

**Agreement Between**

**STRATTEC Security Corporation  
Milwaukee, Wisconsin**

**and**

**United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied  
Industrial and Service Workers International Union (USW),  
on behalf of its Local 2-232  
AFL-CIO, CLC**

**Effective:**

**September 18, 2018**

**to**

**September 17, 2021**

**THIS AGREEMENT** is made and entered this 18th day of September, 2018 by and between STRATTEC Security Corporation, its successors or assigns hereinafter referred to as “Company” and United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (USW) AFL-CIO, CLC, on behalf of its Local 2-232 hereinafter referred to as the “Union.” Pronouns used in this Agreement such as “he,” “his,” or “him” shall apply to both sexes and shall be so defined. In addition, the word “Union” when used in this Agreement shall refer to the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (USW) and its Local 2-232 both individually and collectively. Whenever notice to the Union is required by the terms of this Agreement, such notice requirement is satisfied by providing notice to Local 2-232, USW.

It is mutually agreed by and between the parties as follows:

## **ARTICLE I**

### **Recognition**

#### **Section 1 - Scope of the Bargaining Unit**

The Company recognizes the Union as the sole and exclusive bargaining representative for all regular full-time and part-time production and maintenance employees employed by the Company at its facility located at 3333 W. Good Hope Road, Glendale, Wisconsin, but excluding office employees, guards, technical and professional employees, sample submission employees, lab employees, including the Rapid Prototype Lab Technician, Tool Sample Technician, Supervisors, as defined in the National Labor Relations Act, for the purpose of collective bargaining with respect to wages, hours, rates of pay, working conditions and all other conditions of employment.

#### **Section 2 - Non-Discrimination for Union Activities**

Employees shall have the right to self-organization, to form, join or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities for the purpose of collective bargaining or other mutual aid or protection, and also shall have the right to refrain from any or all of such activities.

#### **Section 3 - Union Business on Company Time**

The Union agrees that it will not conduct, on Company time, any Union activities other than those of collective bargaining and handling of grievances in the manner and to the extent provided in this contract.

#### **Section 4 - Non-Discrimination (Generally)**

The Company will not discriminate in its employment practices against any employee or group of employees because of race, color, creed, age, sex, disability, sexual preference, national origin, or because he is a disabled veteran or veteran of the Vietnam era. The Union shall notify the Company of any complaint of harassment which it receives from an employee. The Union will not discriminate in its practices or administration of its rules and policies because of said factors

and will represent its members as well as non-members who are covered by this agreement, free of any discrimination.

## **ARTICLE II**

### **Membership**

#### **Section 1 - Union Security**

1. All employees of the Company who are subject to the terms of this Agreement, shall, upon completion of their probationary period, become and remain members of the Union in good standing as a condition of employment. Employees losing their good standing in the Union by reason of failure to pay their monthly dues and initiation fee, will not be retained in the employ of the Company and upon written notice from the Union to the Company that such employee is not in such good standing with the Union, the Company will, within five (5) working days of such notice terminate such employee and remove such employee from the payroll of the Company. During such five (5) working days, the Union agrees to meet with the Company for the purpose of discussion of the Union's request. If the employee pays his delinquencies during such five-day period, he need not be discharged, but no employee shall have this privilege more than twice during the life of this Agreement.
2. This clause shall be administered by both parties in conformance with State and Federal law.

#### **Section 2 - Probationary Period – Regular Employees**

New regular full-time employees of the Company, or former employees of the Company who have lost their seniority and have been rehired, shall be considered probationary employees until they have been in the employ of the Company for sixty (60) days of actual work, after which their seniority and employment continuity shall date back to their last date of hire. Based upon mutual agreement of the parties, the probationary period may be extended by thirty (30) days of actual work. Time lost from work due to an industrial injury shall not count toward the probationary period. It shall be solely within the discretion of the Company to decide whether or not a probationary employee is to be retained.

#### **Section 3 - Dues Deduction**

The Company agrees to deduct and check off from the wages of an employee who is subject to the terms of this Agreement, the Union initiation fees, and monthly dues as authorized and approved by the Union, upon receipt by the Company of the employee's signed authorization for the deduction of such initiation fees, and monthly dues and the assignment thereof to the Union. The Company shall not be required to make any checkoff which is in violation of law. All such deductions shall be made from each of the Company's weekly payrolls for that month's dues and shall be remitted to the Secretary-Treasurer of the International Union. An itemized statement in an agreed upon electronic format showing the index number of each employee and the amount deducted for each employee for monthly dues and initiation fees will be forwarded to the Secretary-Treasurer of the International Union as soon as possible.

#### **Section 4 - Dues Overcharge/Under Charge**

In the event of an overcharge to an employee, in the aforementioned deductions by the Company, and such overcharge has been remitted to the Union, the Union shall be responsible for the adjustment of such claims with the employee involved. In the event of an undercharge by the Company under the same circumstances, the Company shall make the additional necessary deductions from the first payroll of the following month and promptly remit the amount of such undercharge to the Secretary-Treasurer of the International Union.

#### **Section 5 - Hold Harmless**

In consideration for the Company entering into the Union Security and Dues Checkoff provisions, the Union hereby agrees to defend the Company from all court claims and indemnify and hold the Company harmless from all court assessed costs or liability arising from such claims to the extent that the Company has acted in conformance with the directives of the Union.

### **ARTICLE III**

#### **Part-Time Employees**

##### **Section 1 –Part-Time Employees**

The Company shall have the right to utilize part-time employees to replace employees who are absent for any reason on an hour-for-hour basis which hours may be replaced, anytime within the calendar week (Sunday through Saturday) of the absence or the succeeding calendar week in which the absence occurred (Sunday through Saturday). In addition, the Company may utilize part-time employees to fill vacancies in regular full-time positions. For the purpose of this article a vacancy shall be deemed to exist if the vacant position is subject to the transfer and job bidding provisions of this Agreement.

##### **Section 2 – Source of Part-Time Employees**

The Company, in its discretion, shall determine whether it will directly employ its own part-time workforce or utilize the services of a temporary agency to obtain part-time employees. Retirees from STRATTEC shall be eligible for part-time employment. If the Company decides to employ its own part-time workforce, it will afford priority to retirees and spouses and family members of current employees.

##### **Section 3 – Probationary Period for Part-Time Employees**

A part-time employee who is a direct employee of the Company (not an employee of a temporary agency) shall serve a probationary period which is the lesser of sixty (60) days of actual work or one hundred eighty (180) calendar days of employment from the employee's last date of hire by the Company. The sixty (60) days of actual work probationary period may be extended by thirty (30) days of actual work by mutual agreement of the parties. The probationary period shall be waived if the employee has been employed by the Company within the last three (3) years and was not terminated from their employment by the Company.

**Section 4 – Contract Coverage for Directly Employed Part-Time Employees.** A part-time employee who is a direct employee of the Company who has completed his probationary period or the probationary period has been waived shall be excluded from all provisions of the contract except for the following: Article II Membership; Article V Grievances; Article VI No Strike, No Lockout; and Article VII Discipline and Discharge;

In addition, part-time employees shall be eligible for the following:

1. Personal leave subject to the provisions of Article XVI, Section 1, of this Agreement.
2. Military leave, subject to the provisions of Article XIX, Section 9, of this Agreement.
3. Bereavement leave provided in Article XIX, Section 8.
4. Order leaves provided by state and federal law.
5. Part-time employees who have completed their probationary period shall be subject to discipline or discharge for just cause under Article VII of this Agreement. In the application of the just cause standard, the parties recognize the difference in the nature of the employment between a part-time and full-time employee and, as such, recognize that the Employer may apply its policies, procedures and work rules differently based upon the nature of part-time work.

**Section 5 – Layoff of Part-Time Employees**

Part-time employees in the affected department and job classification shall be laid off before a regular full-time employee is laid off from the department and classification. A laid off part-time employee shall not have access to the bumping provisions of this Agreement.

**Section 6 – Part-Time Employees Overtime**

A part-time employee shall not work overtime unless there are an insufficient number of regular employees who volunteer for the overtime. If there is an insufficient number of regular employees who volunteer and there is not a sufficient number of qualified part-time employees immediately available to perform the overtime work when it is required, the Company can assign regular employees to the overtime work in accordance with the terms of this Agreement. Notwithstanding the foregoing, a part-time employee may be offered and may work beyond his normal scheduled hours, if the specific job to which the part-time employee is assigned during his normal scheduled hours requires additional time to complete, before the work is offered to a regular full-time employee.

**Section 7 - Part-time Employees Considered for Full-Time Work**

If there is a vacancy in a regular full-time position, after the work transfer and posting provisions of this Agreement have been exhausted, the Company will consider part-time employees for the vacant position based upon their length of service as a part-time employee and their qualifications which include work experience on the vacant job or a related job, satisfactory

performance, attendance and safety record. If qualifications between interested part-time employees are substantially equal, length of service as a part-time employee will be controlling.

If a part-time employee is hired into a regular full-time position, his seniority for his rate of pay and benefit eligibility shall commence on the day he becomes a full-time employee and the employee's benefit entitlement shall be based upon the employee's initial date of hire as a part-time employee.

**Section 8 – Part-Time Employee Reporting**

On a biweekly basis, the Company shall provide the Union the following information: the total hours of absenteeism during the period, the hours worked by part-time employees and the job vacancies plant-wide. In addition, the Company will provide the names of and hours worked by part-time employees during the biweekly period.

**Section 9 - Rates of Pay for Part-Time Employees**

<u>Type of Part-Time Employee</u>	<u>Starting Rate</u>	<u>Completion of 500 Hours of Work</u>	<u>Completion of 1000 Hours of Work</u>
General Labor (Former STRATTEC Employee) (LG 18)	Contract Rate (LG18)	Contract Rate	Contract Rate
General Labor (LG 18)	80% (LG18)	90% of Rate	Contract Rate
Skilled Setup (Former STRATTEC Employee) (LG 12)	Contract Rate (LG12)	Contract Rate	Contract Rate
Skilled Setup (LG 12)	80% (LG12)	90% of Rate	Contract Rate
Skilled Trades (Former STRATTEC Employee) (LG 1A-8S)	Contract Rate (LG 1-8S)	Contract Rate	Contract Rate
Skilled Trades (LG 1A-8S)	Contract Rate (LG 1A-8S)	Contract Rate	Contract Rate

**ARTICLE IV**

**Representation**

**Section 1 – Plant Grievance Representative, Chief Steward, Stewards and Other Union Officials**

For the purpose of collective bargaining, the Union and the employee shall be represented as follows:

1. By Union stewards representing employees in a department or group of departments, each steward to be working in one of the departments he represents. When there is more than

one steward in any department or group of departments, no more than one such steward shall be assigned to the handling of grievances from a definite area or for a specific group of employees. If a department does not have a steward or the steward is absent, an employee may go to a steward in the nearest department.

2. The number of stewards in a department or group of departments shall be determined by the Union.
3. By a Plant Grievance Representative or Chief Steward who shall act only in the absence of the regular Grievance Representative.
4. The designation of Grievance Representative shall be by the Union.
5. By a Bargaining Committee consisting of not more than six (6) members, who are employees of the Company and who are elected by members of the Union, who are likewise employees of the Company, and a Chairperson, who is appointed by the Union and is included as one of the six (6) members.
6. By the Chairperson of the Bargaining Committee, International Representative and/or any other member of the Bargaining Committee who may assist the Grievance Representative at any meetings.
7. By International Union officers and/or representatives, not to exceed three (3) who may at any time participate and assist the Bargaining Committee in meetings with Company Representatives.
8. The President of the Union, Chairperson of the Bargaining Committee, International Representative and Grievance Representative shall have access to any plant location upon prior notice to the Human Resources representative or his designated Company Representative when circumstances make such notice possible.

## **Section 2 – Union and Company Bargaining Committees**

In negotiations with the Union Bargaining Committee, the Company's representatives shall not exceed six (6).

## **Section 3**

The Company shall furnish to the Union Office and Grievance Representative the names of the Human Resources representative, and all other designated Company representatives, including Supervisors, with whom the Union shall deal in handling grievances or other matters. The Human Resources Department will furnish the Grievance Representative and/or Chief Steward, an up-to-date seniority list within a reasonable period of time and upon request the Supervisor shall provide the steward of the department, a departmental seniority list. The Union shall furnish to the Company the names of all stewards, Grievance Representatives, Chief Stewards, Bargaining Committee members and officers of the Local Union. Each party shall notify the

other in writing of any changes which may take place from time to time. The Company will provide the Union the names of all Company Vice Presidents located at the Milwaukee facility.

## **ARTICLE V**

### **Grievances**

#### **Section 1 – Grievance Defined and Grievance Procedure**

Complaints or grievances which may arise between the Company and the Union, or between the Company and any employee or group of employees, shall be handled in the following manner:

A grievance or complaint shall not be considered unless presented within seven (7) of the employee working days from when the employee became aware or reasonably should have become aware of the event giving rise to the grievance.

**STEP 1:** An employee having a complaint or grievance, shall have the right, initially, to present the complaint or grievance verbally and directly to his Supervisor or to have such complaint or grievance presented verbally to the Supervisor by his steward. Although the Company agrees that it will deal only with the designated representative of the Union on such matters as are properly a subject for collective bargaining, it is the desire and the intention of both the Company and the Union that minor routine complaints or grievances of individual employees shall be disposed of as promptly as possible by the Supervisor. The Supervisor shall respond within three (3) workdays of the initial discussion. If a complaint or grievance is not settled in this step of the grievance procedure, it shall not preclude the aggrieved employee from requesting the Grievance Representative to intervene, or from filing a written grievance under Step 1-A.

**STEP 1-A:** Employees having a complaint or grievance may elect originally to file their complaint or grievance as a written grievance with their steward, and omit Step 1 set forth above. In such case, the written grievance or complaint, in order to be considered, must be filed within seven (7) of the employee's working days from when the aggrieved employee became aware or reasonably would have become aware of the event giving rise to the grievance. All written grievances shall be made out on triplicate grievance forms provided by the Union and must include the employee's index number and be signed by the aggrieved employee or employees. The written grievance shall set forth the section(s) of the contract, if any, alleged to be violated and the remedy requested, provided, however, the written grievance may be altered or expanded in the pre-arbitral steps of the grievance procedure. The third (3rd) copy shall remain in the grievance book. The steward will present the second (2nd) copy to his Grievance Representative and the original copy to the Supervisor, and with the Supervisor attempt to bring about a settlement of the grievance. At this discussion the steward may also request the presence of his Grievance Representative. Either the Supervisor, steward or the Grievance Representative may request and obtain the presence of the aggrieved employee at this step of the grievance procedure. A written answer to the grievance shall be furnished to the steward and the grievance representative by the Supervisor within three (3) working days after the discussion of the grievance has been concluded.



**STEP 2:** In the event that no settlement can be reached in Step 1-A above then the Grievance Representative may take up the matter with the Human Resources representative or his designated Representative by filing a written notice of appeal with the Human Resources Department. The appeal to be timely must be filed in writing within seven (7) working days of the Company's answer in Step 1-A above. A meeting will be held within seven (7) working days of receipt of the Union's notice of appeal. The Company may have a representative of the Human Resources Department present at this step and, at its discretion, may request the presence of the Supervisor or other Company representatives. The Grievance Representative may request the presence of the steward and/or the grievant(s). At the request of the Grievance Representative, the steward and/or employee or employees', appropriate Supervisor, or other Company Representatives will be called in by the Plant Manager or his or her designee. A written response to the grievance or complaint shall be furnished to the Grievance Representative by Human Resources or other designated Company Representative within three (3) working days after the discussion of the grievance has been concluded.

**STEP 3:** In the event that the grievance or complaint is not satisfactorily settled in Step 2, above, the Bargaining Committee of the Union may appeal the grievance by giving written notice of the appeal to the Company within seven (7) working days of the Company's Step 2 answer. A meeting shall be scheduled between representatives of the Union bargaining committee and designated representatives of the Company within twenty (20) calendar days of the Union's written notice of appeal. The Company shall furnish to the Grievance Representative a written third step response within ten (10) calendar days from the conclusion of the third step discussions. Discharge grievances by employee or general policy grievances shall be taken up commencing at this step of the grievance procedure. Although it is contemplated that meetings between the Company and the Union shall be restricted to the meetings designated above, meetings at this step may be called by either party on shorter notice in the event of emergency.

## **Section 2 – Arbitration**

1. Grievances between the two (2) parties shall be deemed arbitrable unless it is determined that the dispute does not arise out of the interpretation or application of this Agreement. If new evidence is found after the 3rd step of the grievance procedure, the party finding the new evidence must notify the other party prior to arbitration.
2. If a backlog of arbitration cases occurs, the Company and Union will schedule a meeting and make a good faith attempt to settle all outstanding grievances. The parties, by mutual agreement, may designate a private mediator to assist them in resolving grievances in dispute. The expense of the mediator and any other costs associated with this process shall be shared equally by the parties. The findings of the mediator, if any, shall not be binding upon the parties. In addition, all matters discussed shall be deemed to be settlement discussions and shall not, therefore, be offered as evidence by either party in any arbitration, agency or court proceeding. Moreover, the parties' attorneys shall not participate in the process.

3. No more than one (1) grievance shall be considered by an arbitrator in any one arbitration proceeding unless mutually agreed to by the parties.
4. Should there be no settlement of a grievance(s) or complaint(s) after the outlined steps of the grievance procedure have been exhausted and the Union intends to submit such grievance to arbitration, the Union must file a notice of intent to arbitrate with the Company within thirty (30) calendar days after the Company's answer in Step 3 of the grievance procedure. The time limit may be extended to up to forty-five (45) calendar days only based upon the mutual agreement of the parties, which agreement shall be reduced to writing. The Union's notice of intent to arbitrate shall be in writing and shall be submitted to the Human Resources representative.

### **Section 3 – Selection of the Arbitrator**

1. An arbitrator shall be selected by mutual agreement of the parties, or, if no such agreement can be reached within five (5) working days after the Union's written notice of intent to arbitrate is provided, the Union shall request a panel of seven (7) arbitrators from the Federal Mediation and Conciliation Service. Such request must be made within thirty (30) calendar days after the notice of intent to the Company or the grievance shall be considered settled. The arbitrator shall be selected from the panel by each party alternatively striking a name from the panel until only one (1) name remains. The Union shall strike first. Notwithstanding the foregoing, each party shall have the right to reject one (1) panel. The actual cost of the arbitrator, FMCS fees to initiate arbitration, stenographer, and arbitration facility shall be equally assumed by the parties.
2. The decision of the arbitrator shall be final and binding upon the Union, the Company, and the aggrieved employee(s). The arbitrator shall have no authority to add to, subtract from or otherwise alter the terms of this Agreement.

### **Section 4 – Extension of Time Limits for Grievance Processing**

1. For the purpose of this Article, a workday is defined as Monday through Friday when the plant is operating.
2. The time limits set forth in this provision may be extended by mutual agreement of the parties which agreement shall not be unreasonably withheld by either party.
3. Agreements to extend any time limit shall be properly documented and signed by the parties. Time limits set forth in this Article shall not apply to wage rate or job classification evaluation grievances with the understanding that the Company's liability, if any, shall not commence until the filing of the grievance.

### **Section 5 – Compliance with Time Limits**

The parties agree to follow each step of the grievance procedure. A grievance must be filed in accordance with the time limits set forth in Step 1-A of the grievance procedure and the time limits set forth in Section 2 and Section 3 of this Article, otherwise the grievance will be deemed

null and void. Once filed, a grievance will move to Steps 2 and 3 of the grievance procedure in accordance with the time limits for each of the respective Steps.

### **Section 6 - Expedited Arbitration**

In the case of a discharge, the parties by mutual agreement may invoke an expedited arbitration process which requires the following:

1. The arbitrator shall be selected by mutual agreement of the parties. In selecting an arbitrator, the parties will endeavor to secure the services of an arbitrator who is acceptable and who has the most immediate availability;
2. The parties will submit their post-hearing briefs, if any, to the arbitrator within thirty (30) calendar days from receipt of the transcript. Such briefing schedule shall be adhered to unless there are substantial grounds for extending the date, but under no circumstances may the arbitrator extend the date for filing more than an additional thirty (30) calendar days;
3. The arbitrator shall render his award thirty (30) days from the due dates for filing of post-hearing briefs or any extension thereof, unless such period is extended by mutual agreement of the parties.

### **Section 7 – Union Representative’s Right to Process Grievance on Working Time**

The Grievance Representative and Chief Steward and may leave their job to attend meetings, investigate grievances or perform other official union business in accordance with the following procedure.

1. The Union representative and/or employee seeking representation shall, prior to leaving their job, notify their supervisor of the need to leave their job and request that they go on Union business. The request shall include a statement as to the approximate time it will take to conduct the activity. If the request cannot be granted at that time, the supervisor will arrange with the representative and/or employee a convenient time to leave his/her job. The Company may implement a log book to facilitate this process.
2. An employee or Union representative, upon leaving his/her job, shall immediately punch out and upon their return shall punch in and notify their supervisor of their return.
3. When a steward leaves his/her work for the purpose of taking up a grievance with his supervisor or a Grievance Representative, or Chief Steward leaves his/her job for the purpose of taking up a grievance with the Human Resources Representative or other designate Company representative, they will be paid for time lost. An employee, upon receiving permission from his supervisor to leave his/her job, shall be paid for lost time at their regular hourly rate.

**Section 8 – Local Union President’s Right to Attend Meetings**

The President of the Local Union is a member ex–officio of all committees and chairman of the Bargaining Committee, and shall have the right to attend any and all meetings held between the Company and the Bargaining Committee.

**Section 9 – Union Bargaining Committee Pay for Attendance at 3rd Step Meetings**

Each member of the Bargaining Committee shall be paid by the Company up to a maximum of twelve (12) hours per month for third step meetings.

**ARTICLE VI**

**No Strike and No Lockout**

The Union agrees that employees, both individually and collectively, will not, during the term of this Agreement, participate in or recognize any sympathy strike, nor will it authorize, approve or participate in any slowdown, strike, work stoppage, boycott or other interruption or interference with the Company, its business, or its operations or engage in a corporate campaign or handbilling directed to the general public which derogates the Company, its representatives and employees, its products and/or customers relative to any dispute amenable to the grievance and/or arbitration provisions of the labor agreement. An employee who participates in the conduct prohibited by this section, whether individually or in concert with others, shall be subject to immediate termination.

The Company agrees to provide written notification to the Union of any violation of this section, and the Union agrees that it shall take the necessary action in a good faith effort to terminate the prohibited activity.

The Company agrees that for the same period there shall be no lockouts.

**ARTICLE VII**

**Discipline and Discharge**

**Section 1**

Any employee who is to be sent home or disciplined by a layoff or discharge shall be advised by the Company that he may request and obtain the presence of the Grievance Representative or the steward for his department to discuss the case with him before he is required to leave the plant.

**Section 2**

Any employee who is to be interviewed for purposes of an investigation which could lead to the employee's discipline, after he has been sufficiently informed of the subject of the interview shall be advised by the Company that he may request and obtain the presence of the Grievance Representative or the steward for his department during such interview. If, as a result of such interview, a grievance is filed by the employee, the grievance shall be submitted to the grievance procedure beginning at the second step of the grievance procedure. If a written complaint or

memorandum of discipline is made in an active employee's personnel file, a copy of such notation shall be submitted to the Grievance Representative and employee concerned.

### **Section 3**

1. Employees with seniority will not be disciplined or discharged without just and sufficient cause. The Company will notify the Union Office and Grievance Representative in writing of any discharge within two (2) working days (Monday through Friday). A copy of the written notice shall also be provided to the employee. A failure to comply with this Section will only result in an automatic extension of the time in which a grievance may be filed which extension shall be for a like period as the delay.
  
2. A grievance regarding discharge for insufficient cause shall be made in writing, signed by the discharged employee, and shall be delivered to the Human Resources Department within five (5) working days after the discharge or within five (5) working days after the Union Office and Grievance Representative have been given written notice of the discharge. Such grievance shall be a proper matter for the grievance procedure starting at the third step. Employees found to have been unjustifiably discharged, shall be reinstated to their job with full seniority. If the arbitrator determines that back-pay is warranted he shall determine the back-pay period. Grievances with respect to discipline other than discharge shall be handled starting at the second step of the grievance procedure.

### **Section 4 - Attendance/Tardy Policy**

1. Unless otherwise provided, all absences and tardies shall be handled on a point accumulation system as follows:
  - a. Tardy or leaving early one (1) hour or less = 1/3 point.
  - b. Tardy more than one (1) hour, but four (4) hours or less = 2/3 point.
  - c. Leaving early after working four (4) hours or more = 2/3 point.
  - d. Each absence/occurrence of more than four (4) hours unless specifically excepted in this Article = 1 point.
  - e. Failure to notify the Company via the STRATTEC Tardy and Absence Reporting System ("STARS") one (1) hour prior to the employee's shift start time that the employee will be absent from work unless the employee is physically unable to make the call = 1 point.
  - f. Failure to report for an extra day mandatory overtime assignment or for an extra day overtime assignment that was offered by the Company and accepted by the employee = one (1) point.
  
2. Exceptions for which no points are assessed are limited to the following:

- a. Holidays, unless scheduled to work.
  - b. Vacations, scheduled and with proper Company approval.
  - c. Leaves of absence if approved by the Company.
  - d. Medically documented worker's compensation injuries or illnesses.
  - e. Leave taken in accordance with the terms of the Wisconsin and/or Federal Family and Medical Leave Law or any other applicable law. Any claimed violation of such law(s) shall not be subject to arbitration.
  - f. Approved Company business.
  - g. Official Union business.
  - h. Lack of work.
  - i. Disciplinary suspensions.
  - j. A partial day immediately preceding a paid bereavement leave.
  - k. Where an employee is subpoenaed as a witness in a matter in which they are not a party.
  - l. Medical appointments scheduled outside of regularly scheduled hours prior to notice of a change in such hours. Proper documentation must be supplied no later than the employee's second workday following the appointment.
3. Consecutive days off for the same verified illness will be considered as a single incident of absence rather than a daily absence and only one (1) point will be assessed for the entire absence provided that the employee supplies satisfactory medical certification. Non-consecutive days off for the same verified illness will also be considered on an incident basis rather than a daily basis, provided that the employee has not returned to work for more than two (2) days. For example, an employee, off ill with the flu for two (2) consecutive days who returns to work for two (2) days and then is absent the following day due to the same flu, would receive only one (1) point for that entire incident provided proper medical documentation is provided substantiating that the absence was related to the same illness, and that the employee was treated during the period of absence. Such documentation must be provided to the Company no later than the employee's fifth (5th) workday after returning to work, unless during this five (5) day period the time is extended by mutual agreement of the Company and the employee.
4. The following progressive discipline steps are included in the program:

**STEP 1:** An employee who accumulates less than five (5) points will receive no disciplinary action.

**STEP 2:** An employee who accumulates five (5) or more points but less than six (6) will receive a first written warning.

**STEP 3:** An employee who accumulates six (6) or more points but less than seven (7) will receive a second written warning.

**STEP 4:** An employee who accumulates seven (7) or more points but less than eight (8) will receive a third and final written warning.

**STEP 5:** An employee who accumulates eight (8) or more points will be subject to immediate termination.

5. An employee who accumulates three (3) final written warnings in an eighteen (18) month period of active employment shall be subject to termination.
6. The Company shall notify an employee of any discipline to be administered pursuant to this policy no later than twenty-one (21) calendar days after the occurrence which triggered the discipline which period is to be extended by any period of time the employee was absent from work for one (1) day or more. It is understood by the parties that any intervening loss of point(s) after the occurrence shall have no affect whatsoever upon the discipline to be administered.
7. The above policy shall be administered on a twelve (12) month rolling calendar basis. Time off for layoffs and leaves is considered dead time and will not be counted towards the twelve (12) month rolling period.
8. Any month an employee is on “active” status for fifteen (15) or more calendar days will be counted as a full month towards the employee’s twelve (12) month rolling calendar. Attendance points shall be applied whether the month in which the incident occurs is counted toward the rolling calendar or not.
9. In addition, an employee, who has three (3) consecutive months of active employment without a violation of the program shall have one (1) point reduced, but under no circumstances shall an employee’s points be reduced below zero. The three (3) consecutive month period shall not be broken by a leave of absence, which does not, itself, result in the assessment of a point or a layoff, provided the leave or layoff does not exceed six (6) months. The point reduced shall be the oldest point on the employee’s record.
10. An employee who is unable to report for work for any reason, must notify the Company via STARS as soon as possible, but not less than one (1) hour prior to the start time of his scheduled shift, unless they are physically unable to do so. A failure to do so will result

in the assessment of one (1) point in addition to the one (1) point assessed for the absence (failure to report).

11. An employee who's seniority entitles him to three (3) or more weeks of vacation per vacation year will be allowed to back-charge up to two (2) vacation days per calendar year for days of absence (except the scheduled day before or after a holiday) provided the Human Resources Department is notified via the STARS system. The two (2) back charge days can be taken in a full day, a one-half (1/2) day or two (2) hour increments. The increment elected shall be deemed to be the equivalent of one (1) full back charge day. For example, an employee who takes one (1), two (2) hour increment or a one-half (1/2) day increment shall be deemed to have used one (1) full back charge day. The employee has until the end of their regularly scheduled shift to submit the back-charge form to their Supervisor. Employees following these procedures shall not have the absence count as an occurrence under the attendance policy.
12. When an employee's absentee record reaches Step 5, the Company, in its sole discretion, may decide to mitigate the termination imposed under this program. In the exercise of its discretion, while the Company may mitigate in one case it shall not be obligated to mitigate in another. As such, all mitigations shall be deemed to be granted on a non-precedent setting basis and shall not be admissible as evidence in any arbitration case or referred to in other cases of discipline, including terminations, under the program except a case involving the same employee arising out of additional violations of the attendance policy. Likewise, the Company may mitigate lesser discipline imposed under the program under the same conditions which mitigation shall not be precedent setting.
13. In the event the employee objects to the administration of a warning, prior to termination, under this policy, the employee must invoke the grievance procedure by the filing of a timely grievance provided however that the Union's failure to submit to arbitration any grievance filed by an employee relating to a warning will not, of itself, establish that the warning was proper. In the processing of any grievance that may arise hereunder, the Company agrees to furnish to the Union, at its request, all relevant information concerning said grievance.

## **ARTICLE VIII**

### **Hours of Work**

#### **Section 1 – Normal Workweeks**

The normal workweeks shall consist of the following: forty (40) hours which shall be worked in five (5) workdays of eight and one-half (8 1/2) hours each inclusive of a thirty (30) minute unpaid lunch period or forty (40) hours which shall be worked in five (5) consecutive workdays of eight (8) hours each, inclusive of an eighteen (18) minute paid lunch, or a workweek consisting of four (4) workdays of ten (10) hours each inclusive of an eighteen (18) minute paid lunch.



## **Section 2 – Eight (8) Hour Shifts – Continuous and Non-Continuous Workweek Schedules**

1. The normal workweek for a non-continuous five (5) day eight and one-half (8 1/2) hour shift inclusive of a one-half (1/2) hour unpaid lunch period, shall be assigned the following workweeks:
  - a. Sunday through Thursday (third shift)
  - b. Monday through Friday (first and second shift)
2. The Company may also schedule a continuous eight (8) hour shift inclusive of a paid lunch. The continuous eight (8) hour shift shall consist of five (5) consecutive workdays of eight (8) hours each which includes a ten (10) minute rest period in the first one-half (1/2) of the shift and an eighteen (18) minute paid lunch period. The respective workweeks for the continuous eight (8) hour shift shall be as follows:
  - a. Sunday through Thursday (third shift)
  - b. Monday through Friday (first and second shift)

## **Section 3 – Alternative Eight (8) Hour Shift Workweek**

An alternative workweek consisting of five (5) consecutive workdays scheduled in either an eight (8) hour shift inclusive of an eighteen (18) minute paid lunch or eight and one-half (8 1/2) hour shift, inclusive of a one-half (1/2) hour unpaid lunch, may be scheduled by the Company:

1. In addition to the normal five (5) consecutive workday shifts described in Section 2, above, the Company may schedule, either plant-wide or by department, an alternative five (5) workday, eight (8) hour or eight and one-half (8 1/2) hour per day shifts which may start on any day of the calendar week and continue for five (5) consecutive days provided, however, that an employee cannot be scheduled for work more than one (1) day over a weekend (Saturday or Sunday).
2. The Company will not implement the alternative five (5) workday, eight (8) hour or eight and one-half hour (8 1/2) shift in a department until production exceeds equipment capacity, utilizing the normal workweeks described in Section 1 of this Article.
3. The Company shall discuss the transition to an alternative five (5) consecutive day, eight (8) hour or eight and one-half (8 1/2) hour shift workweek with the Union prior to its implementation to address union concerns arising from its implementation, provided that such discussion does not unreasonably delay the implementation.

## **Section 4 – Staffing for the Alternative Workweek**

The Company agrees to staff the alternative five (5) consecutive, eight (8) hour or eight and one-half hour (8 1/2) shift workweek as follows:

1. First, the Company shall seek volunteers from the classification and department in which work is required in order of an employee's seniority.
2. If there are an insufficient number of employees who volunteer, the Company may assign employees in inverse order of seniority within the department and classification in which the work is required unless there is a need to increase the workforce based upon increased production requirements. In which case the Company will post the vacant positions. If there are not a sufficient number of qualified bidders the Company may hire from the outside.

#### **Section 5 - Four (4) Consecutive Ten (10) Hour Day Workweek**

1. The Company may schedule either plant-wide or by department a four (4) ten (10) hour per day shift, which may start on Monday or Tuesday of the calendar week and continue for four (4) consecutive days.

The Company will staff the workweek as follows:

- a. First, the Company will seek volunteers from the shift classification(s) and department(s) in which work is to be performed in order of their seniority.
- b. If there are an insufficient number of volunteers the Company may assign employees in inverse order of seniority from within the department and classification where work is required.
- c. The Company shall discuss the transition to a four (4), ten (10) hour (4/10's) workweek with the Union prior to its implementation, provided such discussion does not unreasonably delay its implementation.

#### **Section 6 – Extra Day Assignments**

Employees on an alternative five (5) consecutive day workweek may be assigned to work on the sixth (6th) workday of their scheduled workweek, two (2) times in a calendar month, but not to exceed twelve (12) in number during the year. Employees cannot be assigned to their sixth (6th) day of work if the workday adjoins a holiday weekend, Easter weekend or the opening weekend of Wisconsin gun deer hunting season. Employees assigned to a four (4) consecutive day, ten (10) hour shift may be assigned to work on the fifth (5th) day of their workweek, two (2) times in a calendar month but not to exceed twelve (12) in number during the calendar year. Employees assigned to a consecutive four (4) day ten (10) hour shift cannot be assigned to their (5th) workday if the 5th workday adjoins a holiday weekend, Easter weekend or the opening weekend of Wisconsin gun deer hunting season. The twelve (12) in number limitation shall not apply to the skilled trades extra day assignments.

#### **Section 7 – Start Times for Five (5) Day, Eight (8) Hour Workweeks and Ten (10) Hour Workweek**

1. The start times for employees on a five (5) day, eight and one-half (8 1/2) hour day schedule which includes a one-half (1/2) hour unpaid lunch shall be as follows:

The normal start times for weekday and weekend shifts shall be as follows:

**Weekday and Weekend Shifts (8 1/2 Hour Shifts)**

1st Shift 6:00 a.m.  
2nd Shift 2:00 p.m.  
3rd Shift 10:00 p.m.

**Weekend Shifts of 6 Hours**

1st Shift 4:00 a.m.  
2nd Shift 10:00 a.m.  
3rd Shift 10:00 p.m.

2. The normal start times for employees on a continuous eight (8) hour shift inclusive of a paid lunch are as follows:

**Weekday and Weekend Shifts (8 Hour Shifts)**

1st Shift 6:00 a.m.  
2nd Shift 2:00 p.m.  
3rd Shift 10:00 p.m.

**Weekend Shifts of 6 Hours**

1st Shift 4:00 a.m.  
2nd Shift 10:00 a.m.  
3rd Shift 10:00 p.m.

3. The normal start times for a ten (10) hour workday and weekend shifts consisting of ten (10) Hours shall be as follows:

**Weekday**

1st Shift: 5:00 a.m. to 3:00 p.m.  
2nd Shift: 3:00 p.m. to 1:00 a.m.

**Weekend**

1st Shift: 5:00 a.m. to 3:00 p.m.  
2nd Shift: 3:00 p.m. to 1:00 a.m.

**Section 8 –Non-Guaranteed Workweeks**

The workweek and shift schedules set forth in this article do not constitute a guarantee of any minimum number of hours per day or per week. With the exception of workweeks for part-time employees, the Company may not reduce a workday below eight (8) hours or a workweek below forty (40) hours solely for the purpose of work spreading or work sharing to avoid the layoff provisions of the contract, except as otherwise provided in this Agreement.

**Section 9 – Variance in Shift Start Times**

The Company may vary the shift start times listed above by up to one (1) hour (with the mutual agreement of the employee(s) subject to the variance) on either side of the normal scheduled start time by department, by partial department, and/or shift and/or by individual employee. The Union will be notified by the Company of any one (1) hour shift start time variance agreed to by an employee. It is understood that there may be special operations which due to the characteristics of the job or temporary conditions that may require that a shift be scheduled at a start time which varies from the above.

**Section 10 – Pyramiding of Overtime**

There shall be no pyramiding of overtime pay.

**Section 11 – Premium Pay – Five (5) Day, Eight and One-Half (8 1/2) Hour and Eight (8) Hour Shifts**

The parties agree to the following premium pay obligations:

1. One and one-half (1-1/2) times an employee’s regular earnings shall be paid for:
  - a. All time worked in excess of eight (8) hours of work in any one day;
  - b. All time worked in excess of forty (40) hours in any one week;
  - c. All work performed on the sixth day of an employee’s workweek, provided the employee has worked his normal scheduled workweek or has received a paid day(s) off within the workweek.
  
2. Two (2) times an employee’s regular earnings shall be paid for:
  - a. All time worked on the seventh day of an employee’s scheduled workweek, provided the employee has worked his scheduled workweek or received a paid day(s) off within his workweek and has worked on the sixth (6th) scheduled day of his workweek.
  - b. All time worked on Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Friday after Thanksgiving, Christmas Eve Day, Christmas Day, New Year’s Eve Day and New Year’s Day. Christmas Eve Day, Christmas Day, New Year’s Eve Day and New Year’s Day shall be scheduled each year of the contract and the day on which each holiday is scheduled shall be the double time (2x) day. If a holiday falls outside of an employee’s normally scheduled workweek, the employee shall receive holiday pay, but shall not be entitled to a day off of work.
  - c. All time worked by employees covering hours for another shift on their seventh day of work in their workweek or on a holiday. This clause shall not apply to pre- and post-shift overtime.

**Section 12 - Premium Pay for Four (4) Day, Ten (10) Hour Workweek Schedule**

1. Time and one-half (1-1/2) an employee’s straight-time earnings shall be paid for:
  - a. All time worked in excess of ten (10) hours;
  - b. All time worked in excess of forty (40) hours in any workweek;

- c. All work performed on the fifth and sixth day of an employee's workweek, provided the employee has worked his normal scheduled workweek or has received a paid day(s) off within his scheduled workweek.
2. Two (2) times an employee's regular earnings shall be paid for all time worked on the seventh day of their normal workweek provided the employee has worked or received a paid day(s) off within his normal scheduled workweek and has worked on his fifth and sixth days of his workweek.
3. All time worked on Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Friday after Thanksgiving, Christmas Eve Day, Christmas Day, New Year's Eve Day and New Year's Day. Christmas Eve Day, Christmas Day, New Year's Eve Day and New Year's Day shall be scheduled each year of the contract and the day on which each holiday is scheduled shall be the double time (2x) day. If a holiday falls outside of an employee's normally scheduled workweek, the employee shall receive holiday pay, but shall not be entitled to a day off of work.

## **ARTICLE IX**

### **Holidays**

#### **Section 1 - Holidays**

The Company will pay employees for the holidays of Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Friday after Thanksgiving, Christmas Eve Day, Christmas Day, New Year's Eve Day, and New Year's Day, not worked.

#### **Section 2 – Holiday Pay**

Pay for any holiday period not worked will be for eight (8) hours or ten (10) hours, depending on the employee's normal scheduled shift hours, at the employee's straight-time hourly rate of pay (including shift pay). Payment will be made provided the employee has seniority prior to the start of the holiday period and has performed his scheduled hours of work on his last scheduled workday prior to and his first scheduled workday after the holiday period. An employee who is on authorized leave of absence or vacation, jury duty, bereavement leave, military duty, absent because of industrial and non-industrial injury or verifiable illness, emergency, layoff, or extreme weather conditions, or late less than one (1) hour shall be considered to have worked.

#### **Section 3 – Holiday Pay Eligibility**

It is further provided that to be eligible for payment the employee must have otherwise performed work for the Company at some time in the half of the month in which the holiday occurs, the first half ending on the 15th and the second half ending on the last day of the month. However, for the Fourth of July holiday only, an employee shall be entitled to holiday pay provided he meets the last day - first day work requirement, has the required seniority on June 30th and has otherwise performed work for the Company in the second half of June or the first half of July. Time will be considered as worked in the half of the month when an employee is off due to vacation or emergency leave of absence.

**Section 4 – Day on Which Certain Holidays Shall be Scheduled**

If a holiday falls on a Saturday, the preceding Friday shall be observed as the holiday. If a holiday falls on a Sunday, the following Monday shall be observed as the holiday, except for Christmas Eve Day, Christmas Day, New Year’s Eve Day and New Year’s Day which shall be scheduled each year of the contract by the Company. The schedule for December 24, 2018 through December of 2020 is as follows:

	<b><u>2018</u></b>	
Christmas Eve Day		December 24, 2018 (Monday)
Christmas Day		December 25, 2018 (Tuesday)
New Year’s Eve Day		December 31, 2018 (Monday)
New Year’s Day		January 1, 2019 (Tuesday)
	<b><u>2019</u></b>	
Christmas Eve Day		December 24, 2019 (Tuesday)
Christmas Day		December 25, 2019 (Wednesday)
New Year’s Eve Day		December 31, 2019 (Tuesday)
New Year’s Day		January 1, 2020 (Wednesday)
	<b><u>2020</u></b>	
Christmas Eve Day		December 24, 2020 (Thursday)
Christmas Day		December 25, 2020 (Friday)
New Year’s Eve Day		December 31, 2020 (Thursday)
New Year’s Day		January 1, 2021 (Friday)

**Section 5 –Pay for Holidays Worked**

In the event that work is performed on any of the holidays mentioned in Section 1 of this Article, double time (2x) for work performed on such days will be paid to such employee in addition to the straight time pay which they are to receive for no work on such holidays unless the holiday is moved to another day of the workweek under Section 4 above in which case double time would be limited to the day on which the holiday is celebrated. Second shift employee whose work carries over into the holiday by virtue of beginning on the day previous to a holiday and ending during the holiday will be considered to have worked only on the day previous to the holiday and not on the holiday for the purpose of this section. The holiday for third shift employees will be scheduled on the shift commencing on the eve of the holiday and continuing into the day of the holiday unless changed by mutual agreement of the parties.

**Section 6 – Holiday Defined**

All holidays mentioned in Section 1 of this Article shall be from 12:00 midnight at the end of the day preceding the holiday to 12:00 midnight on the day of the holiday, unless changed by mutual agreement of the parties.

## **ARTICLE X**

### **Report Pay**

When employees are sent home before having worked four (4) hours after having been permitted to come to work without having been notified not to report for work, they shall receive a minimum of four (4) hours pay at their regular earnings. In such event such employee may be assigned to any work which they might reasonably be expected to perform. This section shall not apply if the Company has made reasonable effort to give such notice or is prevented from doing so by conditions beyond its control.

## **ARTICLE XI**

### **Emergency Call-In Pay**

1. In the event it becomes necessary to call in employees for emergency work, they shall be paid one (1) hour for coming to the plant and one (1) hour for returning home following the call, or one (1) hour if the employee does not return home and continues to work his regular shift hours. All such time is to be paid on an overtime basis regardless of the number of hours the employee works on his regular shift. In addition to travel time, the employee will be paid for actual hours worked.
2. The above applies only in case of an emergency, and does not apply to work done by an employee outside of his regular hours, and/or when such work and hours having been pre-arranged and the employee was notified of the work and hours.

## **ARTICLE XII**

### **Overtime Assignment**

#### **Section 1 – Procedure for Assignment of Overtime**

When daily, weekend or holiday overtime is required such overtime shall be distributed pursuant to the following procedure:

1. Daily Overtime (Production)
  - a. Employee(s) assigned to a job and the shift which requires daily overtime work shall be required to work the overtime, subject to the limitation set forth below.
  - b. If additional employees are required, employee(s) in the department holding the classification and shift requiring the daily overtime work shall be offered the overtime in order of their seniority, provided they are qualified to perform the work.

- c. If additional employees are required, employees in the department and the shift requiring the overtime, who are qualified to perform the work shall be offered the work in order of their seniority.
- d. If there still is an insufficient number of employees who volunteer, employee(s) on the shift requiring the overtime, plant-wide, shall be offered the overtime, in order of their seniority, provided they are qualified to perform the work.
- e. Where an insufficient number of employees have volunteered to perform the available daily overtime work, the overtime shall be assigned in reverse order of seniority to the pool of employees defined by rule (2) above.
- f. In lieu of the above, the Company shall have the right to schedule an entire classification of employees within a department to overtime and assign employees within the classification and department to the available overtime subject to the limitations set forth below.

## 2. Weekend and Holiday Overtime (Production)

- a. Employees assigned to the job classification, department and shift which requires the overtime shall be offered the overtime opportunity first in order of their seniority.
- b. If additional employees are required, employees assigned to the department and the shift shall be offered the overtime in seniority order, provided they are qualified.
- c. If there are an insufficient number of volunteers, employees in the job classification and department, but assigned to shifts other than the shift that requires the overtime, shall be offered the overtime opportunity in order of their seniority.
- d. If additional employees are required employees in the department, but not in the classification, on other shifts, shall be offered the overtime in order of their seniority, provided they are qualified.
- e. If additional employees are still required, the overtime shall be offered in order of seniority to the following employees, provided they are qualified, in the order set forth below:
  - 1) First to employees plant-wide on the shift which requires the overtime.
  - 2) Second to employees plant-wide assigned to other shifts.
- f. Where an insufficient number of employees have volunteered to perform the available weekend overtime work, the overtime shall be assigned to employees



holding the classification, department and shift requiring the overtime in reverse order of their seniority.

- g. In lieu of the above, the Company shall have the right to schedule an entire classification of employees within a department to overtime and assign employees within the classification and department to the available work.

3. Skilled Trades (Daily Overtime)

- a. Employee(s) assigned to the job and the shift which requires the daily overtime work shall be offered the overtime opportunity in order of their seniority.
- b. If additional employees are required, employees holding the classification and shift which requires the overtime shall be offered the overtime opportunity in order of their seniority.
- c. If there are an insufficient number of employees who volunteer, the Company shall assign the overtime work in reverse order of seniority to employees who are assigned to the job and shift which requires the overtime.

4. Skilled Trades/Weekend and Holiday Overtime

- a. Employee(s) assigned to the job classification, department and the shift which requires the overtime work on a weekend or holiday shall be offered the overtime opportunity first, in order of seniority.
- b. If additional employees are required, and less than all shifts are scheduled, employees assigned to the job classification and department, but on other shifts, shall then be offered the overtime opportunity in order of their seniority.
- c. Where an insufficient number of employees have volunteered to perform the available weekend overtime work, the overtime shall be assigned to employees holding the classification, department and shift requiring the overtime in reverse order of their seniority.
- d. When a weekend is scheduled for skilled trades, employees will be asked for the full weekend. If not enough employees volunteer and the Company desires to increase its Saturday schedule and adds employees, the Company will add from the Saturday list by seniority.
- e. In lieu of the above for daily or weekend overtime, the Company shall have the right to schedule an entire classification of employees within a department to overtime and assign employees within the classification and department to the available work.

- f. Notwithstanding the foregoing, employees who are assigned to a project which requires any period of familiarization or training, shall be required to work all overtime associated with the project whether daily or weekend overtime. If possible, in assigning employees to a project defined herein, the Company will seek volunteers from the skilled trade(s) required for the project in seniority order. If there are an insufficient number of volunteers, the Company shall assign employees to the project as in the past.

## **Section 2 – Limitations Upon Company’s Ability to Assign Overtime**

The following limitations shall apply to the Company’s right to assign employees to work either daily or weekend overtime:

1. An employee shall not be required to work more than forty-five (45) hours per week during the normal scheduled workweek. An employee may volunteer for overtime in excess of this limitation, provided however, that an employee cannot work more than twelve (12) consecutive hours.
2. Production and Skilled Trades. Employees assigned to a five (5) consecutive day eight (8) hour workweek or a five (5) consecutive day eight and one-half (8 1/2) hour workweek or an alternative five (5) day workweek may be assigned to work on the 6th day of their scheduled workweek two (2) times in a calendar month but not to exceed twelve (12) times in a calendar year. Employees cannot be assigned to their 6th day of work, if the workday adjoins a holiday weekend, Easter weekend or the opening weekend of Wisconsin gun deer hunting season. Employees assigned to a consecutive four (4) day, ten (10) hour shift, may be assigned to work on the 5th day of their scheduled workweek, two (2) times in a calendar month but not to exceed twelve (12) times in a calendar year. Employees cannot be assigned to the 5th day of the workweek if the workday adjoins a holiday weekend, Easter weekend or the opening weekend of Wisconsin gun deer hunting season. Skilled Trades employees are not subject to the twelve (12) times in a calendar year limitation.
3. A mandatory fifth (5th) or sixth (6th) day of work to which an employee is assigned will not exceed the normal daily hours of the shift to which the employee is assigned (i.e., 5/8’s - 8 hours of work, 4/10’s - 10 hours of work).
4. The Company will not require employees to work the seventh (7th) day of an employee’s workweek or on a contractual holiday.

## **Section 3 - Overtime Assignment**

1. Employees who prefer a job on which there is daily overtime must remain on the job during regular hours.
2. Employees shall work their regular shift and job before being allowed to work on a different shift and/or department unless: (a) the employee’s regular shift and/or job is

fully staffed for the available overtime and (b) not enough employees are available to work the overtime on another shift within their department and (c) the employee is available to work on another shift and (d) the employee agrees to work the other shift. When two (2) or more employees satisfy these requirements and less than that number is needed, the Company will assign the overtime in seniority order. The Company may waive this requirement if not enough employees are available to work the overtime on the other shifts scheduled for the overtime and the employee is available to work a shift other than his own shift.

#### **Section 4 - Overtime Exceptions (Daily Overtime)**

1. An employee who because of personal necessity cannot work overtime when a schedule change is made will be permitted to remain on the job of his preference and be given a reasonable amount of time to make arrangements so as to be able to work the overtime.
2. An employee who is unable to work overtime because of extensive health problems which restrict him from overtime, as certified by a physician, will be permitted to remain on his job of preference in his classification if the employee can otherwise satisfactorily perform the work unless this accommodation creates an undue hardship for the Company.
3. When daily overtime becomes necessary after the start of the shift, the employee performing the job must work the overtime, except if the employee has a legitimate reason not to work the overtime.

#### **Section 5 - Overtime During Layoff**

Weekend, holiday, and daily overtime may be worked during layoff when production requirements do not justify the recall of employees capable of performing the scheduled work.

#### **Section 6 - Probationary Employees and Part-time Employees Overtime Assignments**

Probationary employees, and part-time employees, as defined in Articles II and III of this Agreement, will not be assigned weekend, holiday and daily overtime work until all senior employees in the department on a given shift capable of doing the work have been asked to work the overtime, except for the skilled trades, where probationary and part-time employees may be asked after all senior employees in the given classification and labor grade on a given shift have been asked. A part-time employee may be offered and may work beyond his normal scheduled hours if the specific job to which the part-time employee is assigned requires additional time to complete, before the work is offered to a regular full-time employee as overtime.

#### **Section 7 - Overtime Notice Requirements**

1. Whenever possible the Company will notify employees on Thursday of each week when there is to be weekend overtime. Whenever possible, employees assigned to the third shift will be notified on Wednesday. The Company agrees to make an effort to schedule support for all shifts scheduled to work weekend overtime.

2. Employees aware of any overtime scheduling violation must notify their Supervisor prior to the violation or they shall be precluded from filing a grievance concerning the alleged violation.
3. Second shift employees will be able to volunteer for weekend overtime until 5:00 p.m. Thursday.

**Section 8 - Overtime - Inspection and Quality Control and Other Support Departments (Daily, Weekend and Holiday Overtime)**

1. Where employees of Support Departments are assigned to and work directly with a production department, the assignment of overtime work to them will be handled in accordance with the rules set forth:
  - a. exhaust the appropriate labor grade by seniority for those support employees assigned to support the production department that is to work overtime.
  - b. exhaust the next three labor grades of support employees by seniority up and down, assigned to support the production department that is to work overtime.
  - c. exhaust support employees in the proper labor grade by seniority in another department.
2. Where reduced need for such employees exists, and multiple areas are to be covered, only one employee need be assigned. Such assignment shall be on a seniority basis from the employees normally assigned the work.

**Section 9 - Overtime - Weekend and Holiday Work**

1. In a department that has a 2nd or 3rd shift operation each shift will be scheduled an equal amount of hours when possible.
2. A weekend or holiday shift will not be less than five (5) hours and will be paid at the applicable rate. When employees are sent home before having worked five (5) hours after having been permitted to come to work without having been notified not to report for work, shall receive a minimum of five (5) hours pay at their regular rate. In such event such employees may be assigned to any work which they might reasonably be expected to perform. This section shall not apply if the Company has made a reasonable effort to give such notice or is prevented from doing so by conditions beyond its control.
3. If because of unforeseen circumstances the overtime work scheduled for a Saturday or holiday cannot be completed, then those employees in the proper classification and at work capable of doing the job shall be asked to volunteer by seniority to come in and work on Sunday or the day following the holiday if it is not a normally scheduled workday.

**Section 10 - Shortage of Personnel for Daily Overtime**

In the event of an emergency during any particular shift which would require additional personnel not available in the plant, senior employees from subsequent shifts within the department shall be called.

**Section 11 - Continuous Work**

Employees shall not be allowed to work continuously for more than twelve (12) hours, which period does not include unpaid lunch periods.

**ARTICLE XIII**

**Vacations**

**Section 1 – Vacation Eligibility for Employees with Two (2) or More Years of Seniority**

The following shall apply to the vacation year starting on July 1st for all employees who have two (2) or more years of seniority on July 1st.

All employees subject to the terms of this Agreement who have seniority on July 1 of the vacation year and who have worked for the Company more than 600 hours during the 52 full week period preceding July 1 are entitled to a vacation with pay at their straight-time hourly rate (including shift premium) during that period. Time lost from work due to industrial injuries, vacations, holidays, paid leave for bereavement, jury duty and military duty and voluntary layoffs shall be considered, not to exceed a twelve (12) month period, as time worked for vacation purposes.

**Section 2 – Vacation Eligibility for Employees with Less than Two (2) Years of Seniority**

Employees who have less than two (2) years of seniority on July 1 of the vacation year shall receive vacation and vacation pay on the following basis:

1. First Year of Employment. Employees who have successfully completed their probationary period shall earn a vacation with pay in their first year of employment on the following basis: Vacation with pay shall begin to accrue the first day of the month following their month of hire. An employee shall earn 1/12 of their vacation eligibility of eighty (80) hours for each month which remains in the vacation year (July 1st to June 30th) starting from the first day of the month following their date of hire. An employee in his first year of employment may be eligible for up to eighty (80) hours of vacation with pay, subject to the proration formula defined in this paragraph.
  
2. Example. An employee successfully completes their probationary period on December 15th with a date of hire of August 14th. In the remainder of the present vacation year the employee could work ten (10) months (September 1st to June 30th). Based on these facts, the employee’s vacation entitlement would be calculated as follows:

$$10 \text{ months} \div 12 \text{ months} \times 80 \text{ hours of vacation entitlement} = 66.7 \text{ hours of vacation with pay}$$

For the purpose of this Article, a partial hour of vacation shall be rounded up to the next full hour. Accordingly, under the example, the employee would be eligible for sixty-seven (67) hours of vacation with pay upon completion of their probationary period.

3. This vacation time may not be accumulated from one vacation year to another but must be taken or paid for in a lump sum in lieu of vacation time off by the end of the month following the conclusion of the vacation year in which the vacation is earned.
4. On the succeeding July 1st, the beginning of the new vacation year, the new employee shall earn eighty (80) hours of vacation time off with pay, without regard to an hours of work requirement.
5. Employees will be paid their vacation pay at their straight-time hourly rate plus shift premium, if any, in place at the time they take or are paid for their vacation.

**Section 3 – Application of New Employee Vacation Entitlement to Existing Employees Employed on the Effective Date of this Agreement (September 18, 2018)**

Effective upon ratification, an employee with less than two (2) years of service on July 1, 2018, shall be granted vacation with pay as follows:

1. If the employee earned one (1) week of vacation on July 1, 2018, the employee shall receive one (1) additional week of vacation eligibility for the 2018-2019 vacation year.
2. If the employee earned no vacation on July 1, 2018, the employee shall receive two (2) weeks of vacation eligibility for the 2018-2019 vacation year.

**Section 4 – Vacation Schedule**

1. All employees who have seniority on July 1st of the vacation year, except as provided in Section 2 of this Article, shall earn vacation pay and time off subject to the work requirement set forth in Section 1 above, based upon the following schedules:

<u>Service as of July 1</u>	<u>Vacation Pay and Time Off</u>
Has completed his probationary period (If not, will earn vacation with pay upon completion of probationary period, subject to the above provisions)	80 hours
Has completed 6 full years of service	120 hours
Has completed 13 full years of service	160 hours

2. In the touchstone year, the year in which an employee's vacation entitlement based upon years of service increases to the next level on the vacation schedule, the employee shall become eligible for an additional week of vacation on July 1, provided his anniversary date falls within the calendar year, between July 1st and December 31st.

### **Section 5**

Vacation time may not be accumulated from one year to the next. An employee must take as vacation time off one-half (1/2) of his vacation entitlement, which includes the one (1) week hold back for plant shutdown. An employee may elect to take the remainder of his vacation entitlement in a lump sum payment in lieu of vacation time off. Such payment shall be made within the month following the end of the vacation year.

### **Section 6 – Vacation Pay Calculation**

Employees will be paid their vacation pay at their straight-time hourly rate plus shift premium, if any, in place at the time their vacation is taken.

### **Section 7**

Employees who were entitled to five (5) weeks of vacation pay and vacation time off on July 1, 2009 shall be capped at five (5) weeks of vacation. Employees who were entitled to six (6) weeks of vacation pay and vacation time off as of July 1, 2009 shall be grandfathered at six (6) weeks of vacation pay and vacation time off.

### **Section 8 – Vacation Scheduling**

1. Insofar as practicable, the Company shall grant vacations at times most desired by employees. Employees who desire to schedule a vacation in a weekly increment must do so before May 10th by advising their supervisor in writing on a form provided by the Company. In case of a conflict, preference will be granted to employees in accordance with their seniority. Employees will be advised of their vacation request approval by May 25th. The Company will notify employees of available vacation weeks prior to June 5th or the next working date thereafter. Employees who, because of a conflict were denied their requested vacation, may submit a supplemental vacation request for vacation time off, in a one (1) week increment prior to June 10th for their remaining vacation week(s). The Company will give a second round vacation approval by June 25th for full weeks. In the case of a conflict, preference will be given in order of seniority.
2. After June 25th employees who desire to schedule a one-day-at-a-time vacation may do so. In case of a conflict, approval will be given on a first come basis.
3. By May 1, the Company will notify employees as to the weeks that are under consideration for a plant shutdown. If the Company determines that a shutdown will not occur, the Company will notify employees of the need to work no later than November 1st. Employees will be afforded the opportunity to work, if they so desire. Employees who volunteer to work will be selected based upon the department and classification where work is available, in seniority order.

4. Vacation time may be taken in full day, one-half (1/2) day and two (2) hour increments. Employees who have two (2) weeks or more of vacation entitlement shall be limited to five (5) days of vacation which may be taken in one-half (1/2) day or two (2) hour increments subject to the following limitation. One-half (1/2) day and two (2) hour increments of vacation time off must be scheduled and approved at least one day in advance, except for those partial days used as vacation back charge days which shall be used in accordance with the back charge day rules set forth at Article VII, Section 4, subparagraph 11. of this Agreement. In addition, an employee may schedule up to (4) four occurrences of vacation days off in two (2) hour increments. Up to four (4) occurrences would include the occurrences of two (2) hour vacation back charge days taken by the employee under Article VII, Section 4, subparagraph 11, of the Agreement.
5. Called in vacation is for legitimate emergencies only. This privilege cannot be abused. Upon return to work, the employee must secure the Supervisor's approval of the called vacation day and provide satisfactory evidence of the event which required the absence.
6. Employees may cancel scheduled vacation, provided they notify their Supervisor or designated representative, in writing, at least three (3) full working days in advance of the canceled day. One (1) day of vacation cancellation per vacation year will be afforded an employee without advance notification.

#### **Section 9 – Plant Shutdown**

1. The Company shall have the right to have a plant shutdown of up to two (2) weeks, not necessarily consecutive, during the calendar year. Employees with two or more weeks of vacation must reserve at least one (1) week of their vacation entitlement for the shutdown period(s).
2. By May 1, the Company will notify the employees as to the weeks that are under consideration for the shutdown. If the Company determines that a shutdown will not occur, the Company will notify employees of the need to work no later than November 1. Employees will be afforded the opportunity to work, if they so desire. Employees who volunteer to work will be selected based upon the department and classification where work is available, in seniority order.

#### **Section 10 – Vacation Pay for Employees who Terminate Employment**

Employees who have qualified for and earned vacation and vacation pay on July 1st of the vacation year who quit, enter the military service, retire, or are deceased during the current vacation year, and have unused vacation with pay shall receive their unused vacation pay as promptly as possible but no later than two (2) weeks from the date they leave their employment with the Company.

The Company shall pay unused vacation pay earned by a deceased employee to the surviving spouse, if any, otherwise to the employee's legal heirs.



**Section 11**

Employees who quit with less than five (5) years of seniority or are discharged for cause prior to July 1st shall not be entitled to any vacation benefits for the succeeding vacation year.

**Section 12**

For vacation eligibility purposes, the Company agrees to recognize uninterrupted prior years of service and hours worked with Briggs & Stratton Corporation for only those employees who were hired by STRATTEC at the time of the spinoff in 1995.

**Section 13 - Vacation Transition**

Vacation accumulated at Briggs & Stratton Corporation that has been paid but not taken can be taken as unpaid vacation at the time of retirement from STRATTEC.

**ARTICLE XIV**

**Seniority**

**Section 1 – Seniority - In General**

The word “seniority” as herein used shall be deemed to mean the right to priority in employment based upon the length of uninterrupted employment continuity as hereinafter provided and qualified.

1. Employees whose employment with the Company began on the same date will use their index number to establish seniority under the contract, with the employee with the lowest index number having the highest seniority on that date.
2. STRATTEC agrees to recognize seniority accrued at Briggs & Stratton Corporation for any former Briggs & Stratton employee who elected to sever his employment at Briggs & Stratton and work for STRATTEC at the time of the spin-off.

**Section 2**

In applying the seniority provisions of this Agreement, employees who may be retained, transferred or rehired for work other than their regular job, must be able to perform satisfactorily the work available.

**Section 3 - Job Preference**

1. Employees shall have the right to choose jobs in accordance with their seniority within their department and their respective labor grade and job classification. In applying seniority and job preference, it is understood that an employee must be able to satisfactorily perform the job that he may choose.
2. Employees who exercise job preference must stay on the job for two (2) months. One (1) time every two (2) months, all production employees may exercise their job preference rights, subject to the following limitations:

- a. If an employee's preferred job is not available (does not run), the employee is subject to reassignment by the Company. The employee shall have the right to return to his preferred job when it again becomes available.
  - b. Employees who are being trained, are retraining, or have been placed in a job to maintain or increase their proficiency, are not subject to being displaced as a result of another employee's exercise of job preference, nor shall the employee exercise their own job preference.
  - c. Employees who are in their probationary period shall not have job preference rights until the first job preference period following the successful completion of their probationary period.
  - d. An employee may exercise their job preference rights to a designated work cell, but not to a specific machine or process within a cell.
  - e. Employees may not exercise their job preference to displace a part-time employee from their job.
3. Employees who volunteer and are then assigned weekend or holiday work on a different shift in their assigned department shall have job preference for the overtime assignment based on their seniority after those employees on the shift scheduled have been exhausted.
  4. When additional employees are required in a given department for overtime work and employees from similar or other departments are asked in accordance with seniority, they shall only be entitled to job preference after all employees regularly assigned to the department, with the exception of probationary employees, have had the opportunity of job preference. Insofar as possible, employees who are to work overtime in a department to which they are not regularly assigned are to be informed as to the work that will be available in such department.

#### **Section 4 – Seniority for Grievance Representative and Bargaining Committee**

The members of the Bargaining Committee and Grievance Representatives shall head the plant seniority list during their term of office. At the close of their term, they shall be returned to their regular positions on the seniority roster. The provisions of this Section shall not be considered with respect to job assignment, job preference, transfers, vacations, vacation pay or overtime work, but shall apply in connection with remaining on their respective shift at the time of a reduction of the workforce or layoff.

#### **Section 5 – Seniority for Union Stewards**

Shop stewards shall head the department seniority list during their term of office. At the close of their term, they shall be returned to their regular positions on the seniority roster. The provisions of this Section shall not be considered with respect to job assignment, transfers, vacations, vacation pay or overtime work but shall apply in connection with remaining in their departments, groups and shifts at the time of a reduction of the workforce or layoff.

#### **Section 6 - Work Cells**

The parties agree to the following terms and conditions with respect to work cells:

1. “Work cells” are defined as dedicated manufacturing centers within the plant comprised of a variety of machines and/or processes devoted to the production of specific product(s) or part(s).
2. The Company, during the term of this Agreement, may create, revise, or eliminate work cells. It is within the Company’s discretion as to which machines and/or processes may be combined. The Company will advise the Union of changes being made to work cells or the addition of new work cells.
3. Employees in a cell will be required to rotate among all work tasks on a variety of machines or processes within the cell.

### **Section 7 - Layoffs**

Layoffs may be VOLUNTARY in accordance with the procedure set forth herein:

1. Voluntary Layoff
  - a. Employees with seniority and wishing to be considered for voluntary layoff shall notify the Human Resources Department in writing by use of a Voluntary Layoff Card. This card will be made available to employees year-round.
  - b. Human Resources shall, upon receipt of notice of a pending layoff, post such notice for a period of 24 hours, and when possible 48 hours, during which time employees shall have the right to withdraw their name from the list of employees who have already volunteered or add their names to the list of employees who have already volunteered. Said notices shall be in writing and given to Human Resources.
2. Involuntary Layoff of Employees
  - a. An employee in the affected job classification and department may elect to take a voluntary layoff in seniority order provided there is a fully qualified employee in the affected department and job classification to replace him. Employees who volunteer for layoff in a particular department and job classification shall be scheduled for voluntary layoff, prior to any direct transfers or bumping that may take place as herein after provided.
  - b. When the workforce needs to be reduced or if a job has been eliminated and there are not enough employees in a particular affected classification and department who volunteer to be laid off, employees shall be involuntarily laid off or reassigned as follows:
    - 1) Probationary employees assigned to the job classification and department, regardless of shift, shall be laid off first.

- 2) An employee removed from his job classification, department and shift shall be assigned to the open job in his job classification and department on any shift, in order of his seniority.
  - 3) An employee who cannot be placed as provided in subparagraph b shall displace the least senior employee in his job classification and department regardless of shift.
  - 4) If an employee cannot be placed as outlined above, he may elect an open job within the plant, provided he is qualified and seniority permits.
  - 5) An employee who cannot be placed as provided in subparagraph c, or does not elect as provided in subparagraph d, shall have the right to displace the least senior employee in his labor grade, or the next best labor grade in his department, on his shift if his seniority permits. If not, then he may displace the least senior employee in the same or next best labor grade in his department on any other shift.
  - 6) An employee who cannot be placed as set forth above shall have the right to displace the least senior employee in his department in a daywork job, regardless of shift, provided he has the seniority and qualifications to perform the work.
  - 7) Employees who are displaced under this procedure shall, in turn, exercise their seniority rights as provided above.
- c. An employee who has not volunteered for layoff and has no bumping rights or the ability to move to an open job as outlined in (2) above will be placed on involuntary layoff.

## **Section 8 - Recall**

### **1. Employees Who Volunteer For Layoff**

- a. Employees who volunteer for layoff will not be recalled by the Company to their former department, job and shift to fill a job opening unless there are no employees at work with former job right transfers on file or employees on layoff subject to recall to that particular job opening as herein provided, who are capable of satisfactorily performing the job.
- b. Employees who volunteer for and are laid off, may volunteer for recall during the period starting April 1 and ending April 15 of that year and shall start work the first scheduled workday of May of that year. Employees who opt to remain on voluntary layoff or who take the voluntary layoff after April 1, may volunteer for recall during the period starting August 1 and ending August 15 of that year and shall start work the first scheduled workday after Labor Day. Employees who opt to remain on voluntary layoff or who take the voluntary layoff after August 1 may volunteer for recall during the period starting December 1 and ending December 15 of that year and shall start work the first scheduled workday of the next year. Employees who opt to remain on voluntary layoff after December 1 may not volunteer for recall until the April period referenced above. Employees on

voluntary layoff on the first scheduled workday following the Labor Day holiday may change their status from voluntary layoff to involuntary layoff. Employees choosing to do this must do so before September 15th. Employees on voluntary layoff on the first (1st) scheduled workday following the Christmas shutdown period may change their status from voluntary to involuntary layoff. Employees must make this election before January 15th. If on voluntary layoff on May 1st, employees may change their status from voluntary to involuntary layoff. Employees must exercise this election by May 15th. Employees electing involuntary status will be returned to work in accordance with the provisions of subparagraph c. of this Article.

## 2. Employees on Layoff

- a. An employee on voluntary or involuntary layoff will be recalled by seniority to a job that he is capable of performing satisfactorily. Voluntarily laid off employees, subject to recall by seniority may be allowed to remain on layoff until their original department is recalling if there are other less senior employees in the group, whether voluntary or involuntary layoff, who by seniority are subject to recall.
- b. Employees on involuntary layoff with seniority and entitled to work because of seniority, shall be returned to work they can perform satisfactorily as soon as practical, or at a maximum within six (6) weeks from the date of their layoff.
- c. If the Company is in the process of large recalls of laid off employees due to increases in production, it is understood that employees will not be recalled to one department and then have to be moved within two (2) weeks to another department according to the above recall language, but that instead the employee will remain on layoff so that he will be recalled directly to the job from which he was laid off.

### **Section 9 – General Layoff Provisions**

- 1 The Company shall notify any employee to be laid off forty-eight (48) hours in advance whenever possible and verbally notify the Union Office and Grievance Representative of the pending layoff and departments affected.
2. At the time of layoff each laid off employee, whether voluntary or involuntary, shall fill out completely a Recall Data Card, sign it and give such card to Human Resources. After having been laid off, if an employee wishes to change any information on his Recall Data Card, he must do so in person at Human Resources. Copies of recall cards shall be sent to the Union Office upon request.
3. There shall be no upgrading either at the time of layoff or at the time of recall except at the request of the Company.

4. Employees on a Labor Grade 23 job or better at the time of layoff will not be recalled on Labor Grade 27 work unless the list of all Labor Grade 27 employees on layoff has been exhausted. Employees on layoff will not be considered for Die Cast, Plating, and Material Departments or other heavy duty jobs unless they have proven to the satisfaction of the Company that they are physically capable of handling such jobs.
5. Any employee at work who lost his former job because of layoff, or being bumped and who at the time had seniority will only be returned to the job and shift from which first removed if he has on file a transfer request to do so. Such requests for transfer shall be honored during recall unless an employee on layoff with more seniority was laid off from said job. No employee will be permitted to withdraw a request for transfer, nor will a request for transfer be honored for a job being filled, after arrangements to fill such job have been started. If an employee changes department due to layoff or bump and remains in that department for one (1) year or more without submitting a transfer request to his former department, then his former job rights revert to the new department.
6. No request for transfer filed under paragraph c. of Section 11 of this Article or outstanding bids need be honored at times of layoff, recall or at times when transfers are the result of layoffs, except that in order to balance the shifts in a given department transfer requests on file from those already in the department and in the same classification may be honored. Pending bids and transfer requests will not be honored at times of layoff or recall, except to balance shifts in a given department. Rather, the layoff/recall procedures set forth in this Agreement shall prevail. If an employee was awarded a bid or transfer prior to a layoff, but not transferred, he will retain former job rights to the bid job if the job is not eliminated.
7. A list of recalled employees, as well as newly hired employees, will be given to the Union promptly after such employees report for work.
8. No new employees shall be hired while there are laid off employees on the seniority list who are able to perform satisfactorily the work available. The Company agrees to notify the Union of its intention to hire employees without seniority if at such time there are any laid off employees having seniority who are still on layoff.
9. All employees who are on layoff during the vacation shutdown will be considered to have used all vacation time up to eighty (80) hours to which they may be entitled.
10. Should there be permanent elimination of a job or jobs as a result of the Company sending a job out of the plant, the employee or employees affected will have an opportunity, to the extent determined by the Company, to as soon as reasonable be directly transferred if seniority permits to similar work which they are capable of doing, in departments offered by the Company, where less senior employees are performing such work. If it is determined that this is not possible, then these employees will be transferred, if seniority permits, to similar work which they are capable of doing in other

departments where less senior employees are performing such work. Employees will be allowed to remain on their shift, seniority permitting.

11. In the event there is a permanent job elimination in a skilled trade job classification(s) the employee(s) in the job classification(s) that are being permanently eliminated may take a voluntary layoff. These employees may remain on voluntary layoff providing there are employees on layoff who are qualified to be recalled to the job the Company needs to fill. If recalled to their job, however, they must accept the recall or forfeit their employment.
12. A skilled trades employee, during a period of layoff and recall, may only bump into or transfer into a trade which they held while employed by the Company, unless they possess a journeyman's card in the trade.

## **ARTICLE XV**

### **Permanent and Temporary Transfers**

The transfer of employees shall be subject to the following rules, and every transferred employee shall put forth normal, reasonable effort to perform satisfactorily on the job to which transferred:

#### **Section 1 - Permanent Transfers**

When making a permanent transfer from a department due to a cut back or loss of jobs, the Company will transfer the least senior employee in the affected job classification who is not needed to meet production requirements. Transfers will be made to the proper classification whenever possible.

#### **Section 2 - Temporary Transfers**

1. Initial transfer: In making transfers from one job classification to another job classification within a department or out of the department, the Company will transfer the least senior employee from the standpoint of seniority from the group of employees (i.e., labor grade and classification) selected by the Company from which the transfer is to be made. If the least senior employee in the group selected cannot perform the job satisfactorily to which the transfer is to be made, the Company may then transfer the next least senior employee from the group who can perform the job satisfactorily.
2. However, before mandating an employee transfer, the Company, by seniority, will seek volunteers to fill any remaining slots desired by the Company. In the event that the aforementioned slots are not filled by way of volunteers, by seniority, the Company will then mandate from the remaining pool of employees (i.e., labor grade and classification). This paragraph would only apply prior to the start of the shift.
3. Subsequent transfer: In subsequent temporary transfers to the same job, the pool of employees that will be exhausted first consists in those employees who are qualified to perform the work based upon their work experience in the job to which the transfer is to

be made. As to this pool, the Company will seek volunteers by offering the transfer in seniority order. If there are insufficient volunteers, the Company shall assign the transfer to employees within the pool, in inverse order of seniority.

4. Employees temporarily assigned to a higher rated job classification on any given day when vacancies must be filled shall be the most senior qualified assigned to the department who are readily available in the immediate work area. They shall have their regular rate increased by thirty cents (30¢) per hour for each hour so assigned, or a minimum of sixty cents (60¢), whichever is greater, per day. Employees temporarily assigned to higher rated job classifications in labor grades nineteen (19) through one (1) who previously held the job, shall be paid at the rate of the job to which they are temporarily transferred.
5. An employee shall be so compensated provided he notifies his Supervisor of his claim on each day he is assigned to such higher rated job classification.

Temporary assignments to a different job classification shall not exceed twelve (12) weeks, unless the purpose of the temporary assignment is to fill a temporary vacancy created by an absence for a long-term injury or illness. The Company will notify the Union of a temporary transfer which will exceed twelve (12) weeks when this information becomes available. If an employee's temporary assignment exceeds twelve (12) weeks and the employee is in a job which has a training wage progression shall, upon return to his regular job, receive the next highest rate or the progression, which will not, however, affect the period to complete his training.

### **Section 3 - Assignments within a Job Classification**

1. Employees may be reassigned to various tasks within their job classification based upon their availability, skill and ability. Such reassignment within their job classification shall not be deemed a transfer within the meaning of this provision.
2. If an employee comes in to work late and there is no work available at that time in his department, he will be transferred to another department that has work.

### **Section 4 - Permanent Disability**

Employees who have been returned to work from sick leave, industrial injury or non-industrial injury shall be reinstated to their former department, job and shift if seniority and physical condition permit.

1. Transitional Work

The Company will make every effort to find transitional work when the same is available to an employee who for a period of one (1) working day or less becomes physically unable to perform satisfactorily his regular job due to industrial or non-industrial injury or illness.



2. Temporary Limitation(s)
  - a. When possible an employee with certified medical restrictions from an industrial cause, will be placed by the Company on available work in his department and on his shift, but if not possible, the employee will be assigned work on another shift and/or in other departments.
  - b. This provision shall only apply during an employee's healing period.

### **Section 5 - Returning to Work After Disability**

1. An employee who upon completion of his healing period, whether after being on transitional work or after absence from work, and whether from industrial cause or not, but who has permanent disability and can no longer perform his former job, will be assigned by the Company to an open job that he is capable of satisfactorily performing and for which a more senior employee does not have a transfer request on file. If there is no such open job, then the employee shall be placed by the Company, on the job of a less senior employee for which he is qualified and can satisfactorily perform, or if no such job is immediately available, placed on layoff.
2. Notwithstanding the foregoing, the Company is not obligated to place the employee if such placement will create an unreasonable risk to the Company that the returning employee will, if so placed, incur an injury or aggravate an existing injury as certified by an independent physician's opinion. The independent physician shall be selected by mutual agreement of the parties. If the independent opinion requires reinstatement of the employee, the employee shall receive back pay to the date he was denied reinstatement.
3. Returning to Former Job

Industrial Injury, Sick Leave and Non-Industrial Injury: Upon completion of the healing period, whether after being assigned to an open job at Company request or after absence from work and being rehired to a different job because of his physical condition, the employee shall be given former job rights and upon filing a transfer request to return to his former job and, seniority and physical condition permitting, be allowed to bump in and replace the least senior employee in his former department.

### **Section 6 - Disqualification**

An employee who is disqualified from his regular job will be transferred by the Company to an available job vacancy which the employee can satisfactorily perform. If no such vacancy exists, the disqualified employee shall displace the least senior employee in the plant provided he can satisfactorily perform the work. If he cannot perform the job satisfactorily, he shall be laid off and shall remain on layoff until a vacancy occurs in a job which he can satisfactorily perform.

### **Section 7 – Seniority List**

The Company shall furnish an accurate seniority list to the Union, and as occasions arise, notify the Union of any additions or deductions in the seniority roster.

### **Section 8 – Termination of Seniority and the Employment Relationship**

An employee shall cease to have seniority and continuity of employment if:

1. He voluntarily quits.
2. He is discharged for just cause.
3. After having been laid off or otherwise permitted to be absent from work, he does not report for work within one week after a written notice to report for work has been sent by first-class mail to the address furnished by him at the time he is laid off or as appears on the Company's records in the Human Resources Department if otherwise permitted to be absent from work. Employees on layoff will be contacted by letter only if they cannot be reached by telephone. A copy of such notice shall be given to the Union at the time of mailing. Extension of the one-week period will be granted by the Company for satisfactory reasons given by the employee before the expiration of such period.
4. He has not worked for the Company for a period of five (5) years or the period of his seniority, whichever is the lesser, provided that for this purpose absence with leave and time off caused by compensable injury sustained while in the employ of the Company shall not be counted. Employees who are on a long term leave as of September 18, 2014 shall be grandfathered and shall retain their seniority for the period of their seniority.
5. He is absent for three (3) consecutive working days without notifying the Company, unless there is a satisfactory reason for failure to so notify.
6. He is absent for more than five consecutive working days without obtaining permission from Human Resources to be absent, provided that permission will be given for satisfactory reasons, and provided further that failure to apply for such permission within such time shall be excused only for satisfactory reason.
7. He fails to respond with proof of disability within twenty (20) calendar days, to an unrestricted certified letter sent by the Company requesting proof of disability to the address furnished by him as appears on the Company's records in the Human Resources Department. A copy of such notice shall be given to the Union at the time of mailing.
8. An employee will begin to lose seniority on the first regularly scheduled workday he is absent.
9. The Company shall notify the Union, in writing, as soon as possible of all terminations and reason therefore.

## **ARTICLE XVI**

### **Leaves of Absence**

#### **Section 1 –Personal Leaves**

1. The Company in its discretion and on a non-precedent setting basis will provide personal leaves of absence for up to six (6) weeks subject to an extension for a like period, upon the presentation of good and sufficient reason for such leaves of absence or extensions thereof.
2. The Company will grant employees adoption leave for up to six (6) weeks upon proof of such adoption. The above will not have any effect on any temporary emergency leave or any personal leave as stated in Section 14a. and b.

Leaves shall run concurrent with leaves afforded under State and Federal Laws.

3. Should the Company deny an employee's request for a personal leave of absence or an adoption leave, the employee shall have the right to request an immediate meeting between the Union and the Company to resolve the issue. The provisions of this Section shall not apply to absences due to an employee's illness or injury.

#### **Section 2 – Union Leave and Leave to Run for Public Office**

The Company further agrees to grant a leave of absence to any employee, but not exceeding five (5) at any one time, accepting an office with the International Union, Local Union, Milwaukee County Labor Council or State AFL-CIO, for the duration of that office.

1. Leaves of absence to accept an elective position to public office shall be by mutual agreement between the Union and the Company.
2. When an employee leaves his job in the plant to take a job to serve the local union, whether it be an elected position or an appointed position, the employee will have the right to return at his request or at the end of his term in office to the job he left in the plant, seniority permitting.

#### **Section 3 – Notice of Leave of Absence**

The Company will furnish to the Union and the employee who is issued a leave of absence, a memo stating when the leave begins and when the leave is scheduled to end. When the Company extends a leave of absence, the Company will issue an updated memo reflecting the change.

## ARTICLE XVII

### Company Departments

#### Section 1 – Company Departments for Transfer and Layoff Purposes

The following departments or groups of departments, which the Company may change for legitimate business purposes during the term of this Agreement, are listed for transfer and layoff purposes only. The Company will not change the following list for the sole purpose of protecting individuals or denying job preference.

<u>Dept. No.</u>	<u>Department Title</u>
050	Quality Control
051	Tool Room
054	Stamping & Milling
055	Plating & Polishing
058	Maintenance
059	Buildings & Grounds
060	Production Control
071	Die Cast
072	Automatic Assembly
836	ATTeC

#### Section 2 – Department Super Seniority

1. Employees who choose or are assigned to experimental work, new production, or new machinery and equipment under the seniority provisions of this contract shall have departmental super seniority from the date of assignment for twelve (12) months.
2. Employees who choose or are assigned to a newly established department under the seniority provisions of this contract shall have departmental super seniority for twelve (12) months from the date the first employees are assigned.

## ARTICLE XVIII

### Vacancies and Shift Openings

#### Section 1 – Written Request for Transfer

When vacancies or shift openings occur or new jobs become available, subject to the exceptions set forth in Sections 8 and 9 of this Article, first opportunity to fill such vacancy or job or shift opening shall be given to the most senior employee in point of companywide seniority who has on file in the Human Resources Office a written request for transfer to such type of work, subject to the conditions herein contained. The types of transfers here involved, other than shift transfers, are not merely changes of machines, etc., within a department. The employee, in order to be considered, must have qualifications established, such as past experience in the plant, skill,

training or ability, so that he may reasonably be expected to be able to perform the work satisfactorily.

## **Section 2**

Employees awarded transfers shall be subject to a physical capacity assessment which is related to the specific job. Transfer requests shall be valid for six (6) months from date of filing or renewal. The employee will receive a copy of his transfer request or renewal upon request. An employee may be denied a transfer request only once if there is no qualified replacement immediately available and then only in the first six (6) months from the original date of filing.

## **Section 3**

The employee and his Grievance Representative shall be so notified in writing of the denial of his transfer request. No employee shall have more than two requests on file at any one time, in addition to one former job transfer.

## **Section 4**

It is understood that if an employee files a request for a transfer to a job, other than the job for which he has a former job right and is transferred to such job he shall not forfeit his former job rights referred to in the preceding paragraph. This language is not intended to allow an employee more than one former job right. In the event the employee is bumped a second time they would have to choose which job is to be considered their former job and so notify Human Resources of their election. In order to elect to a former job they must be immediately qualified to perform the available work with some familiarization, but with no training.

## **Section 5**

It is further understood that employees with former job rights, who have on file in Human Resources a request for transfer to return to their former department, job, and shift, shall be returned in accordance with seniority and ahead of employees who do not have former job rights to the job from which they were first removed due to layoff, industrial injury or illness. Such employees returning to former jobs shall also have priority, at their request, to return to their former shifts.

## **Section 6**

When the Company requires employees to take tests for jobs such as floor inspector, etc., a Union representative may be present during such tests. The Company will furnish the Union Office with a list of all jobs that require testing.

## **Section 7**

No employee will be permitted to withdraw a request for transfer, nor will a request for transfer be honored for a job being filled, after arrangements to fill such job have been started, or the expiration date of the posting, if the job is posted.

## **Section 8**

Once transferred, employees will not be eligible for another transfer for a period of 90 days unless mutually agreed otherwise by the Company and the Union.

## **Section 9 - Job Posting**

1. A permanent job opening not filled through the “written request to transfer” process will be posted on Company bulletin boards for five (5) calendar days and a copy of the posting will be furnished to the Union.
  2. For entry level job openings, jobs in Labor Grade 18 through 27, the Company will be required to post the primary opening. Subsequent openings will not be posted but will be filled through transfers on file before hiring from the outside.
  3. All skilled upgradings in the Toolroom, ATTeC and Maintenance Department will be posted on the appropriate department’s bulletin board for five (5) calendar days and a copy of the posting will be furnished to the Union.
  4. All postings will be identified by job title, labor grade, shift, and department.
  5. The vacancy shall be filled as follows and the following factors shall be considered:
    - a. Seniority (length of service with the Company).
    - b. Qualifications, which include skill, ability, previous experience on related jobs, satisfactory performance and safety records. Where amongst the employees who bid, factor 2 is substantially equal, in the judgment of the Company, factor 1 shall govern.
- 
1. Employees to be transferred will be moved no later than forty-five (45) days after the expiration date of the posting. If an employee is not transferred in accordance with this requirement, he shall be paid as though he had been transferred unless the rate is lower, in which case he will retain his rate until the actual transfer. All testing required of an employee who posts for a vacancy shall be completed within ten (10) working days from the termination of the posting period. If not completed within this period their bid shall be deemed null and void.
  2. If there are no bidders or no substantially qualified bidders and the Company elects to train, the Company shall select the senior qualifiable employee. If the Company requires a qualified employee to fill the vacancy nothing contained herein shall prohibit the Company from hiring from the outside.
  3. An employee who is awarded the bid job but is not performing satisfactorily in the opinion of the Company can be disqualified from the bid job by the Company in accordance with the provisions of the Article XV, Section 6.

4. An employee shall not be considered for a transfer if the employee is at the second written warning stage under the contractual attendance policy.

## **ARTICLE XIX**

### **Wage and Incentive Program**

#### **Section 1**

The following wage increases will be applied to all wage rates.

1. Wage Adjustments

Effective November 12, 2018	2.5%
Effective September 16, 2019	2.5%
Effective September 14, 2020	3.0%

The November 12, 2018 wage increase shall be applied to all employees except those employees in labor grade 8S and above.

#### **Section 2 - Incentive Bonus Programs**

The Company in its sole discretion shall have the right to establish, implement, modify and/or terminate a value added or other financial incentive program provided the Plan covers both bargaining unit and salaried employees other than senior managers and officers of the Company. The Plan document shall govern the Plan during the term of the Agreement, subject to the Company's discretion to amend, modify or terminate the Plan, as provided herein.

#### **Section 3 - Wage Evaluation Program**

1. This wage plan applies to all permanent jobs. Each job classification has a job description, job number and labor grade which has been agreed to by the Company and the Union and each party has a copy of the job description.
2. It is recognized that the Company and the Union used a comparative ranking system in establishing the job evaluation system. It is recognized that jobs can change making them either harder or easier in comparison to other jobs within the STRATTEC plant. It is the intent of both parties that jobs which change significantly after the effective date of the Agreement be moved up or down as necessary in order to maintain equity in relation to other similar jobs in the plant. It is also recognized that many jobs may undergo change, but that change does not automatically justify movement up or down, especially when viewed in relationship to other similar jobs which also may have or may be undergoing change.
3. In the event the Company establishes a new or revised classification, the rate applicable shall be determined by negotiations between the Company and the Union. The Company shall notify the Union prior to the implementation of a new or revised classification. The

implementation of the new or revised classification shall not be delayed by failure of the parties to agree immediately upon the rate applicable to any such classification. In such cases, pending the results of negotiations, the Company may establish the new or revised classification and the Company proposed rate applicable thereto, and may place such classification and such rate into effect. A negotiated rate finally established through agreement with the Union bargaining committee which is higher than the Company proposed rate, will be paid retroactive to the date the employee started to work in such classification. The Union shall have the right to bring in a consultant employed by the Union or any other mutually agreed upon consultant. The consultant shall have the right to observe any classifications related to the dispute. Members of the Union bargaining committee will be paid for time spent in these meetings.

4. The Company will furnish the Union with a list of employees, their job number, and their rate of pay one (1) time per calendar month.
5. The Company shall write the job description and assign the job number and the labor grade for all new or changed jobs and will submit them to the Union. Job descriptions are primarily for the purpose of identifying jobs and describe generally the duties to be performed on the job. No job description shall require the performance of duties unrelated to the job. No job shall be considered a permanent job until there is an agreement between the Company and the Union on the job description, job number and labor grade, or until an arbitrator has determined the appropriate rate of pay provided, however, the arbitrator may not set the rate lower than the rate being paid for the job.
6. The Company recognizes its responsibility to provide on-the-job training opportunities to its employees in their job classification with the understanding that production requirements must be met.
7. An employee who is lacking the necessary skills or qualifications necessary for performing the job he desires to have in his department may be rotated onto work that will provide such by the Company and at his current rate of pay.
8. Employees who do not have the necessary qualifications to be considered for skilled set-up jobs in Labor Grade 15 or a higher pay scale, can obtain the necessary experience on Grade "B" set-up jobs subject to the availability of such jobs and the contract provisions dealing with job changes and/or transfers.
9. If there is an opening for a Setup A employee in a department, that opening will be filled by a qualified Setup A employee. If there are no qualified Setup A employees available from the inside, then the Company shall have the discretion to hire a qualified Setup A from the outside or utilize a Setup B employee to fill the vacancy. If the Company elects to hire Setup A employees from the outside rather than promote an inside Setup B, the Company must maintain a balance over the term of the contract between the Setup A employees it hires and Setup B employees it promotes so that a parity between A's and B's is achieved over the term of this Agreement. (If existing employees don't volunteer



or post for open Setup B positions, the outside Setup A hired as a result thereof need not be balanced by a subsequent Setup B promotion.)

If the Company hires a Setup A from the outside, it shall pay up to the Setup A rate.

10. The parties agree to the following progression for Setup B's to Setup A's: (Die Cast)

**Die Cast Setup (Wage Progression from Setup B to Setup A) Effective 11/12/18**

	<b>Present Rate</b>	<b>9/16/2019</b>	<b>9/14/2020</b>
Step #1 (start rate) Labor Grade 17	\$20.19	\$20.69	\$21.31
Step #2 (1st segment - upon successful completion of technology training and successful completion of certification and assessment test)	\$21.18	\$21.70	\$22.35
Step #3 (2nd segment – upon successful completion of technology training and successful completion of certification/assessment test)	\$22.20	\$22.74	\$23.42
Step #4 (3rd segment – upon successful completion of technology training and successful completion of certification/assessment test- Setup A Rate)	\$23.66	\$24.25	\$24.98

11. Employees who become trained and certified (upon successful completion of certification/assessment testing) shall receive a \$1.00 per hour premium for all hours worked in the Setup A classification. In order to qualify for the Setup A premium, the employee must be able to perform minor changes to the machine and do minor repairs without assistance. The type of work to be performed is of the type and character of the following, which list is not all inclusive; the replacement of consumable components, such as plungers, goosenecks and rings, and nozzles and the replacement of switches and hydraulic lines, etc.
12. Employees in the Machine Repair Job classification shall not be laid off as a result of the work performed by the Setup A who is receiving the above stated premium. The burden of proof is on the Union to establish that the layoff of a Machine Repair employee is solely a result of the work of a Setup A employee.

13. The following is the wage progression for Setup B's to Setup A's (Stamping and Milling):

**Stamping and Milling Setup (Wage Progression from Setup B to Setup A)  
Effective 11/12/18**

	<b>Present Rate</b>	<b>9/16/2019</b>	<b>9/14/2020</b>
Step #1 (start rate) Labor Grade 17	\$20.19	\$20.69	\$21.31
Step #2 (1st segment - upon successful completion of technology training and successful completion of certification and assessment test	\$21.18	\$21.70	\$22.35
Step #3 (2nd segment – upon successful completion of technology training and successful completion of certification/assessment test	\$22.20	\$22.74	\$23.42
Step #4 (3rd segment – upon successful completion of technology training and successful completion of certification/assessment test - Setup A Rate)	\$23.22	\$23.80	\$24.51

14. When qualified, the employee will be transferred to a set-up job under the contract provisions dealing with job changes and/or transfers. Employees may be changed from Grade “B” set-up jobs to Grade “A” set-up jobs at the Company’s request at any time, subject to the contract provisions dealing with job changes and/or transfers or removed from Setup “B” because of lack of ability or poor performance. If an employee is unable to satisfactorily perform the work after such transfer, and if the job from which he was transferred has been filled, he is subject to removal to other work he can satisfactorily perform.

**Section 4 – Grievances – Establishment of Job Rates**

1. Grievances related to the establishment of a wage rate for a new or changed job shall be handled as follows: Grievances will be referred to the Union Compensation Analyst(s) who will, in step 1, step 1A, and step 2 of the grievance procedure, attempt to resolve the grievance with the designated Company representative. The Grievance Representative may be present at any of the above steps of the grievance procedure. If a grievance is not resolved, the grievance will be referred to the third stage of the grievance procedure at which time the daywork analyst may be present to discuss the grievance in dispute. The Union shall have the right to bring in a consultant employed by the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers

International Union (USW) (AFL-CIO, CLC), or any other mutually agreed upon consultant. The consultant shall have the right to observe any job related to the dispute.

2. In the event the grievance procedure has been exhausted and there is still no settlement, such grievances may be submitted to arbitration. Any upward adjustment of a labor grade as a result of a grievance will be retroactive to the date of the grievance.

#### **Section 5 – Lead Person Premium**

1. Employees may be assigned to be a lead person at the discretion of the Company. If assigned to such tasks, an employee shall receive a premium of one dollar and fifty cents (\$1.50) for each hour of work on the day of the assignment, even if the employee does not perform lead person's work for the entire day.
2. The Company will post, within the department, for a pool of lead person candidates. Candidates will be administered an assessment test. (Candidates who held the position of Work Group Coordinator shall not be required to take the assessment test). Candidates who successfully complete the test and are otherwise qualified shall be assigned to the pool of lead persons. If, in the Company's discretion, the position should be filled either on a daily, weekly or full-time basis, employees shall be selected from the pool in order of their seniority.
3. An employee shall not be considered for a lead position if they are at the written warning stage or above under the attendance policy set forth in this Agreement.

#### **Section 6 – Shift Premium**

1. Effective November 12, 2018, all employees working on the second shift shall receive fifty cents (50¢) per hour in addition to their regular earnings, and employees working the third shift shall receive seventy-five cents (75¢) per hour in addition to their regular earnings.
2. Employees, the major portion of whose work shift is after the hour of 2:30 p.m., shall receive second shift pay; and employees, the major portion of whose work shift is after the hour of 10:30 p.m., shall receive third shift pay.

#### **Section 7 – Jury Duty Pay**

1. Any employee with seniority and actively engaged at work in the plant regardless of the shift on which such employee works shall be protected by the Company against any loss in pay by reason of jury duty in accordance with the provisions of this section. The computations for jury duty shall be on the basis of straight time, excluding all overtime but including shift premium. The payment made by the Company shall be minus all compensation received by the employee for jury duty. Time spent on jury duty shall not impair an employee's holiday or vacation pay, nor shall it impair an employee's time spent toward acquiring seniority or becoming eligible for group insurance benefits.

2. In order to be compensated for loss of pay by reason of jury duty, an employee must present his claim within two (2) weeks following the completion of such jury duty. The claim should be presented to the Payroll Department and must be accompanied by proper written verification from the Court or one of its officers as to the exact number of days of jury duty service and the amount of compensation received for such service.
3. Employees absent from work for jury duty must report such absence in the same manner as any other absence from work.
4. Employees called for jury duty and excused without actually performing such duty will be paid on the same basis that they would have been paid had they actually performed such jury duty.

### **Section 8 – Bereavement Pay**

1. The Company will grant an employee with seniority and actively engaged at work at the plant or during a personal leave of absence, vacation or holiday periods, up to three (3) workdays of paid bereavement leave at the time of the death or burial of a member of his immediate family defined as such employee's spouse, children, step children, full term stillborn infants, mother, stepmother, mother-in-law, step mother-in-law, father, stepfather, father-in-law, stepfather-in-law, grandmother, grandfather, sisters, brothers, half sisters, half brothers, or grandchildren.
2. The Company will grant employees actively engaged at work at the plant or during a personal leave of absence, vacation or holiday periods one (1) day paid bereavement leave at the time of the death or burial of their brother-in-law, sister-in-law, spouse's grandparent, son-in-law or daughter-in-law.
3. Employees shall be paid at their regular rate for the time missed from work. The computation of pay shall be on the basis of straight time, excluding all overtime but including shift premium. Claim for payment should be presented to the Payroll Department and must be made within two (2) weeks following the employee's return to work and also must be supported by satisfactory proof showing the name of the deceased, the name of the employee and the employee's relationship to the deceased.

### **Section 9 – Military Duty Pay**

1. Employees with seniority attending annual encampments or training duty in any branch of the armed forces shall, upon presentation to the Payroll Department of proper proof of all payments including allowances, except per diem, travel, and uniform allowances received, be protected by the Company against any loss in pay by reason of engaging in such training duty up to a maximum period of two (2) weeks per year. Similar protection shall be provided for a maximum period of two (2) weeks per year to employees called for emergency National Guard service.
2. The differential in pay shall be calculated at their regular rate. The computation shall be on the basis of straight time, excluding all overtime but including shift premium.

## **ARTICLE XX**

### **Group Medical Plans**

#### **Section 1**

The purpose of this summary is to present a simple explanation of the Group Medical Plan's design and other provisions of the Plan. The Summary Plan Description (SPD) and other Plan Documents detail the coverage and terms and conditions of the Plan. Participation is subject to the terms and conditions of the Summary Plan document and if there is a conflict between the collective bargaining agreement and the Summary Plan Document the Summary Plan Document shall supersede and is controlling. Actions and decisions of the insurer and/or third party administrator are solely the responsibility of these entities, not the Company and, as such, their actions are not subject to the grievance/arbitration provisions of the collective bargaining agreement.

#### **Section 2**

Effective January 1, 2019, the Company will provide a two-tiered Medical Plan which will include a PPO Plan (Preferred Provider Option) and a HDHP Plan (High Deductible Health Plan) option from which a participating employee may elect. Employees shall be eligible for coverage under the STRATTEC Group Medical Plan on their date of hire.

The Plan design for each of the plans and the terms and conditions of the plans are set forth in the Summary Plan Description (SPD).

#### **Section 3 - Premium Share**

The Company will pay 80% of the full premium cost for each of the Plans and the employee will pay 20% of the full premium cost for the Plan the employee elects. Notwithstanding the language set forth in this section of the Agreement, effective January 1, 2019 and for the term of the Agreement, the Company will pay 85% of the full premium cost of the HDHP Plan and the employee will pay 15%. The 80% Company, 20% employee premium split will continue to apply to the PPO plan.

The employee premium share for medical insurance shall be deducted from an employee's wage in four (4) payments per month in the first through the fourth payroll periods.

#### **Section 4 - Health Savings Account (HSA)**

Effective January 1, 2019, the Employer shall make the following annual contributions to an employee's HSA account for the term of the Agreement for those employees who participate in the HDHP Plan, to be used for qualified medical expenses:

<b>Coverage</b>	<b>Single Coverage</b>	<b>Family Coverage</b>
January 1, 2019	\$1,000	\$2,000
January 1, 2020	\$1,000	\$2,000
January 1, 2021	\$1,000	\$2,000

**Section 5 - Health Risk Assessment**

Each employee and employee’s spouse, if covered by the Company’s Group Medical Plans, shall have the option to submit to a Health Risk Assessment administered by a third party provider. The results of the assessment are confidential and will not be shared with the Company or its representatives.

**Section 6 - Tobacco Surcharge**

Effective January 1, 2019 and for the term of the Agreement, participating employees and/or their spouses who continue to use tobacco products or fail to submit to a recognized tobacco use treatment program shall be subject to a premium surcharge. The amount of the monthly surcharge shall be added to the employee and/or spouse’s share of the monthly premium cost. The surcharges presently in effect are as follows:

	<b>Employee</b>	<b>Spouse</b>
Effective January 1, 2019	\$100.00	\$100.00

**Section 7 - Spousal Carve Out**

If a participating employee’s spouse is eligible for coverage under an employer-sponsored group medical plan offered by the spouse’s employer, the spouse is ineligible for coverage under STRATTEC’s Group Medical Plan.

**Section 8 – Medical, Dental and Vision Benefits**

Union hourly employees’ benefits for medical, dental and vision will be the same as those provided to salaried employees. Eligibility and coverage effective dates will also be the same.

**Section 9 – Modifications to the Salaried Plan**

During the term of the Agreement, if the Company makes modifications to the salaried plans, including premium sharing, the modifications shall become effective for hourly employees at the same time. If the Company intends to make modifications to the plans, it shall give sixty (60) days’ notice to the Union of the modifications and, upon request, meet with the Union to discuss the modifications. If the parties cannot reach an agreement, the Company shall have the right to implement the modifications.

**Section 10 – Application of the Cadillac of Excise Tax**

If in any year of this Agreement, Plan design triggers the application of the “excise” or “Cadillac” tax under the provisions of ACA, the Company and the USW and representatives of Local 2-232 will meet to discuss alternatives which include, but are not limited to, additional employee contributions to offset the excise tax or Plan design modifications which eliminate the excise tax. If, within a reasonable period of time, the parties have not reached an agreement, the Company shall have the right to implement the required modification.

**Section 11 – Medical Plan Termination**

If, during the term of the Agreement the Company contemplates a termination of the Group medical Plan, the Company shall provide sixty (60) days written notice to the Union of its intent

to terminate the Group Medical Plan. If the parties fail to reach an agreement on plan termination during the sixty (60) days' notice period or any mutually agreed upon extension of such period, the parties shall have the right to resort to economic pressure to support their position including, but not limited to the right to strike and/or the right to unilaterally implement a last offer in the same manner as if the contract, in its entirety, had terminated. If either party to this Agreement contemplates a termination of the Company Group Medical Plan for the purpose of securing coverage from the federal or state exchanges or other sources, the party seeking termination shall give 60 days' notice, prior to January 1, 2017 or any anniversary date thereafter, of its intent to move to the exchanges or other alternative sources of medical coverage. If the parties fail to reach an agreement during the 60-day notice period or any mutually agreed to extension of such period, the parties shall have the right to support their positions, as provided for in federal labor law, in the same manner as if the contract in its entirety had terminated. The termination of the medical plans if, one were to occur, shall not become effective before January 1, 2017.

### **Section 12 - Subrogation of Benefits**

The Plan (or its administrator) has the right to recover medical and disability payments it has made for injuries caused by a third party. Recovery is made based upon a lien to any damages collected through the 3rd party, but only to the extent of benefits payable by the Plan.

### **Section 13 - Union/Management Wellness Committee**

A joint Union/Management Wellness Committee will be established to promote the adoption of healthy lifestyles within the workforce, provide education on the appropriate and effective use of medical service and to permit a forum for discussion of health care topics of mutual concern.

### **Section 14 - Continuation of Present Medical Health Plans**

Until December 31, 2018, the Company shall maintain the present Group Health Plans and their terms and provisions, as well as premium share provisions of the 2009-2014 collective bargaining agreement. Effective midnight December 31, 2018, the provisions of this Article shall become effective.

### **Section 15**

The Company reserves the right to change carriers or administrators and to fully insure or self-insure the Plans.

### **Section 16 - Premium Continuation for Employees Temporarily Laid Off or on an Approved Leave of Absence**

- a. If an employee with less than five (5) years of seniority on his last day of work is temporarily laid off, his insurance shall be continued by the Company but not beyond the end of the 3rd month following the month in which the layoff starts.
- b. If an employee with five (5) or more years of seniority on his last day of work is temporarily laid off, his insurance shall be continued by the Company but not beyond the end of the 6th month following the month in which the layoff starts.

- c. It is the intent of the Company that during the term of this Agreement, that an employee who is temporarily laid off and has ten (10) or more years of seniority on his last day of work, that his insurance shall be continued by the Company but not beyond the end of the 9th month following the month in which the layoff starts.
- d. An employee(s) on approved medical leave of absence shall have their medical insurance continued for two (2) years or the period of their seniority, whichever is the lesser.
- e. For employees enrolled in the medical plan provided by the Company, continuation of that portion of insurance up to the time limits shown in a., b., c. and d. of this section is contingent on the employee paying his share of the monthly premium cost directly to the Company. Such payment shall be made in advance of the premium payment due date. A failure to make the required employee contribution shall relieve the Company's premium obligation under this section.
- f. The insurance continuation provided herein shall run concurrently with the employee's COBRA entitlement.

## **ARTICLE XXI**

### **Dental Benefit and Vision Care Group Life and Retiree Insurance**

#### **Section 1 - Dental Plan**

##### 1. Eligibility

An employee and his/her dependents shall become eligible for dental coverage on their date of hire.

##### 2. Benefits

The Dental Plan will pay on a percentage of usual, reasonable and customary. Payment will be made toward covered dental expenses in a calendar year after satisfaction of a \$50.00 per person or two (2) per family per year deductible with a \$1,500.00 per year per person maximum. There is no deductible for dental diagnostic and preventive expenses. The dental expenses benefit also pays for 50% of orthodontic treatments to a lifetime maximum of \$2,000.

##### 3. Employee Premium Share

The Company will pay 90% of the full premium cost of the Dental Plan and the employee will pay 10% of the total premium cost.



**Section 2 - Vision Care Benefits**

1. Eligibility

An employee and his/her dependents shall become eligible for vision coverage on their date of hire.

2. Benefits

A maximum of \$100 will be paid for vision hardware (frames lenses and contacts) (not more than once in each two (2) year calendar period). A maximum of \$30 will be paid for an eye exam (not more than once in each two (2) year calendar period). Normally this eye exam is covered under the employee’s medical insurance coverage. Employees with no medical coverage may receive reimbursement by submitting a receipt for services to Human Resources.

**Section 3 - Group Life and Accidental Death Insurance**

1. Eligibility

An employee shall become eligible for Group Life insurance and A/D/D coverages upon their most recent date of hire by the Company, as a full-time employee.

2. Benefits (Effective December 1, 2018)

<u>Principal Amount of Life Insurance</u>	<u>A/D/D Coverage</u>
\$60,000	\$60,000

**Section 4 - Retiree Health Reimbursement Account**

Eligibility

Active employees who retire after 30 years of service and are not eligible for Medicare. Employees hired after June 26, 2005, must have thirty-five (35) years of service and reached age 55, and are not eligible for Medicare and employees with more than ten (10) years, but less than thirty (30) years of service, who retire by reason of disability.

**Section 5 - Period of Eligibility**

The Company will credit a retiree’s Health Reimbursement Account (HRA) in the amount of \$4,000 for each calendar year, for a period of five (5) years or until the retiree becomes Medicare eligible at age 65, whichever event occurs first. (If an employee retires or becomes Medicare eligible at age 65 within the calendar year, the full amount of the \$4,000 will be credited for that calendar year.)

### **Section 6 - Benefits. Annual Credit**

In accordance with the above terms and conditions, the Company will establish a Health Reimbursement Account for retirees who retire before becoming Medicare eligible at age 65.

Each calendar year, subject to the above limitations, the Company will credit a retiree's HRA with \$4,000. If the retiree does not use the full contribution, the unused amount will be carried forward and may be used in a subsequent year. A retiree may use amounts credited in his/her HRA but unused at the time the retiree loses his/her eligibility to participate in the Plan for eligible medical expenses incurred, until the balance has been depleted.

### **Section 7 - Reimbursement Benefit**

The Retiree HRA will reimburse a retiree for health, dental and vision insurance premiums, including Medicare supplemental coverage, and/or for the deductibles or copayments of group or individual insured plans (unless the payments were made by the retiree and/or the retiree's spouse or dependents on a pre-tax basis) incurred and paid by the retiree, his/her spouse or dependents. The Retiree HRA does not reimburse COBRA premiums for the Company's health plan.

To be reimbursed for medical expenses the retiree must submit proof satisfactory to the Company of the medical expenses and that the medical expenses have been paid by the retiree or retiree's spouse. The Company will reimburse properly substantiated payments through the HRA twice (2x) a year, in the months of January and July and the payments will be credited against the retiree's HRA account balance.

### **Section 8 - Death of Retiree**

The Company will make no additional contributions after a retiree's death. If the retiree dies and there is a balance in the retiree's HRA the balance may be used to reimburse the retiree's spouse and/or dependents for medical expenses, as defined in this provision.

### **Section 9 - Vision Plan for Retiree**

The Employer shall pay the full cost of the self-insured vision plan for employees who retired prior to January 1, 2010.

### **Section 10**

The medical, vision and dental plans for the retirees who retired prior to January 1, 2010 shall be the same coverage provided to active employees which plans may be modified in accordance with the provisions of Article XII, Sections 10 and 11.

### **Section 11**

This Section shall not apply to employees hired after June 1, 2001 and thereafter.

**ARTICLE XXII**

**Weekly Disability**

**Section 1 – Eligibility**

After six months of seniority as a full-time employee shall become eligible for weekly disability benefits (STD), subject to the terms and conditions set forth below.

**Section 2 - Weekly Disability Benefits**

<u>Effective Date</u>	<u>Amount of Benefit</u>
December 1, 2018	\$395 per week
September 16, 2019	\$405 per week
September 14, 2020	\$415 per week

**Section 3 - Period Benefits are Paid**

To be entitled to benefits, an employee must be totally disabled from performing work. For employees with less than 5 years of seniority, the maximum period of benefits for a continuous disability is 13 weeks. For employees with 5 or more years of seniority, the maximum period is 26 weeks. (Employees who continue to be disabled after 26 weeks may qualify for social security disability income (SSI), and should contact the Social Security Administration.)

**Section 4 - When Benefit Payments Commence**

Benefits are payable beginning with the 1st day of disability due to an accident, and beginning with the 8th day of disability due to disease. However, benefits are payable beginning with the 1st day on which you are confined in a hospital for a period of at least 24 hours. Benefits will be payable beginning with the 1st day of any disability resulting from surgery.

**Section 5**

No disability is payable for any day for which an employee receives Holiday Pay or for any day for which an employee receives Unemployment Compensation.

**Section 6**

A partial week of benefits shall be calculated by dividing the number of days an employee is absent from work in a given workweek by 5 and the multiplying this fraction by the weekly benefit. For example: Employee is absent from work for 2 days of the employee’s scheduled workweek (2 days of absence ÷ 5 days = 40% x \$355 (weekly) benefit = \$142 benefit payment).

## **ARTICLE XXIII**

### **401(k) Retirement Plan**

#### **401(k) Retirement Plan**

The Company will maintain a 401(k) type retirement plan for hourly employees.

#### **Section 1 – Eligibility**

Employees shall be eligible to participate in the Company's 401(k) retirement plan effective upon their date of hire, as a full-time employee.

#### **Section 2 - Employee Deferrals**

Employees will be permitted to defer earnings on a tax deferred basis up to the IRS minimum.

#### **Section 3 - Company Match**

The Company will make a matching contribution of 100% for up to the first 5% of an eligible employee's wage contributed by the employee to the Plan. Plan expenses related to individual accounts will be charged to each employee's account.

#### **Section 4 – Automatic Enrollment (Effective October 1, 2019)**

A new employee or a rehired employee who does not elect to enroll in the 401(k) Plan will automatically be enrolled at a contribution level of five percent (5%) of the employee's compensation.

#### **Section 5 – Automatic Increase of Employee's Elective Contribution (Effective October 1, 2019)**

In accordance with the terms of the 401(k) Plan, an employee's contribution level will automatically be increased in steps detailed in the SPD until the employee's contribution reaches five percent (5%) of the participating employee's compensation.

#### **Section 6 – Opt Out (Effective October 1, 2019)**

A participating employee shall have the option to opt out of the automatic enrollment and automatic increase provisions of the Plan.

#### **Section 7**

The terms and conditions of the Plan are set forth in the Plan document which will supersede the terms set forth in this summary.

## **ARTICLE XXIV**

### **Safety and Health**

#### **Section 1**

The Company recognizes its responsibility to protect the health and safety of its employees and agrees to observe all federal, state and local laws, and, as promptly as possible, to control

recognized safety and health hazards. The Union agrees to cooperate with Company's effort to control hazards and further cooperate to enforce compliance with regulations.

## **Section 2**

1. For purposes of providing a safe and healthy workplace, a designated Union Representative may meet with the Company to discuss matters of safety and health, to review accidents, injuries and their causes, and to discuss methods of correcting safety and health code violations and general hazards.
2. The Union shall have the right to request via Human Resources for meetings or an inspection of facilities and processes by a designated Union Representative with the Company's designated Representative. The Company shall on request provide material safety data sheets, industrial hygiene test results and other data which the Union deems pertinent to safety and health conditions.

## **Section 3**

1. The Safety Department will notify a designated Union Representative of all serious accidents or injuries as soon after they occur, as is practicable.
2. The Company will provide the Union, upon request, with copies of OSHA Forms 200 (occupational injury report), the Wisconsin WC-12 Form (employer's first report of occupational injury or disease), and other pertinent information. The Company will provide the Union, upon request, with all data and findings from monitoring and testing concerning industrial hygiene conducted by the Company. Further, the Company will notify the Union and allow the designated Union Representative to be present when testing and monitoring in regard to industrial hygiene.

## **Section 4**

Any employee called or referred to Safety or Worker's Compensation for an interview with a Company representative has the right to Union representation.

## **Section 5**

The Supervisor or lead person shall have the duty to shut down an unsafe operation. The employees shall have the right to refuse to work on unsafe operations.

## **Section 6**

An employee who is injured while at work and who, on that day or on any other day, is sent by the Company to a doctor for treatment will be paid for time lost on that day at his rate, if he presents a certificate from the doctor.

## **Section 7**

An employee who sustains injury while at work, no matter how slight, shall notify either his Supervisor, lead person or the medical first responder at once and report to the medical first responder for treatment. If these individuals are not available, the employee shall contact Security. Such employee shall be paid at his rate for time so consumed during working hours.

Time so lost shall be indicated in the time reporting system, such indication to be by clocking in and out where that is possible.

### **Section 8**

Employees who go to the medical first responder for treatment for a non-industrial ailment or injury shall be paid at their rate for time lost during working hours, provided they have indicated this on the time reporting system by clocking in and out, and do not abuse this privilege.

## **ARTICLE XXV**

### **Apprenticeship Program**

#### **Section 1**

1. The Company shall have the right to maintain and administer a State Indentured Apprenticeship Program in the skilled trades subject to the terms of this Agreement and applicable State and Federal law, as well as an internal skilled trades training program as defined in Article XXVI of this Agreement.
2. The Company and Union will participate in a Joint Apprenticeship Committee. The J.A.C. will meet at least once every three (3) months to discuss the apprenticeship program. The Committee will consist of three (3) members: one (1) Company Representative; one (1) Union Representative; and one (1) apprentice. The Company Representative will be selected by the Company. The Union Representative will be selected by the Union. The apprentice will be jointly selected by the Company and the Union.

#### **Section 2**

Applicants shall be at least 18 years of age.

#### **Section 3**

The Company will give first consideration for indentures to individuals already employed.

#### **Section 4**

1. The probationary period for an employee upon entering an apprenticeship program shall be six calendar months during which the apprenticeship agreement shall be voidable by either party to the indenture upon written notice to the State of Wisconsin, Department of Workforce Development.
2. The State of Wisconsin, Department of Workforce Development may annul the indenture after completion of the probationary period upon application of either party and a showing of good cause.
3. The termination of an apprenticeship agreement shall not be subject to review under Article IV of this Agreement.

## **Section 5 - Wages & Hours**

1. An apprentice's wage will be scheduled by the Company to average no less than 60% of the wage scale for the trade during the term of the apprenticeship. The actual wage scale and progression will be detailed in each indenture and approved by the State.

Candidates may receive credit for related work experience. Credit for previous schooling or work experience may be evaluated during the probationary period and then applied.

Those awarded credit will be paid a commensurate rate of pay.

In no case will any candidate receive credit for more than three-fourths the total hours of his apprenticeship.

2. Upon completion of the apprenticeship, the apprentice will be given a Journeyman job, classification and wage rate on a shift to be determined by the Company. The opening for which an apprentice is being considered shall be treated as an upgrading within the department and the job will be posted on the appropriate department's bulletin board for two (2) days (48 hours) and a copy of the posting will be furnished to the Union.

Upon completion of apprenticeship, the employee shall receive journeymen's pay.

3. All hours of Company approved schooling shall be paid at straight time by the Company.
4. The Company shall pay his preapproved school costs related to tuition and books.
5. The assignment of weekend and holiday overtime to apprentices working within a given job classification shall only be done after all non-apprenticed employees on all shifts in the given job classification in which the work is to be done have been asked.

## **Section 6**

The Company shall have the right to assign an apprentice, at Company request, to any given shift, or work assignment within his trade as long as no other non-apprenticed employee already assigned to the shift or work is displaced. The Company shall have the right to use qualified skilled personnel in the training of an apprentice.

## **Section 7 - Layoff & Recall**

1. During a reduction in workforce in the skilled trades, apprentices in the affected department and job classification shall be the first employee removed and the last recalled, unless a senior employee elects a voluntary layoff in accordance with the provisions of this Agreement, and an apprentice remains who is qualified to perform the available work.
2. Apprentices shall have both a Company seniority date in accordance with Article VIII of this Contract and also an apprenticeship seniority date which shall be based on the amount of time remaining for completion of an employee's indenture. The employee

with the least amount of time remaining on his indenture and in his particular trade shall be the most senior apprentice in that trade. After being transferred from or laid off from an apprenticeship classification, an employee shall exercise Company seniority.

3. The Company shall at its discretion have the right to continue a transferred or laid off apprentice's schooling.

### **Section 8**

An employee who is released for any reason from his indenture shall be transferred to an open job that he can satisfactorily perform or else be placed on layoff.

### **Section 9**

After graduation, apprentices will have their trade seniority revert back to the start date of the apprenticeship and Company wide seniority. Trade seniority will apply for overtime scheduling and transfers only. This section applies only to apprentices who start their apprenticeship on or after the spinoff.

## **ARTICLE XXVI**

### **Internal Training Program for the Skilled Trades**

#### **Section 1**

In addition to the State Indentured Apprenticeship Program set forth in Article XXV of this Agreement, the Company has a right to establish an internal skilled trades training program which shall consist in classroom and/or online education and on-the-job training. Upon conclusion of the program, an employee shall be deemed to have attained journeyman status and shall be treated as such for all purposes under the terms of this Agreement.

#### **Section 2**

The Company will give first consideration for participation in the journeyman training program to individuals employed by the Company who, in the Company's sole judgment, demonstrate the capability and aptitude to successfully complete the program.

#### **Section 3**

The Company shall determine the on-the-job training and educational components for each of the trades for which the training program applies, as well as the time to be allocated to on-the-job training and education for each individual trainee.

#### **Section 4**

Trainees will be given credit for related work and education experience either within or outside of the Company.

#### **Section 5**

A training wage will be established at no less than 70% of the contractual wage rate for the trade to which the trainee is assigned. The wage progression to the contractual rate shall be determined



by the Company and may vary between trainees within the same trade based upon demonstrated competency, related work and educational experience.

### **Section 6**

Upon completion of the training program, the trainee will be granted Journeyman status and provided with a Journeyman job, classification and wage rate on a shift to be determined by the Company. The opening for which a trainee is being considered shall be treated as an upgrading within the department and the job will be posted on the appropriate department's bulletin board for two (2) days (48 hours) and a copy of the posting will be furnished to the Union.

### **Section 7**

1. All hours of Company approved schooling shall be paid at straight time by the Company.
2. The Company shall pay the trainee's preapproved educational expenses related to tuition and books in accordance with the provisions of Article XXIV of this Agreement.

### **Section 8**

The probationary period for an employee upon entering the training program shall be six calendar months during which the trainee can be removed from the program without recourse to the grievance procedure.

### **Section 9**

After graduation, trainees will have their trade seniority revert back to the start date of their training.

### **Section 10 - Joint Internal Training Committee**

A joint internal training committee shall be formed for the purpose of resolving issues related to the establishment and administration of the Internal Skilled Trades Training Program. In this regard, the committee will discuss matters related to an employee's progression through the training program as well as any other dispute which may arise concerning the administration of the program. The committee shall include two standing members from the Company and the Union selected by the respective parties. In addition, if an issue to be discussed is related to a specific trade an employee from the respective trade may be added to the committee, either by the Company or the Union.

The committee's function is solely advisory and, accordingly, the Company retains the discretion to make final decisions regarding the establishment and administration of the internal training program. The committee shall be the exclusive process to resolve disputes or complaints evolving from the Training Program. These matters shall be deemed to be outside of the scope of matters subject to resolution under the grievance/arbitration provisions of this Agreement.

### **Section 11 – Protection for Internal Applicants**

If an internal applicant is awarded a skilled trades training position, the successful applicant shall be moved to the position when the employee's existing job can be filled by a qualified employee. Notwithstanding the foregoing, the successful bidder shall be transferred to the training position

no later than six (6) months from the day the successful bidder is awarded the training position. The successful bidder shall be placed in the training wage progression the day the employee is transferred to the training position.

## **ARTICLE XXVII**

### **Educational Assistance Program**

#### **Section 1**

The Company encourages employees to obtain additional education in their fields of endeavor to develop and prepare employees for advancement opportunities and to increase the potential value of employees to the Company.

Thus the Company will provide reimbursement for 100% of out of pocket expenses, up to the maximum approved by the IRS, for tuition, lab fees, and book expenses (not including registration fees, transportation, etc.) to eligible employees satisfactorily completing approved courses as defined below.

1. To be eligible for educational assistance an employee must:
  - a. Be a full-time employee who has six (6) months of seniority at the time of enrollment for, and completion of, the course; or
  - b. Be a laid off employee who has at least six (6) months seniority at the time of enrollment for, and completion of, the course. The course(s) taken must be less than six (6) months in duration. The employee must be recalled to full time status before the course(s) is completed.
  - c. Pay all expenses of the course prior to receiving reimbursement for such course;
  - d. Receive written approval of the specific course from Human Resources in advance;
  - e. Submit a tuition receipt and evidence that the course has been satisfactorily completed with a grade of at least "C" or its equivalent.
  
2. To be eligible for reimbursement under the Educational Assistance Program, a course of study must:
  - a. Be offered by an accredited college, university, or technical school. Correspondence courses are not eligible for tuition reimbursement, unless the Company decides to make an exception.
  - b. Contribute to the performance of the employee's present or probable future job within the Company.

- c. Require class attendance on the employee's time. Human Resources shall determine the appropriateness of the course or courses to be taken and approve or disapprove the course for educational assistance. Should the Company deny an employee's request for a course, the employee shall have the right to request an immediate meeting between the Union and the Company to resolve the issue.
3. Upon satisfactory completion of the course, the employee shall present his grade report and educational expense receipts to Human Resources which will request appropriate and prompt reimbursement.

## **Section 2**

1. When the Company requires employees to attend or take part in training to maintain skill levels in their current classifications and labor grade, pay for all hours spent in class will be in accordance with the Contract. Employees who go to school Monday through Friday from a department that is on a nine (9) hour schedule will not lose the ninth hour for pay purposes. Employees from the four (4) day twelve (12) hour rotations will be paid in accordance with their normal pay schedule. The Company will attempt to make the training available to all shifts by seniority. The Union will be notified in advance of scheduled schooling and those in attendance.
  - a. When the Company schedules voluntary training opportunities for employees to expand their skills in their current classification and labor grade, they will receive pay to a maximum of eight (8) hours per day based on their straight time average including shift premium for the week prior to the week in which the training occurs. Employees from the four (4) day twelve (12) hour rotation will be paid in accordance with their normal pay schedule.
  - b. Employees who are not in the affected classification and labor grade may request to attend such training in order to qualify themselves for advancement, provided unslotted openings are available, without pay.
2. The Company may at times schedule non-paid general knowledge courses to provide technical training for employees to advance themselves. Examples: Blueprint reading, use of the micrometer, statistical process control.
3. It is understood that new knowledge being introduced into the shop because of new technology may initially be scheduled under paragraph a. above, but that eventually such knowledge will become a prerequisite for employees desiring to enter a classification for the first time and that the employee has the obligation at that time to obtain said knowledge on his own, in many cases through use of the Educational Assistance Program.

### **Section 3**

The Company will allow, when practicable, an employee, by seniority, to flex his start time so as to attend approved educational classes that are held only during his work hours. Should the Company deny the employee's request, the employee shall have the right to request an immediate meeting between the Union and the Company to resolve the issue. This Agreement includes all departments and all employees, not just a select few. No other employee will be affected in any way because of any employee utilizing the flex start time. It is understood that any employee who has enrolled in school will be allowed to complete the duration of the current enrollment period.

### **Section 4**

1. In addition to Article XIII, Section 1, when an employee with five (5) or more years seniority is laid off for twelve (12) consecutive months he will be entitled to education and retraining according to the following:
2. Courses will be approved by the Company which contribute to or enhance the employee's ability to obtain other employment provided that the employee begins the approved course(s) within one (1) year after eligibility.
3. Approved courses will normally be given at schools which are accredited by recognized regional or state accrediting agencies and may include:
  - a. Occupational or vocational skill development;
  - b. Fundamental reading or numerical skill improvement;
  - c. High school diploma or equivalency achievement; and
  - d. College level career oriented courses.
4. An employee will be reimbursed up to a maximum as permitted by IRS for authorized expenses which are incurred within two (2) years of eligibility provided a grade of C or better is received in the course. Authorized expenses include verified tuition and necessary books.
5. This section does not apply to terminated employees.

## **ARTICLE XXVIII**

### **General**

#### **Section 1**

The Company agrees to allow the Union the use of up to six (6) bulletin boards. The Union agrees to submit its notices to Human Resources prior to posting and to restrict such notices to:

1. Notices of Union recreational and social activities;
2. Notices of Union elections;
3. Notices of Union appointments and results of elections;
4. Notices of Union meetings;
5. Notices of Union business.

## **Section 2**

The Company agrees to notify the Union of all individual wage adjustments and transfers of employees who are subject to the terms of this Agreement.

## **Section 3**

It is hereby agreed between the Union and the Company that in the event of complaints regarding, Work Group Coordinators or lead persons, the Company and the Union will meet and review such complaints and, if necessary, remedial action will be taken by the Company.

## **Section 4**

The Company agrees to furnish to the Union all name, telephone number and address changes.

## **Section 5**

The Company will make metric tools available for employee use, where necessary during the life of this contract.

## **Section 6**

The Company will assign the Grievance Representative a room in which to conduct Union business.

## **Section 7**

Upon request, the Company will furnish the Union, for its own use, with a reasonable number of Contract books, pension and insurance booklets at no cost.

## **Section 8 - Work Jurisdiction**

Company retains the right to have Supervisors or other salaried employees perform any work or operation of the Company under the following circumstances:

1. In the instruction and training of employees;
2. In the initial set-up or start-up of new or rebuilt equipment, process or operations;
3. In the experimental production work for the purpose of product or process development of the type and character exclusively performed by the bargaining unit.

4. In no event will employees be laid off, transferred, or have their hours reduced because of this Article.

## **ARTICLE XXIX**

### **Management Rights**

#### **Section 1 – Management Rights**

The Union recognizes that the Company retains the traditional rights to manage its business and to direct, plan and control plant operations and the working forces. These unilateral management rights include, but are not limited to, the right to determine products to be manufactured or serviced; to introduce, discontinue, or transfer a product or operations or any portions thereof including the sole right to determine when and where such product and operations shall be introduced, discontinued or transferred; to determine, and adjust or modify its operations, methods, processes, facilities, equipment, and materials to be used in connection with manufacture or maintenance.

#### **Section 2**

The Company retains the right to subcontract work subject to the provisions of Article XXX.

#### **Section 3 – Reasonable Work Rules**

The Company shall have the right to establish and enforce reasonable work rules and the right to modify such rules and policies. Prior to implementing a new rule or policy or modifying an existing rule or policy, the Company will provide the Union with a copy of the same and an opportunity to discuss the change. However, such discussions shall not unnecessarily delay the Company's implementation of the rule or its modification.

## **ARTICLE XXX**

### **Subcontracting**

#### **Section 1 – Subcontracting – Skilled Trades Maintenance Work**

1. Skilled Trade Maintenance Work - Applicable skilled trades employees of the Company will be utilized for production demand work if they can satisfactorily perform a given job with the readily available equipment in a timely manner.
2. When it is necessary to utilize subcontractors for production demands, the Company will assign overtime as stated in Article VII, Section 9, General subsection e. (4) and subsection f. (3) and as a means of minimizing the use of subcontractors.
3. Subcontractors will be utilized for new construction, rebuilding, replacement or modification of existing machines and facilities and to meet production demands.

4. The Company will be allowed to use subcontractors on a temporary basis to meet production demands to fill in for employees on vacation, leave of absence, quits, or until they can hire, without being obligated to assign weekend overtime.
5. A Joint Union - Company Committee will be formed and will meet at the discretion of the Committee to discuss subcontracting. The Committee will discuss factors such as, but not limited to, timeliness, available manpower, commitment of the workers, equipment needed and economics. Whenever practical, the Committee will be given the opportunity to discuss proposed subcontracted projects before they are subcontracted.
6. The Company retains the ultimate discretion as to final sub-contracting decisions subject to the terms of this section.

### **Section 2 – Subcontracting – Skilled Trades Tool Room Work**

1. Skilled Tool Room Work - For maintenance and repair of dies applicable skilled trades employees of the Company will be utilized if they can satisfactorily perform a given job in the space available with the readily available equipment in a timely manner.
2. A Joint Union - Company Committee will be formed and meet at the discretion of the Committee to discuss new work and alterations. The Committee will discuss factors such as, but not limited to, timeliness, available manpower, commitment of the workers, equipment needed and economics. Whenever practical, the Committee will be given the opportunity to discuss proposed new work and alterations to subcontracting before it occurs. The Company retains the ultimate discretion as to final sub-contracting decisions regarding new work and alterations.

### **Section 3 – Subcontracting – Production Work**

In an effort to minimize subcontracting, a joint subcontracting committee will be established. Subcontracting is defined as the placement of work previously performed by bargaining unit members with outside concerns when such work could be performed by bargaining unit personnel at the time of such placement without overtime or additional equipment and at the same quality level as that offered by the outside concerns.

1. The committee will consist of no more than three (3) management representatives and three (3) Union representatives, all of whom shall be employees of the Company. The committee will meet monthly, unless mutually agreed otherwise, to discuss the status of jobs presently subcontracted as well as jobs then known to be scheduled for subcontracting and to evaluate the economic and other considerations which resulted in the subcontracting or proposed subcontracting. The committee shall be provided with sufficient information to allow it to make recommendations as to means to bring the work back or to render the proposed subcontracting unnecessary. Whenever practicable, the committee will be provided with such information as to the proposed subcontracting in sufficient time to allow it to review the proposed subcontracting before it takes place. The Union Representatives will be paid at their rate for time spent in subcontracting meetings.

2. The ultimate goal of the committee is to insure that work traditionally performed by bargaining unit employees will be retained whenever it is in the best interests of the Company and the employees to do so. The Company retains the ultimate discretion as to final subcontracting decisions.

Any subcontracted work brought back to the Company through the efforts of the Subcontracting Committee shall remain at the Company for at least one (1) year. Any process improvement developed by the Subcontracting Committee will not be given to an outside supplier.

**Section 4**

Nothing in this Agreement shall prohibit the Company from utilizing product management services provided by its raw material or parts suppliers. Such product services, to the extent that they are an integral part of the purchase of parts or raw materials, shall not be deemed a subcontract for purposes of this Agreement. The utilization of these services shall not result in a layoff.

**ARTICLE XXXI**

**Termination**

**Section 1**

1. This Agreement shall be in full force and effect from September 18, 2018 to and including midnight September 17, 2021 and shall continue in full force and effect from year to year thereafter unless written notice of desire to terminate or modify this Agreement is served by either party upon the other at least sixty (60) days prior to the expiration or an automatic renewal.
2. If such notice is so served, then this Agreement shall terminate upon its expiration date or upon the ending of the automatic annual period involved, as the case may be.

**Section 2**

The respective parties shall be permitted all lawful economic recourse to support their request for revisions if the parties fail to agree thereon.

Executed at Milwaukee, Wisconsin this \_\_\_\_ day of March, 2019.

**STRATTEC SECURITY CORPORATION**

By:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Adam Gerstmeier  
Nic Haug  
Bill Fitzgerald  
Clinton Mileur



**UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY,  
ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION (USW),  
LOCAL 2-232, AFL-CIO, CLC**

By: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Jesse Edwards  
Tim Reiter  
Joe Wentz  
Jim Regan

**UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY,  
ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION (USW)**

By: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Leo W. Gerard, International  
President  
Stanley W. Johnson,  
International Secretary-Treasurer  
Thomas M. Conway,  
International Vice President  
Fred Redmond, International  
Vice President  
Michael Bolton, District Two  
Director  
Breahn Quigley Knackert,  
Staff Representative

**Appendix A  
STRATTEC WAGES**

<b>Skilled Trades Wage Schedule</b>					
<u>Labor Grade</u>	<u>Skill</u>	<u>9/18/2017</u>	<u>11/12/2018</u>	<u>9/16/2019</u>	<u>9/14/2020</u>
1	A		\$36.00	\$36.90	\$38.01
1	B		\$34.18	\$35.03	\$36.08
<b>Skilled Trades</b>					
1	S	31.30	\$31.30	\$32.08	\$33.04
2	S	30.44	\$30.44	\$31.20	\$32.14
3	S	29.57	\$29.57	\$30.31	\$31.22
4	S	28.71	\$28.71	\$29.43	\$30.31
5	S	28.46	\$28.46	\$29.17	\$30.05
6	S	27.61	\$27.61	\$28.30	\$29.15
7	S	26.71	\$26.71	\$27.38	\$28.20
8S	S	25.94	\$25.94	\$26.59	\$27.39

<b>Production Wage Schedule</b>					
<u>Labor Grade</u>	<u>Skill</u>	<u>9/18/2017</u>	<u>11/12/2018</u>	<u>9/16/2019</u>	<u>9/14/2020</u>
<b>Production</b>					
8N	N	23.08	\$23.66	\$24.25	\$24.98
9-10	N	22.65	\$23.22	\$23.80	\$24.51
11-12	N	21.87	\$22.42	\$22.98	\$23.67
13	N	20.79	\$21.31	\$21.84	\$22.50
14	N	20.20	\$20.71	\$21.23	\$21.87
15-17	N	19.70	\$20.19	\$20.69	\$21.31
18-20	N	17.59	\$18.03	\$18.48	\$19.03
21-26	N	16.28	\$16.69	\$17.11	\$17.62
27	N	13.98	\$14.33	\$14.69	\$15.13

**Labor Grade Adjustments - Skilled Trades**

1. Industrial Electrician (Job Code 120): Labor Grade moved from Labor Grade 3 to Labor Grade 1B.
2. Tool & Die Maker – Mold (Job Code 150): Labor Grade moved from Labor Grade 4 to Labor Grade 1.
3. Mold Maker (Job Code 171): Labor Grade moved from Labor Grade 4 to Labor Grade 1.

4. Tool & Die Maker Stamping (Job Code 155): Labor Grade moved from Labor Grace 5 to Labor Grade 1.
5. ATTEC Tech 111A (Job Code 150): Labor Grade moved from Labor Grace 5 to Labor Grade 1.
6. AMG (Automated Machine Group) (Job Code 157): Labor Grade moved from Labor Grace 6 to Labor Grade 3.
7. Industrial Steam & Pipefitter (Job Code 125): Labor Grade moved from Labor Grace 8S to Labor Grade 5.
8. Industrial Millwright (Job Code 110): Labor Grade moved from Labor Grace 8S to Labor Grade 6.
9. Industrial Sheet Metal Worker (Job Code 130): Labor Grade moved from Labor Grace 8S to Labor Grade 6.
10. Machinist (Job Code 165): Labor Grade moved from Labor Grace 6 to Labor Grade 5.
11. Industrial Machine Repair: Labor Grade moved from Labor Grace 5 to Labor Grade 2.

#### **Labor Grade Adjustments - Production**

1. Stamping Setup (Job Code 380): Labor Grade moved from Labor Grace 12 to Labor Grade 10.
2. Die Cast Setup (Job Code 480): Labor Grade moved from Labor Grace 10 to Labor Grade 8N.
3. Stamping and Milling Tech IV (Job Code 550): Labor Grade moved from Labor Grade 18 to Labor Grade 17.

#### **Newly Established Classification – Labor Grade Placement**

1. Maintenance Multi-Craft: Labor Grade 1A.
2. Tool Room Technician: Labor Grade 8N.
3. Stamping Cellular Technician: Labor Grade 8N.

#### **PIECEWORK ELIMINATION**

1. The employees listed herein below were, on the effective date of this Agreement, converted from pieceworkers to hourly rated employees and the individual incentive system was eliminated. These employees shall receive a base hourly rate and an adder calculated on their average rate during a relevant period, while employed as a pieceworker. Employees who receive the adder shall be red circled and shall not be entitled to a wage adjustment created by the reassignment of their job to a lower labor grade, but shall receive the contractual wage adjustments provided in this Agreement which shall be calculated on their base hourly rates and then added to their base hourly rates.

Department 55  
Tom Bohlman

Department 71  
Joseph Sutton

2. Employees will lose the “adder” if they are:
  - a. Voluntarily or involuntarily (laid off or bumped) are removed from the position to which the adder is assigned.
  - b. Voluntarily leave their job, other than by voluntary layoff.
  - c. Employee fails to maintain an acceptable level of output is subject to loss of adder.
3. Additional rules governing the adder:
  - a. An employee who is involuntarily removed from their job or takes a voluntary layoff shall again receive the adder upon (a) recall to their job or (b) upon their return to their job.
  - b. Employees who voluntarily leave their job and subsequently return shall not be eligible for the adder.
  - c. If the employee is discharged and is subsequently returned to work by agreement of the parties or by an arbitration award, the adder shall be reinstated.
4. If an employee designated herein is temporarily transferred from the job assigned the adder, for the convenience of the Company or if the line goes down, the employee receives his base rate plus adder for all hours worked under the above-described conditions.

## APPENDIX B

### SUPPLEMENTAL PENSION TERMINATION AGREEMENT

This Agreement made and entered into this 18th day of September, 2014, by and between STRATTEC SECURITY CORPORATION, its successors and assigns (hereinafter referred to as the “Company”) and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (USW), AFL-CIO, CLC, on behalf of its Local 2-232, (hereinafter referred to as the “Union” ).

**Whereas**, on December 31, 2009, the Union and Company agreed to freeze the STRATTEC Defined Benefit Retirement Plan (hereinafter the “Plan”); eligibility was frozen and no additional Credited Service was provided under the Plan.

**Whereas**, the Union and the Company have negotiated whether the Company may terminate the Plan and benefit options at termination;

**Whereas**, upon Plan termination, the Company is subject to fiduciary obligations in choosing the appropriate insurer to provide annuities;

**Whereas**, to comply with legal requirements for a Plan termination, the Company must provide specific information to Plan participants so that they can make informed decision regarding their benefit choices.

**It is now, therefore, agreed** as follows:

1. The Company has the discretion to terminate the Plan or to rescind the decision to terminate the Plan if the Company decides that is necessary. The Board of Directors may determine that it is too expensive to terminate the Plan..
2. The Company’s decision to terminate the Plan is also subject to receipt of a favorable IRS determination letter on the termination of the Plan and review by the Pension Benefits Guaranty Corporation.
3. The Company intends to amend the Plan to provide an additional distribution option; when Plan assets are distributed following the Plan termination, employees and terminated vested participants who are not in payment status may choose to receive benefits in the form of a lump sum benefit.
4. The Company may amend the Plan to make other changes as legally required or as necessary to facilitate the termination of the Plan. However, no amendments will reduce or eliminate any negotiated benefits or rights as identified in this supplement.

5. The Company will choose an appropriate insurer to provide annuities at Plan termination. The Union will be advised and kept informed of the selection process for such insurer.
6. Plan assets will not be distributed until participants have received all legally required notices and information and other legal requirements have been met. The Company will provide the Union with all notices and information as required under applicable law.

#### **LETTER OF UNDERSTANDING INCENTIVE AND GAIN SHARING PROGRAMS**

The Company continues to have the right to implement quality and/or productivity improvement programs. Any new pay-based incentive program must be mutually agreed to between the Company and the Union.

#### **LETTER OF UNDERSTANDING LIVING CONTRACT**

To maximize productivity and quality, and to improve the quality of work life for employees, the bargaining committees of the Company and the Union can agree to mid-contract language changes. Changes made by the joint committee will be in effect for three (3) months unless the parties mutually agree to terminate the Agreement prior to the end of the three (3) months. Agreements will automatically renew for an additional three (3) months unless one of the parties notifies the other party in writing, at least two (2) weeks in advance prior to the end of a three (3) month period that they do not want to renew the Agreement beyond the current three (3) month period. Notwithstanding the foregoing, the parties may agree to perpetuate a mid-term contract change, beyond the time limits set forth herein. Other than wage rates, insurance, pension, 401(k) Plan, Economic Value Added Plan, holidays or vacations, all other changes, even if they impact or affect these sections, shall be permitted. Any such changes to be effective must be reduced to writing and signed by the parties. Union representatives will be paid their average straight time wage for time spent in these meetings.

#### **LETTER OF UNDERSTANDING PROCEDURE FOR SEVERANCE OFFERS**

The Company in its discretion may make an offer of severance pay to an employee whose job is permanently eliminated, as a result of the transfer and/or relocation of work out of the Milwaukee Facility only.

In order to be eligible for a separation payment under this memorandum, the following must occur.

1. The employee's job must be permanently eliminated as a direct result of a work relocation or transfer from the Milwaukee Facility.

2. The employee has at least five (5) years of service but less than thirty (30) years of service with the Company.
3. The employee elects not to use his/her seniority to displace an employee under the lay-off and recall provisions of this Agreement or if laid-off out of the plant elects not to retire or to retain his/her recall rights under the terms of the collective bargaining agreement.

The offer of separation pay will consist of a lump sum. The payment will depend on the employee's years of service from the employee's most recent date of hire to the beginning of the month in which the employee's job is eliminated.

<b>Years of Service</b>	<b>Amount of Lump Sum Payment</b>
At least 5 years but less than 10 years.	\$4,000
At least 10 years but less than 15 years	\$7,000
15 or more years	\$12,000

Group insurance benefits (excluding S&A) will be continued on the same basis as for an employee who is on a temporary layoff.

Employees who accept a severance offer under this provision will be considered to have voluntarily terminated their seniority and their employment with the Company.

**LETTER OF UNDERSTANDING  
DEPARTMENT CONSOLIDATION**

This is to confirm our understanding reached during negotiations that Section 15 of Article VIII, provides that the Company may "change departments for legitimate business purposes." The parties agree that if the Company in its discretion consolidates a department or departments as set forth in the below listing such consolidation shall be deemed to have occurred for legitimate business reasons and not for the reason of protecting certain individuals from layoff or against recall or to defeat job preference.

The consolidated departments and the departments which have been consolidated are as follows:

**NEW DEPARTMENTS**

**TOOLING**

- Attec
- Toolmakers
- Machinists

**MAINTENANCE**

Maintenance

**QUALITY**

Quality Control

Supplier Quality

**PLATING**

Plating & Polishing

**MATERIALS**

Production

Receiving & Shipping

**STAMPING**

Punch Press

**DIE CAST**

Die Cast

Die Cast Trim

**ASSEMBLY**

Assembly

Housing

**MAINTENANCE SUPPORT**

Buildings & Grounds

**LETTER OF UNDERSTANDING****STOCK PURCHASE PLAN**

All employees at the time of hire shall be eligible to participate in the Company's Stock Purchase Plan.

This plan will be made available to employees through weekly payroll deduction. Plan administrative expenses will be paid by the Company. The employee will be required to pay a discounted commission upon the sale of the employee's Company stock.

The full details of the Plan shall be provided to each eligible employee in a Plan Description document. Questions may be directed to the Human Resource Department.



**LETTER OF UNDERSTANDING  
SAFETY SHOES**

This is to confirm the parties' understanding reached during negotiations that the Company agrees to reimburse employees the cost of one (1) pair of safety shoes per calendar year when these safety shoes are required by the Company.

The Company will designate the type of shoes to be eligible for reimbursement.

**LETTER OF UNDERSTANDING  
VACATION TIME OFF PRACTICES**

Neither the Collective Bargaining Agreement, nor Letters of Understanding, detail various non-contract vacation time-off policies and practices and the Company does not now insist that there should be a written record of the policies. This letter shall set forth the parties understanding relative to the continuation of these procedures.

In this regard, the parties agree that the following vacation time off procedures apply to all bargaining unit employees hired prior to November 15, 1997:

1. An employee who has worked less than 600 hours in the vacation accrual year but has worked at least one day in the vacation accrual year and therefore has earned no vacation pay shall nonetheless be entitled to take all vacation time off for which the employee was eligible under Article VIII based upon his length of service.
2. If the Company does not schedule a vacation plant shutdown, employee's who are not entitled to two (2) weeks vacation pay and time off will be able to take up to two (2) weeks of vacation time off without pay.

Employees' hired on or after November 15, 1997, shall only be able to take vacation time off which equates to the vacation pay which the employee has earned on July 1st of the vacation year.

**LETTER OF UNDERSTANDING  
PAY FOR GRIEVANCE REPRESENTATIVE**

This will confirm the parties understanding reached during negotiations concerning the position of Grievance Representative.

1. The Grievance Representative will be compensated for up to six (6) hours per week for time spent on Union business arising out of the representative's responsibility to administer and/or negotiation that is collective bargaining agreement only not for time spent for Local or International business or for the purpose of education or training or any other purpose not directly related to the administration or negotiation of this Agreement. The grievance representative shall be compensated at the straight time hourly rate of pay for the job classification the individual holds.

2. All compensation for Union business shall be at the employee's straight time hourly rate, whether such business is conducted before, during or after the individual's assigned shift. If the Union business is conducted during normal shift hours and the individual loses work time from his normal shift schedule as a result thereof and the lost time does not exceed six (6) hours per week, such lost time shall be deemed work for the purpose of calculating overtime pay. Conversely, time spent on Union business outside the individual's normal shift hours, shall not be considered as time worked for the purpose of calculating overtime pay.
3. In addition to the compensation provided for herein, the individual will be compensated at his straight time hourly rate for time spent in grievance meetings with the Company, where the contract requires the individual's presence at such grievance meetings.
4. The Grievance Representative will be required to perform his work, when not excused for Union business.
5. The Company will establish a record keeping system to track its obligations under this letter. The Grievance Representative will comply with the requirements of this system.

This letter shall become effective on September 18, 2014, and shall remain in full force and effect until midnight September 17, 2018.

**LETTER OF UNDERSTANDING  
WEEKEND OVERTIME FOR TOOL ROOM SKILLED TRADES EMPLOYEES**

It is agreed between the parties as follows:

1. Employees in the Tooling Department may post for available weekend overtime within the department, but outside of their job classification.
2. After all employees within the job classification across all shifts have been offered the overtime and before employees in the classification are mandated, the Company will offer the overtime to employees in the department, but outside of the classification, who have posted, provided they are qualified and capable of performing the job without training or orientation.
3. The Company shall determine whether an employee is qualified and capable based upon the employee's proven work experience at STRATTEC.

**TRAINING LETTER OF UNDERSTANDING  
TRAINING EMPLOYEES**

This letter sets forth the mutual understanding of the parties relative to the above-defined provisions of the Agreement.

The parties have reached the following understanding with respect to training:

1. The Company will give consideration to seniority in selecting employees to be trained. It is understood that this is only one factor in the selection analysis.
2. If an employee is selected by the Company to train and offered the opportunity but rejects the offer, it is within the discretion of the Company to determine whether a future offer of training will be extended to the employee.
3. In the skilled trades classifications, if an employee has demonstrated that he does not have the skill, ability or capability to perform certain work within the trade designation the employee holds, the Company is not required to assign such work to the employee whether on a straight-time or overtime basis, if such work is or could be required during the assignment.
4. The parties set forth their mutual understanding that the term “production requirements” is not limited in its scope to a measure of “timeliness,” but also means, among other meanings, that the incumbent must remain on the job to meet the requirements of the business.”

**LETTER OF UNDERSTANDING (Effective December 23, 2018)  
ATTENDANCE POINT(S) FORGIVENESS**

Upon reimplementing of the attendance policy, which occurred on December 23, 2018, employees who have more than four (4) points will be reduced to four (4) points. Employees with four (4) or less points shall be reduced to zero (0) points.