which an employee may not bid, an employee may bid again immediately after a bid is cancelled. In the event that a bid is posted due to classification reduction or elimination above as outlined in Section 1, this minimum requirement shall be ignored in its entirety. When a posted job receives no bids, the Company may fill the job at its discretion except as otherwise noted in Section 1 above.

Section 6. Bids that are initially for something other than normal first shift hours shall not be chained further than a second bid unless a first shift job is created through the bidding process. Bids chains creating first shift jobs shall be chained to a maximum of three bids. After fulfilling the bid chains specified above, the Company may fill the opening(s) at their discretion.

Section 7. Whenever any employee is selected as the successful bidder, that employee's bid shall be considered as binding at the time he/she signs the bid.

Section 8. If a new job is created or a substantial change is made to an existing job due to the development of a new operation, process, or machine, the Company will select and transfer any employee, with their consent or hire a new employee, who it determines is best suited for such work. Such selection is done without regard to length of service, and the rate of pay will not be lower than the rate the employee received prior to the change. The Company will first try to fill the job with a current employee before hiring a new employee for the position. When the work becomes standard, as determined by the Company, the Company will establish a rate and classification and, if the job does not involve special skills, will proceed as outlined in Section 1 above, which may be subject to the grievance procedure. Where an employee has special skills that are critically needed for the successful operation of the plant, the Company may, after discussion with the Union Shop Committee, provide a wage premium beyond the normal rate for the job.

Section 9. A successful bidder will be moved to his new position within eight (8) weeks from the time he signs the bid. This period may be extended with the consent of the affected employee. The employee will receive the higher of their existing rate, or the rate of their new position at the time the bid is signed and accepted.

Section 10. Employees in the Janitor classification may express their interest in a job posting, but they shall have no bidding rights and their interest in the position shall be handled only as a request for consideration. Employees in the Janitor classification will not be reclassified to production classifications while production employees are laid off.

ARTICLE XX **LAYOFF AND RECALL**

Section 1. No employee may bump into a Janitor classification in the event of layoff. The Company shall not recall any employees other than Janitors to the Janitor classification.

Section 2. Layoffs will be made on the basis of seniority within the affected job classification, provided that employees working in the affected job classification, pursuant to a transfer to available work, will be laid off or transferred to other available work before those in the affected job classification working their bid job are laid off or transferred to available work.

Transfers to available work in lieu of a layoff must be accepted if within the employee's eight-hour or twelve-hour shift schedule. If there is no available work, and the layoff is expected to be four weeks or less, the displaced employee will be laid off. An employee may not be laid off under this provision (without the opportunity to bump into another classification) more than once in any calendar year. If the layoff is expected to extend, or does extend, beyond four weeks (or the employee has been laid off without the opportunity to bump under this provision in that calendar year), the displaced employee working on an eight-hour shift schedule may bump the least senior employee in the plant working on an eight-hour shift schedule and will have shift preferences within that classification; a displaced employee working on a twelve-hour shift schedule may bump the least senior employee working on a twelve-hour shift schedule, with shift preferences within classification. If the employee does not have sufficient seniority to stay within the same shift schedule, the employee (if he or she has sufficient seniority) may bump the least senior employee in the plant, or may accept layoff. The Company and the Union may work out alternative means to address layoffs and staffing reductions in order to minimize loss of employment, to provide more options for senior employees, and to avoid disruption to production. It is understood that in applying Sections 2 and 3 of this Article, employees working in high temperature operations must be qualified to perform the work giving due consideration to seniority.

Section 3. Recalls will be made in order of seniority. The employee, in order of seniority, will have the option of remaining on layoff only if the recall is not within their classification. If no employee on layoff accepts the recall, then the least senior employee must accept the recall, or the Company may hire a new employee. Notice of recall shall be made by phone, followed by certified mail, with return receipt, to the most recent address of the employee as the same appears on the Company's personnel records, it being the responsibility of each employee to notify the Company of any changes in address. The Chief Steward, or other designated representative shall be advised in writing in advance of all layoffs and recalls.

Section 4. The Company shall not hire any new employees where there are employees on the layoff list, except as outlined in Section 2 above.

Section 5. The Company shall give the Union twenty-four (24) hours notice of proposed layoffs. A list of the employees in each classification to be laid off shall accompany such notice.

Section 6. The Company may make temporary layoffs of up to one (1) calendar week without regard to seniority, but such temporary layoffs will not apply to any one employee for more than fifteen (15) regular working days per year. Temporary layoffs under this Section will be used for legitimate business reasons and will not be used for the purpose of avoiding payment of holiday pay.

Section 7. No employee can bump a group leader with Super Seniority. Skilled classifications may not be bumped unless the employee has the qualifications, skill and ability to do so. Skilled classifications are: Master Mechanic, Maintenance Mechanic 1st Class, Maintenance Mechanic 2nd Class, Developmental Machinist, Machinist 1st Class, Machinist 2nd Class and General Maintenance*. Extension of Super Seniority for group leaders may not exceed 10% of the hourly bargaining group workforce. The group leaders with Super Seniority will be determined on the basis of years of service, and will be identified in the event of an overall labor workforce reduction. Employees of skilled classifications shall be transferred only when there is a reduction within the classification or as the result of being bumped. In a reduction in force, affected employees of skilled classifications may elect layoff rather than go to a production department.

(* INCLUDES APPRENTICES)

Section 8. The Company will first contact employees on the layoff list when increasing its workforce. The employee's decision to accept or reject this classification will be final.

Section 9. When a laid-off employee fails to report to work within forty-eight (48) hours following notification to do so, or within forty-eight (48) hours after the time designated by the Company, such employee shall be terminated.

Section 10. When the Company is faced with the need for a layoff of predictable duration (generally two (2) months or less), and when a classification is to be reduced under these circumstances, the employees of the classification may request a "voluntary layoff". The granting of such a request is subject to the following conditions:

- A. When several employees volunteer, seniority will prevail.
- B. The Company may deny the request at its discretion, but will provide the reason for its decision.
- C. The Company will specify the duration of the Voluntary Layoff.
- D. The employee may be expected to return before the scheduled "date of return".
- E. An employee who elected voluntary layoff can only be recalled to the job classification and shift from which he or she was laid off. However, the employee may be transferred upon recall to another shift and/or classification based upon job availability and seniority in accordance with this Article.
- F. When the specified duration of the voluntary layoff has elapsed, and additional layoff time is required, the Company will seek new volunteers, offer it to the employees who were previously on layoff, or proceed through the normal layoff procedure as outlined above.
- G. For the duration of the voluntary layoff, the Company will continue to provide health care coverage with no employee contributions.

ARTICLE XXI
TRANSFERS

Section 1. The Company reserves the unrestricted right to transfer employees within a classification grouping as defined on the Classification Rate Sheet. The Company reserves the unrestricted right to transfer employees without regard to seniority for up to sixty (60) calendar days in a calendar year. With the employee's consent, said transfer may be extended. In such cases, the employee shall receive his regular rate of pay or the applicable rate for the job into which he is transferred, whichever is greater. In the event that any member of the Union Bargaining Committee believes that a temporary transfer is being improperly extended, the issue may be presented to the Company and a meeting will be held to discuss resolution of the issue. Partial day transfers of four hours or greater shall be counted as full days against the allowable days transferred out of classification. Employees transferred out of their grouping must indicate such on the Transfer sheet posted daily in the department to which they are transferred. Each day, this sheet will be reviewed and signed by the departmental supervisor and forwarded to the Employee Service Cell for recording against the number of allowable days transferred out of group for each employee. If the employee's existing rate of pay is less than the base rate of pay for the job into which he is transferred, his rate of pay will be increased by 10% over his existing rate for the duration of the transfer, not to exceed the top rate of pay for the job into which he is transferred.

Section 2. The Company shall have the unlimited right to transfer employees to available work to avoid layoffs. Such transfers shall be made in accordance with the layoff procedure set forth in Article XX. In such cases, the employee shall be paid the applicable rate of the job into which the employee is transferred.

Section 3. Employees who work second or third shift shall maintain their shift differential when transferred to first shift at Company convenience.

ARTICLE XXII
LEAVES OF ABSENCE

Section 1. Medical Leave. Medical leaves will be granted when supported by a physician's certificate. An employee who has been granted a medical leave of absence shall return to work upon expiration of the approved duration, or must present additional physician's certificates supporting the extension of the leave. The seniority of an employee on medical leave of absence shall continue for a period of one (1) year from the start of the leave, except that employees with more than one (1) year of seniority at the start of the leave shall continue and

retain seniority for a period equal to the length of their seniority up to, but not to exceed, five (5) years. Upon return to work, an employee who has been on a medical leave of absence will be returned to his or her former position. When vacancies are created as a result of medical leaves of absence, the Company may assign employees to those positions on a temporary basis for as long as the employees on medical leave retain seniority in their original positions.

Whenever an employee returns from a medical leave of absence, the Company may require an employee to submit a signed physician's statement indicating the reason for the medical leave of absence and acknowledging the employee's fitness to return to work. Failure to submit such a satisfactory statement when requested may result in a refusal to allow the employee to return to active pay status. Before an employee returns to work from a medical leave of absence, the Company may also require the employee to submit to a physical examination at Company expense to determine the employee's ability to return to work.

Section 2. Military Leave. The Company will comply with the appropriate state or federal statutes, codes, and regulations relating to the employment rights of employees on military leave.

Section 3. Jury Duty. Employees will be excused from work when legally required to serve as a juror. The Company will reimburse such an employee the difference between the fee received as a juror and the employee's base hourly rate for scheduled (Monday through Friday) hours lost. Reasonable notice of the required absence shall be given to the Company by the employee, and the employee shall present proof of the notice to report for jury duty to his or her supervisor prior to release from work. Third shift employees will not be required to report for the shift immediately preceding their reporting for jury duty. The benefit provided in this section is limited to eight hours per day up to a maximum of ten days per calendar year.

Section 4. Bereavement. An employee who is scheduled to work, may be excused from work because of a death in his or her immediate family. For the death of a mother, father, mother-in-law, father-in-law, stepmother, stepfather, spouse, son, daughter, step-son, step-daughter, brother, sister, or grandchild, an employee shall be compensated for three days not to exceed eight times the employee's base hourly rate for each day. For the death of a grandparent, sister-in-law, or brother-in-law, an employee shall be compensated for any scheduled (Monday - Friday) hours missed on the day of the funeral not to exceed eight (8) times the employee's base hourly rate. In order to receive such bereavement pay, the employee must attend the funeral or other memorial service. In all instances, bereavement pay shall not extend beyond the day following the funeral.

Section 5. Union Business.

A. Specific Mission: A leave of absence for a specific mission (such as attendance at a Union convention) shall be granted for up to five (5) employees (not more than three from any one department) for the duration of the mission plus reasonable travel time.

B. Election to Union Office: An employee who is elected to permanent office shall be granted a temporary leave of absence not to exceed three (3) years, and at the end of term of office or expiration of three (3) years, whichever is sooner, shall be guaranteed re-employment with full seniority accumulated during their absence and shall return to their job classification. This provision shall apply to no more than two (2) members so elected. During such leaves, all fringe benefits shall be terminated, except pension credit will be bridged upon the return of the individual to active status.

Section 6. Personal Leave of Absence. A personal leave of absence without pay may be granted for personal reasons for a period not to exceed four (4) weeks upon application of the employee to and approval by the Human Resource Supervisor. Such leaves will be granted at the sole discretion of the Company. A personal leave of absence granted under this section will not be counted as a frequency under the Company’s attendance policy.

ARTICLE XXIII
INSURANCE

The following group insurance programs are extended to all employees with a minimum of two calendar months of service with the Company.

Section 1. Health Care

A. Allow employees to enroll in either of the following health care plans:

Option A

The medical, vision and dental plans in effect for Coudersport and St. Marys salaried employees (including employee contributions), subject to all changes in contributions, benefit levels and coverages over the term of the Agreement, provided that employee contributions will not exceed the following amounts per month:

Effective Date	<u>1/1/2010</u>	<u>1/1/2011</u>	<u>1/1/2012</u>	<u>1/1/2013</u>
Employee only	\$ 81	\$ 89	\$ 98	\$108
Employee+Family	\$225	\$247	\$272	\$299

Option B

A 70/30 PPO plan as shown below:

In-Network:			
Deductibles:			
Individual		\$600	
Family		\$1,200	
Out-of-Pocket Maximums			
Individual		\$3,000	
Family		\$6,000	
		Deductibles do not apply to Out-of-Pocket Maximums	
Lifetime Maximum		\$2,000,000	
Physician Office Visits		70% after deductible	
Specialist Office Visits		70% after deductible	
Wellness Benefits/Preventive Care		Annual Preventive Care Allowance of \$250 per covered individual (not subject to deductible)	
Emergency Room Services		70% after deductible and \$75 copay (waived if admitted)	
Prescription Drugs		30% of cost	
Full-time Student Coverage		to age 23	
Medical/Prescription Drug			
<u>Monthly Employee Costs:</u>	<u>1/1/2010</u>	<u>1/1/2012</u>	<u>1/1/2013</u>
Employee Only	\$ 45	\$ 49	\$ 54
Employee +1	\$100	\$110	\$120
Family	\$125	\$137	\$150

Effective January 1, 2011, Dental and Vision coverage will be available to employees electing Option B on the same terms as employees who elect Option A.

- B. If the Company would like to change provisions of the Option B health care plan during the term of this agreement, it must first obtain written approval of the Union.

- C. Employees who retire before the age of 65 during the term of this agreement will receive a \$50 reduction in the applicable COBRA rate if the employee elects to participate in COBRA.

Section 2. Post-Retirement Death Benefit. Post-retirement death benefits shall be payable during the term of this Agreement as follows:

<u>Years of Service</u> (up to June 30, 2010)*	<u>Post-Retirement Death Benefit</u>
20 or more	\$7,500
15, but less than 20	\$6,000
10, but less than 15	\$5,500
Less than 10	\$4,500

*Service after June 30, 2010, will not be taken into account in determining the amount of an employee's post-retirement death benefit. See Article XXIV, Section 2 below.

Section 3. Life Insurance. Effective upon ratification, active employees life insurance benefits shall be increased by \$1,000 to \$31,000.

Section 4. Accident and Sickness Insurance. The accident sickness insurance shall be paid at 66-2/3% of the employee's existing base rate of pay, but in no case less than \$215 per week, for a period not to exceed 13 weeks. This period may be extended for an additional 13 weeks on a once in a lifetime basis for employees who are awarded Social Security disability benefits.

ARTICLE XXIV
RETIREMENT BENEFITS

Section 1. The Company will continue to maintain a Section 401(k) plan for the benefit of the employees and will make contributions to the plan on behalf of each employee as follows:

- (a) Retirement Contribution. Effective on and after July 1, 2010, the Company will make defined contributions on behalf of each employee according to his or her earnings and length of service as follows:

<u>Length of Service</u>	<u>Percent of Earnings Contributed</u>
Less than 10 years	3
10 but less than 20 years	4
20 or more years	5

- (b) Company Match. The Company will match fifty percent (50%) of the first 6% of employee earnings that the employee contributes to the plan.

The operation of the plan shall be in accordance with applicable law and as reasonably determined by the Company.

Section 2. The current pension plan will be continued through and including June 30, 2010. Effective on that date, all benefit accruals under that plan (the Morgan Advanced Materials and Technology, Inc. Defined Benefit Plan for Hourly Employees) will cease for employees covered by this Agreement. No service after that date will be taken into account in determining the amount of an employee's accrued pension benefit or post-retirement death benefit under the plan. Service after June 30, 2010, will be counted solely for the purposes of vesting under the plan and early retirement eligibility. The amount of an employee's accrued pension benefit and post-retirement death benefit (if applicable) will be based on the amount of service credited as of June 30, 2010, and these amounts will not change after that date.

ARTICLE XXV

PHYSICAL EXAMINATIONS/DRUG TESTING

Section 1. Irrespective of physical examinations conducted pursuant to Section 1 of Article XXII, the Company reserves the right to order periodical physical examinations of any employee at Company expense. If employees are dissatisfied with the decision of the doctor selected by the Company, they may be examined at their own expense by a doctor of their choice. At the option of the employee, any non-probationary employee may obtain an annual routine physical examination for which, upon receipt, the Company will pay \$50.00 to contribute to the cost of the physical examination.

Section 2. In addition, whenever the Company has reason to believe that an employee is under the influence of or has consumed illegal drugs or alcohol on Company premises, the Company may require the employee to submit to drug and/or alcohol testing. Such testing may also be required when the Company has reason to believe the use of illegal drugs or alcohol is

interfering with an employee's attendance, productivity, or other aspects of employment. Any testing under this provision will be at Company expense.

ARTICLE XXVI
SAFETY AND HEALTH

Section 1. It is the mutual desire of Management and the Union to maintain high standards of safety and health in the plant in order to eliminate, as far as possible, industrial accidents, and to protect the health of the employees. Management and the Union will promote the necessary safety and health educational programs to maintain these standards. Complaints regarding working conditions pertaining to this Article will be carefully considered.

Section 2. Carelessness must be avoided at all times and safety appliances and devices used when required. All accidents, no matter how small, must be reported to the department supervisor immediately. The supervisor will in turn send an Accident Investigation Report to the Human Resource Supervisor. All safety violations will be addressed in accordance with the Company's Safety Policy guidelines.

ARTICLE XXVII
BULLETIN BOARDS

The Union shall have the right of free use of the bulletin boards in the Company's plant for notices in regard to meetings, social gatherings, and names of candidates and other notices, provided all such notices are first submitted to the Human Resources Supervisor for approval. This privilege shall not be used for propaganda purposes. The Chief Steward or designated representative in the Chief Steward's absence shall have access to the main bulletin board for posting of the above notices.

ARTICLE XXVIII
SUCCESSORSHIP CLAUSE

1. The employer will not sell, convey or otherwise permanently transfer or assign to any successor, the facility, or any of the operations covered by this Agreement, without first securing from the successor an agreement that the successor will assume the employer's obligations under this Agreement and that the successor will be bound by all of the terms of this Agreement, except as set out in paragraph 5 below.

2. The employer shall give written notice of the existence of this Agreement and this Successorship Clause, to any purchaser, transferee, assignee or other successor of the operation covered by this Agreement.

3. The employer shall notify the Union, in writing, within 24 hours, of any decision to sell, convey or otherwise transfer or assign to any successor any of the operations covered by this Agreement and provide a copy of the notice required in paragraph 2 above.

4. This Agreement shall be binding upon the successors and assigns of the parties hereto and no provisions, terms, or obligations herein contained shall be affected, modified, altered or changed in any respect whatsoever by the consolidation, merger, sale, transfer or assignment of either party hereto, or affected, modified, altered or changed in any respect whatsoever by any change of any kind in the legal status, ownership or management of either party hereto.

5. In the event that the terms of this Agreement are transferred to a successor, as set out above, the Union agrees that as to such successor, in whatever form, there shall be no future requirement for the operation of this Successorship Clause without the express and separate written consent of the successor to be so bound.

ARTICLE XXIX
TERMINATION OF CONTRACT

Section 1. This Agreement shall be effective as of date of ratification and shall remain in effect through February 17, 2013, and shall thereafter automatically renew for one (1) year from year to year, unless either party gives written notice to the other at least sixty (60) days prior to any expiration date of intention to modify or terminate the Agreement.

Section 2. Notice of termination or intent to modify shall be sent to the Company at Morgan AM&T—Coudersport Site., 1118 East Second St., Coudersport, PA 16915. Notice of termination or intent to modify shall be sent to the Union at 3461 Office Park Drive, Kettering, OH 45439.

Section 3. The parties are hereby obligated to notify the other party if an address change is in order.

IN WITNESS WHEREOF, the parties have hereunto set their hands this 21st day of February 2010.

For the Company:

Harry C. Barber
Howard M. Moore
Susan Higgins
Carol White

For the Union:

Joseph F. Kattler
Lode Ram
Jerry Tucker
Jeffrey Ten
David Bonst
Ann Miller

February 12, 2004

Re: Post-Retirement Death Benefit

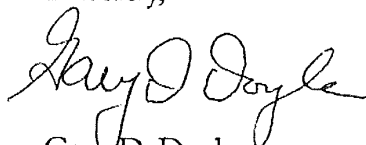
Dear Mr. Sever:

This letter is to confirm the understanding that was reached during the 2004 negotiation concerning the Post-Retirement Death Benefit ("the Benefit") that is addressed in Article XXIII, Section 2 of the collective bargaining agreement. Since the purchase of Pure Carbon by Morgan Crucible from Stackpole in 1995, the Benefit has been provided in part from the Stackpole pension plan and in part from the Morgan pension plan for those employees who worked both before and after the sale. In late 2003, Stackpole terminated that pension plan and offered a lump sum settlement ("cash out") to the participants under that plan. The employees who elected to receive that lump sum settlement explicitly acknowledged in writing in the election documents that they were waiving the death benefit from that plan.

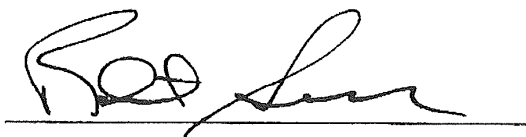
For that reason, it is understood that for those employees who accepted the lump sum settlement, the death benefit payable under Article XXIII, Section 2 of the agreement will only be the Morgan portion of the benefit amounts listed in the Section. For those employees who did not receive a lump sum settlement from the Stackpole plan, that plan will pay its portion of the above amounts and Morgan will pay the remainder.

If you agree that this letter accurately sets forth the terms of our agreement on this subject, please sign a copy of this letter in the space provided below, and return that copy to me.

Sincerely,



Gary D. Doyle
Site Manager-Morgan AM&T, Coudersport



Robert Sever – International Representative, IUE-CWA

February 12, 2004

Re: Implementation of Twelve-hour Shifts

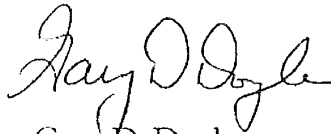
Dear Mr. Sever:

This letter is to confirm several aspects of the agreement on the twelve-hour shift schedule. The Company explained during negotiations that the availability of the schedule was critical to the plant's ability to bring in new work to replace possible declines in existing areas. It also explained that utilization of such a schedule would be very limited in the near future and, while it is not possible to predict future business, it is probable that only a minority of the workforce would be affected by the twelve hours shift schedule.

It was also agreed that the parties would re-examine the twelve-hour shift schedule during the negotiations for the next collective bargaining agreement.

Finally, it was agreed that for the term of the 2004-2007 agreement, the employees who are, as of the date of this letter, Baking Operators on eight-hour continuous shifts will not be required to accept a twelve-hour shift schedule, nor will they be displaced by employees on such a schedule. In other words, those Baking Operators now on continuous shifts will be able to stay on their current schedule during this agreement unless events other than the implementation of a twelve-hour shift schedule causes them to be displaced.

Sincerely,



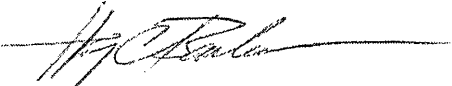
Gary D. Doyle
Site Manager-Morgan AM&T,
Coudersport

February 18, 2010

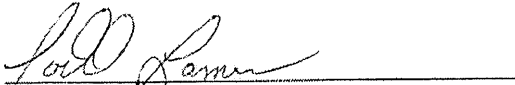
LETTER OF AGREEMENT

This letter shall set forth the understanding reached between I.U.E. Local 88612 (the "Union") and Morgan AM&T (the "Company") in the recently concluded negotiations regarding the Company's Incentive Compensation program. Specifically, it is the Company's current intention to maintain the existing Incentive Compensation program. However, the Company retains the sole and unilateral right to administer the program, implement changes, set all targets, and/or terminate the program. Nevertheless, before implementing any changes, setting any targets, or terminating the program, the Company will first meet with the Union to discuss the matter.

Sincerely



Harry Barber
Site Manager – Coudersport



Union President – Local 88612

Morgan AM&T, East Second St, Coudersport, PA 16915 (814) 274-8020

February 14, 2007


Re: Coudersport Maintenance Agreement


Dear Ms. Zimmer:

This letter is to confirm the agreement that we reached during the 2007 negotiations concerning the Coudersport Maintenance Agreement. In particular, it was agreed that the Maintenance Agreement would be continued during the term of the 2007-2010 collective bargaining agreement with wage rates adjusted to include the general wage increases and equity adjustment as provided in that collective bargaining agreement.

If you agree that this letter accurately sets forth the terms of our agreement on this subject, please sign a copy of this letter in the space provided below, and return that copy to me.

Sincerely,


Harry Barber
Coudersport Site Manager


Jean Zimmer 2/14/07
International Representative, IUE-CWA


February 18, 2010

Re: Special Retirement Payment

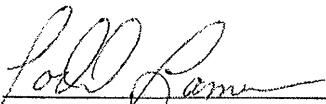
This letter is to confirm our agreement concerning a special retirement payment reached during the negotiations for the 2010-2013 agreement between the Company and the Union. Specifically, it was agreed that any employee who takes a Normal Retirement or Early Retirement under the Morgan AM&T pension plan during the term of the 2010-2013 agreement will be paid a special retirement payment in the gross amount of \$750.00. This benefit will not be available or carried forward beyond February 17, 2013.

If you agree that this letter accurately sets forth the terms of our agreement on this subject, please sign a copy of this letter in the space provided below and return that copy to me.

Sincerely,



Howard Mark Moore
H.R. Manager – Coudersport



Union President – Local 88612