

AGREEMENT

between

Cleveland-Cliffs Steel LLC

and the

**United Steel, Paper and Forestry,
Rubber, Manufacturing, Energy,
Allied Industrial and Service
Workers International Union**

September 1, 2022

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ARTICLE ONE - AGREEMENT

Section A. Parties to the Agreement

1. This Agreement, dated as of September 1, **2022** for the Employees of **Cleveland-Cliffs Steel LLC** (the Basic Labor Agreement, BLA, or the Agreement), is between **Cleveland-Cliffs Steel LLC** (or the Company as further defined below) and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, or its successor (the Union or USW or United Steelworkers) on behalf of the Employees of the Company (as defined in Article Two, Section A (Coverage) at both facilities in East Chicago, Indiana; Cleveland, Ohio; Warren, Ohio; Riverdale, Illinois; Burns Harbor, Indiana; Conshohocken, Pennsylvania; Coatesville, Pennsylvania; Steelton, Pennsylvania; Virginia, Minnesota; and Weirton, West Virginia.

Section B. Term of the Agreement

1. The effective date of the Agreement shall be September 1, **2022**, (the Effective Date) except as otherwise expressly provided.
2. Except as otherwise provided below, this Basic Labor Agreement shall terminate at the expiration of sixty (60) days after either party shall give written notice of termination to the other party, but in any event shall not terminate earlier than September 1, **2026** (the Termination Date).
3. If either party gives such notice, it may include therein notice of its desire to negotiate with respect to Insurance, Pensions, Successorship and Supplemental Unemployment Benefits. If the parties do not reach agreement with respect to such matters by the Termination Date, either party may thereafter resort to strike or lockout, as the case may be, in support of its position with respect to such matters, as well as any other matter in dispute. This Paragraph shall apply to all such matters, including Insurance, Pensions, Successorship and Supplemental Unemployment Benefits, notwithstanding any contrary provision of existing agreements on those subjects.
4. Any notice to be given under this Agreement shall be given by certified mail and shall be postmarked by the required date. Mailing of notice to the Union should be addressed to the United Steelworkers, 60 Boulevard of the Allies, Pittsburgh, Pennsylvania 15222; mailing of notice to the Company should be addressed to **200 Public Square, Suite 3300, Cleveland, OH 44114**. Either party may, by like written notice, change the address to which certified mail notice shall be given.

ARTICLE TWO - UNION SECURITY

Section A. Recognition and Coverage

1. The Company recognizes the Union as the exclusive representative of a bargaining unit made up of production, maintenance, office, technical, clerical and railroad employees of the Company, excluding only managers, confidential employees, supervisors and guards as defined under the National Labor Relations Act. Individuals in the bargaining unit shall be known as "Employees." Individuals who are employed by the Company and are not in the bargaining unit shall be known as "non-bargaining unit employees." Individuals who are in the bargaining unit and those who are not in the bargaining unit shall be known collectively as "employees."
2. Except as expressly provided herein, the provisions of this BLA constitute the sole procedure for the processing and settlement of any claim by an Employee or the Union of a violation by the Company of this Agreement. As the representative of the Employees, the Union may process grievances through the grievance procedure, including arbitration, in accordance with this BLA or may adjust or settle same.
3. When the Company establishes a new or changed job whose duties include a material level of production, maintenance, office, technical or clerical work; the resulting job shall be considered a job covered within the bargaining unit; provided that where non-bargaining unit duties are added to a job in the bargaining unit on a temporary basis, they may be withdrawn.
4. It is understood that supervisors at a plant shall not perform work on a job normally performed by the bargaining unit except:
 - a. experimental work;
 - b. demonstration work performed for the purpose of instructing and training Employees;
 - c. work required by conditions which, if not performed, might result in interference with operations, bodily injury or loss or damage to material or equipment; and
 - d. work that would be unreasonable to assign to an Employee or which is negligible in amount.
5. If an individual other than an Employee performs work in violation of Paragraph 4 and the Employee who otherwise would have performed this work can

reasonably be identified, the Company shall pay such Employee his/her applicable Regular Rate of Pay for the time involved or for four (4) hours, whichever is greater.

Section B. Union Membership and Dues Checkoff

1. Each Employee who, on the effective date of this provision, is a member of the Union and each Employee who becomes a member after that date shall, as a condition of employment, maintain membership in the Union. Each Employee who is not a member of the Union on the effective date of this provision and each Employee who is hired thereafter shall, as a condition of employment, beginning on the thirtieth (30th) day following the beginning of such employment or the effective date of this provision, whichever is later, acquire and maintain membership in the Union.
2. Should the above provision be unenforceable for any reason, then, to the extent permitted by law, each Employee who would be required to acquire or maintain membership in the Union if the provision in Paragraph 1 above could lawfully be enforced, and who fails voluntarily to acquire or maintain membership in the Union, shall be required, as a condition of employment, beginning on the thirtieth (30th) day following the beginning of such employment or the effective date of this provision, whichever is later, to pay to the Union each month a service charge as a contribution towards the Union's collective bargaining representative expenses. The amount of the service charge, including an initiation fee if applicable, shall be as designated by the International Union Secretary-Treasurer.
3. Wherever Paragraph 1 or 2 above is applicable:
 - a. The Company will check off monthly dues or service charges, including, where applicable, initiation fees and assessments, each in amounts as designated by the International Union Secretary-Treasurer, effective upon receipt of individually signed voluntary checkoff authorization cards. The Company shall within ten (10) days remit any and all amounts so deducted to the International Union Secretary-Treasurer with a completed summary of USW Form R-115 or its equivalent.
 - b. At the time of employment, the Company will suggest that each new Employee voluntarily execute an authorization for the checkoff of amounts due or to be due under Paragraph 1 or 2 above. A copy of the card will be forwarded at the time of signing to the Financial Secretary of the Local Union.
 - c. The Union will be notified of the amount transmitted for each Employee (including the hours and earnings used in the calculation of such amount)

and the reason for non-transmission, such as in the case of interplant transfer, layoff, discharge, resignation, leave of absence, sick leave, retirement, death or insufficient earnings.

- d. The International Union Secretary-Treasurer shall notify the Company in writing of any Employee who is in violation of any provision of Paragraph 1 or 2 above.
- e. The Union shall indemnify the Company and hold it harmless against any and all claims, demands, suits and liabilities that shall arise out of or by reason of any action taken by the Company for the purpose of complying with the foregoing provisions.

Section C. PAC and SOAR Checkoff

- 1. The Company will deduct Political Action Committee (PAC) contributions for active Employees who have submitted authorization for such deductions from their wages and for retirees who have submitted authorization for such deductions from their pension. Such deductions shall be on a form reasonably acceptable to the Company and shall be promptly remitted to the Secretary-Treasurer of the USW PAC Fund.
- 2. For retirees who are or wish to become members of the Steelworkers Organization of Active Retirees (SOAR) and who have submitted authorization for such deductions from their pension, the Company will deduct SOAR dues from their pension. Such deductions shall be on a form reasonably acceptable to the Company and shall be promptly remitted to the International Union Secretary-Treasurer.

Section D. Successorship

- 1. The Company agrees that it will not sell, convey, assign or otherwise transfer, using any form of transaction (any of the foregoing, a Sale), any plant or significant part thereof which is covered by this Agreement to any other party (Buyer), unless the following conditions have been satisfied prior to the closing date of the Sale:
 - a. the Buyer shall have entered into an agreement with the Union recognizing it as the bargaining representative for the Employees working at the plant(s) to be sold; and
 - b. the Buyer shall have entered into an agreement with the Union establishing the terms and conditions of employment to be effective as of the closing date of the Sale.

2. The Company agrees that it will not consummate any transaction resulting in a Change of Control of the Company (a Transaction) unless the ultimate parent company of the entity which gains control (Newco) has satisfied the following conditions prior to the consummation of the Transaction:
 - a. Newco shall have recognized the Union as the bargaining representative for the Employees working at the plant(s) which are involved in the Transaction;
 - b. Newco shall have provided the Union with reasonable assurances that it has both the willingness and financial wherewithal to honor the commitments contained in all of the agreements between the Company and the Union applicable to the assets acquired (All USW Agreements);
 - c. In transactions not subject to paragraph d below, Newco shall have assumed all USW Agreements; and
 - d. In the event the Transaction occurs less than three (3) years before the Termination Date, Newco shall have either:
 - (1) entered into an agreement with the Union establishing the terms and conditions of employment to be effective upon the consummation of the Transaction; or
 - (2) at the USW's option, either
 - (a) assumed All USW Agreements applicable to the assets acquired, or
 - (b) assumed All such USW Agreements and extended them for a period of at least three (3) years beyond their then-scheduled expiration with the terms and conditions of the period of the extension to be determined, absent a negotiated agreement, by final offer interest arbitration.

The Union shall provide Newco with notice of the choice of its option prior to the consummation of the Transaction.

3. Change of Control is defined as the gaining by any person or group of persons (as the term person is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) (Person) of the power to direct the management and policies of the Company (other than Persons having such power as of the Effective Date).

4. This Section shall not apply to any transactions solely between the Company and any of its Affiliates, nor to a public offering of registered securities.
5. If the common stock of the Company is publicly traded on a nationally recognized stock exchange, then this Section shall not apply to any Transaction that results from an unsolicited tender offer or similar unsolicited transaction. This Section shall, however, apply in case of any merger or other consensual Transaction, regardless of whether that consensual Transaction results from an initial unsolicited offer.
6. Notwithstanding the provisions of Article One, Section B (Term of the Agreement), this Section shall expire one (1) year after the Termination Date.

Section E. Neutrality

1. Introduction

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

2. Neutrality

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

3. Organizing Procedures

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

- (1) Notice Posting

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

“NOTICE TO EMPLOYEES

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

1. The Company does not oppose collective bargaining or the unionization of our employees.
2. The choice of whether or not to be represented by a union is yours alone to make.
3. We will not interfere in any way with your exercise of that choice.

4. The Union will conduct its organizing effort over the next ninety (90) days.
5. In their conduct of the organizing effort, the Union and its representatives are prohibited from misrepresenting the facts surrounding your employment. Nor may they unfairly demean the integrity or character of the Company or its representatives.
6. If the Union secures a simple majority of authorization cards of the employees in [insert description of bargaining unit provided by the Union] the Company shall recognize the Union as the exclusive representative of such employees without a secret ballot election conducted by the National Labor Relations Board.
7. The authorization cards must unambiguously state that the signing employees desire to designate the Union as their exclusive representative.
8. Employee signatures on the authorization cards will be confidentially verified by a neutral third party chosen by the Company and the Union.”

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

(2) Employee Lists

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

(3) Determination of Appropriate Unit

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

(4) Access to Company Facilities

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

(5) Card Check/Union Recognition

(a) If, at any time during an Organizing Campaign which follows the existence of a substantial and representative complement of employees in any unit appropriate for collective bargaining, the Union demands recognition, the parties will request that a mutually acceptable neutral (or an arbitrator from the American Arbitration Association if no agreement on a mutually acceptable neutral can be reached) conduct a card check within five (5) days of the making of the request.

(b) The neutral shall confidentially compare the authorization cards submitted by the Union against original handwriting exemplars of the entire bargaining unit furnished by the Company. If the neutral determines that a simple majority of eligible employees has signed cards which unambiguously state that the signing employees desire to designate the Union as their exclusive representative for collective bargaining purposes, and that cards were signed and dated during the Organizing Campaign, then the Company shall recognize the Union as the exclusive representative of such employees without a secret ballot election conducted by the National Labor Relations Board.

- (c) The list of eligible employees submitted to the neutral shall be jointly prepared by the Union and the Company.

4. Hiring

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

5. Definitions and Scope of this Agreement

- a. Rules with Respect to Affiliates and Ventures
 - (1) For purposes of this Section, the Company includes (in addition to the Company) any entity which is:
 - (a) engaged in (1) the mining, refining, production, processing, transportation, distribution or warehousing of raw materials used in the making of steel; or (2) the making, finishing, processing, fabricating, transportation, distribution or warehousing of steel; and
 - (b) either an Affiliate or Venture of the Company.

(2) An Affiliate shall mean any business enterprise that Controls, is under the Control of, or is under common Control with the Company.

Control of a business enterprise shall mean possession, directly or indirectly, of either:

(a) fifty percent (50%) of the equity of the enterprise; or

(b) the power to direct the management and policies of said enterprise.

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

b. Rules With Respect to Existing Affiliates and Ventures

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

c. Rules with Respect to New Affiliates and Ventures

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

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

6. Bargaining in Newly-Organized Units

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

a. The employer and the Union shall meet within fourteen (14) days following recognition to begin negotiations for a first collective bargaining agreement covering the new unit. In these negotiations the parties shall bear in mind

the wages, benefits and working conditions in the most comparable operations of the Company (if any comparable operations exist), and those of unionized competitors to the facility in which the newly recognized unit is located.

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

7. Dispute Resolution

- a. Any alleged violation or dispute involving the terms of this Section may be brought to a joint committee of one (1) representative each from the Company and the Union. If the alleged violation or dispute cannot be

satisfactorily resolved by the parties, either party may submit such dispute to the arbitrator. A hearing shall be held within ten (10) days following such submission and the arbitrator shall issue a decision within five (5) days thereafter. Such decision shall be in writing and need only succinctly explain the basis for the findings. All decisions by the arbitrator pursuant to this article shall be based on the terms of this Section and the applicable provisions of the law. The arbitrator's remedial authority shall include the power to issue an order requiring the Company to recognize the Union where, in all the circumstances, such an order would be appropriate.

- b. The arbitrator's award shall be final and binding on the parties and all employees covered by this Section. Each party expressly waives the right to seek judicial review of said award; however, each party retains the right to seek judicial enforcement of said award.
- c. For any dispute under this Section and the interest arbitration procedure described in Paragraph 6 above, the parties shall choose the arbitrator from the list of arbitrators described in Article Five, Section I (Adjustment of Grievances), Paragraph 6, contacting them in the order listed, and retaining the first to indicate an ability to honor the time table set forth above for the hearing and the decision.

Section F. Bargaining Unit Work

1. Guiding Principle

- a. The Guiding Principle is that the Company will use Employees to perform any and all work which they are or could be capable (in terms of skill and ability) of performing (Bargaining Unit Work), unless the work meets one (1) of the exceptions outlined in Paragraph 2 below.
- b. Any individual or entity other than an Employee who performs Bargaining Unit Work shall be referred to herein as an Outside Entity.

2. Exceptions

In order for work to qualify as an exception to the Guiding Principle, such work must meet all aspects of one (1) of the definitions outlined below and the Company must be in full compliance with all of the requirements of the particular exception as outlined below.

- a. Work Performed In or Around the Plant

(1) New Construction Work

New Construction Work is that portion of the work associated with significant (in the context of the facility) capital projects involving the installation, replacement or reconstruction of any equipment or productive facilities which (a) is not primarily maintenance; (b) does not involve bundling the work of separate projects which could be done separately; (c) does not involve any work not directly related to the project in question; and (d) is not regular, normal, routine, day-to-day or ongoing.

The Company may use Outside Entities to perform New Construction Work.

(2) Surge Maintenance Work

Surge Maintenance Work is that portion of maintenance and repair work which is required by bona fide operational needs performed on equipment where the Company temporarily uses Outside Entities to supplement bargaining unit forces and where: (a) the use of Outside Entities would materially reduce the downtime of the equipment; and (b) the work cannot reasonably be performed by bargaining unit forces.

The Company may use Outside Entities to perform Surge Maintenance Work provided that the Company has offered all reasonable and appropriate requested overtime to all qualified Employees who, by working such overtime, could reduce the amount of Surge Maintenance Work performed by Outside Entities in an efficient manner.

b. Work Performed Outside the Plant or its Environs

(1) Fabrication and Repair Work

Fabrication Work is the creation outside of the plant or its environs of items or parts used in the Company's business which are not themselves, either directly or after additional work is performed on them, sold to customers. Repair Work is the repair, renovation or reconstruction of those items.

Fabrication and Repair Work may be performed by Outside Entities only where the location of the work's performance is for a bona fide

business purpose and the Company can demonstrate a meaningful sustainable economic advantage to having such work performed by an Outside Entity.

In determining whether a meaningful sustainable economic advantage exists, neither lower wage rates, if any, of the Outside Entity, nor the lack of necessary equipment (unless the purchase, lease or use of such equipment would not be economically feasible) shall be a factor.

(2) Production Work

The Company may use Outside Entities to perform production work outside the plant and its environs provided the Company demonstrates that it is utilizing plant equipment to the maximum extent consistent with equipment capability and customer requirements and the Company is making necessary capital investments to remain competitive in the steel business and is in compliance with Article Eleven, Section B (Investment Commitment).

c. Warranty Work

Warranty Work is work which is not a service contract or replacement program and which is performed pursuant to a pre-existing warranty on new or rehabilitated equipment or systems (1) in order to assure that seller representations will be honored at no additional cost to the Company; (2) within eighteen (18) months of the installation of such warranted equipment unless longer warranties are the manufacturer's published standard warranties offered to customers in the normal course of business; and (3) for the limited time necessary to make effective seller guarantees that such equipment or systems are free of errors or will perform at stated levels of performance.

The Company may use Outside Entities to perform Warranty Work provided the guarantor of the Warranty Work is responsible for the cost of such work.

3. Commitment

In addition to the understandings described in Paragraphs 1 and 2 above, the Company agrees that:

- a. where total hours worked by employees of Outside Entities in or outside the plant reach or exceed the equivalent of one (1) full time employee, defined as forty (40) hours per week over a period of time sufficient to indicate that the work is full time, the work performed by Outside Entities will be assigned to Employees and the number of Employees will be appropriately increased if necessary, unless the Company is able to clearly demonstrate that the work cannot be performed by the addition of an Employee(s), or that assignment of the work to Employees would not be economically feasible. In determining whether the assignment of the work to Employees is or is not economically feasible, the lower wage rates, if any, of an Outside Entity shall not be a factor.
- b. The parties agree that the Union may at any time enforce the obligations described above, irrespective of the Company's compliance with any other obligation in this Section or any other part of the Agreement, and that an arbitrator shall specifically require the Company to meet the above Commitment, including imposing hiring orders and penalties.
- c. The Company shall supply the Bargaining Unit Work Committee (as defined below) with all requested information regarding compliance with the Commitment.

4. Bargaining Unit Work Committee

At each plant a committee consisting of four (4) individuals, two (2) individuals designated by each of the parties, shall be constituted to serve as the Bargaining Unit Work Committee. The Committee shall meet as required but not less than monthly to:

- a. review bargaining unit force levels for the plant;
- b. review historical contractor utilization by the plant;
- c. review projections for contractor utilization by the plant;
- d. monitor the implementation of new programs or hiring to reduce contractor utilization; and
- e. develop new ideas and implementation plans to effectively reduce contractor usage as per the terms of this Section.

5. Notice and Information

- a. Prior to the Company entering into any agreement or arrangement to use Outside Entities to perform Bargaining Unit Work, the Company will provide written notice to the Bargaining Unit Work Committee in sufficient time to permit a final determination, using the Expedited Procedure, of whether or not the proposed use of Outside Entities is permitted. Such notice shall include the following:
 - (1) location, type, duration and detailed description of the work;
 - (2) occupations involved and anticipated utilization of bargaining unit forces;
 - (3) effect on operations if the work is not completed in a timely fashion; and
 - (4) copies of any bids from Outside Entities and any internal estimating done by or on behalf of the Company regarding the use of the Outside Entities.
- b. Should the Union believe a meeting to be necessary, a written request shall be made within five (5) days (excluding Saturdays, Sundays and holidays) after receipt of such notice. The meeting shall be held within three (3) days (excluding Saturdays, Sundays and holidays) thereafter. At such meeting, the parties shall review in detail the plans for the work to be performed and the reasons for using Outside Entities. The Union shall be provided with all information available to the Company concerning the use of Outside Entities at issue.
- c. Should the Company fail to give notice as provided above, then not later than thirty (30) days from the later of the date of the commencement of the work or when the Union becomes aware of the work, a grievance relating to such matter may be filed.

6. Mutual Agreement

- a. As of the Effective Date, all agreements, understandings or practices of any kind that directly or indirectly permit the use of Outside Entities to perform Bargaining Unit Work are hereby agreed to be null and void.
- b. In the event the Bargaining Unit Work Committee resolves a matter in a fashion which in any way permits the use of Outside Entities, such resolution shall be final and binding only as to the matter under consideration and shall not affect future determinations under this Section.

- c. No agreement, whether or not reached pursuant to this Section, which directly or indirectly permits the use of Outside Entities on an ongoing basis, shall be valid or enforceable unless it is in writing and signed by the President/Unit Chair and the Grievance Committee Chair/Unit Grievance Committeeperson of the affected Local Union. Any such valid agreement shall expire on the Termination Date of this Agreement, unless signed by a Representative of the International Union.

7. Expedited Procedure

In the event the Union requests an expedited resolution of any dispute arising under this Section, it shall be submitted to the Expedited Procedure in accordance with the following:

- a. Within three (3) days (excluding Saturdays, Sundays and holidays) after the Union determines that the Bargaining Unit Work Committee cannot resolve the dispute, the Union may advise the Company in writing that it is invoking this Expedited Procedure.
- b. An expedited arbitration must be scheduled within three (3) days (excluding Saturdays, Sunday and holidays) of such notice and heard at a hearing commencing within five (5) days (excluding Saturdays, Sundays and holidays) thereafter.
- c. The arbitrator shall render a decision within forty-eight (48) hours (excluding Saturdays, Sundays and holidays) of the conclusion of the hearing.
- d. Notwithstanding any other provision of this Agreement, any case heard in the Expedited Procedure before the work in dispute was performed may be reopened by the Union if such work, as actually performed, varied in any substantial respect from the description presented in arbitration. The request to reopen the case must be submitted within seven (7) days of the date on which the Union knew or should have known of the variance.

8. Quarterly Review

- a. Not less than quarterly, the Bargaining Unit Work Committee shall meet with the Local Union President/Unit Chair and the General Manager of the plant, for the purpose of reviewing all work for which the Company anticipates utilizing Outside Entities at some time during the next or subsequent quarters. The Union shall be entitled to review any current or proposed contracts concerning such work and shall keep such information confidential.

- b. During the review, the Bargaining Unit Work Committee may (1) agree on items of work that should be performed by Outside Entities for which Notice under Paragraph 5 above is therefore not required; or (2) disagree on which items of work should be performed by Employees and which should be performed by Outside Entities for which notice under Paragraph 5 is therefore required.
- c. During the quarterly review, the Company will provide to the Bargaining Unit Work Committee a detailed report showing work performed by Outside Entities since the last such report. For each item of work the report shall include the date and shift the work was performed; a description of the work; the trade, craft or occupation of the individual performing the work; and the total number of hours worked by each individual.

9. General Provisions

a. Special Remedies

- (1) Where it is found that the Company (a) engaged in conduct which constitutes willful or repeated violations of this Section or (b) violated a cease and desist order previously issued by an arbitrator, the arbitrator shall fashion a remedy or penalty specifically designed to deter the Company's behavior.
- (2) With respect to any instance of the use of an Outside Entity, where it is found that notice or information was not provided as required under Paragraph 5 above, and that such failure was willful or repeated and deprived the Union of a reasonable opportunity to suggest and discuss practicable alternatives to the use of an Outside Entity, the arbitrator shall fashion a remedy which includes earnings and benefits to Employees who otherwise may have performed the work.

b. Outside Individuals Testifying in Arbitration

No testimony offered by an individual associated with an Outside Entity may be considered in any proceeding unless the party calling the outsider provides the other party with a copy of each Outside Entity document to be offered in connection with such testimony at least forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before commencement of that hearing.

10. Oversight and Work Subject to Transfer

- a. Notwithstanding any other provisions of this Section, a Company-wide Oversight and Work Subject to Transfer Committee (Committee) will be established comprised of two (2) union members (as designated by the Union Negotiating Committee Chairman) and two (2) Company members (as designated by the Company Negotiating Committee Chairman).
- b. An initial review of all outstanding issues at all plants covered by this Agreement will be conducted within one hundred twenty (120) days of the ratification of this Agreement. After the initial review the Committee will meet at least monthly to address issues that may arise during and after the review. After each meeting the Committee will prepare a written report for the Co-Chairs of the Negotiating Committee including any issues the local parties are unable to resolve, for review by the Co-Chairs.
- c. The parties recognize that in addition to ongoing concerns regarding the Commitment provisions of this Section there also exists a significant amount of work that is performed inside the plants that is being performed by Outside Entities that may not meet an exception as defined in this Section. The substantial level of work inside the plants that is currently (as of the Effective Date) being performed on a full-time basis pursuant to agreement or by practice by Outside Entities is work that is identified as Work Subject to Transfer (WST). The parties are committed to having all work inside the plants performed by Employees as is required by this BLA.
- d. The Company agrees that WST will be transferred to Employees pursuant to the procedures in paragraph f below unless the Company can clearly demonstrate that the work meets both of the exceptions outlined below.
 - (1) The Outside Entity performing such work has a significant (in the context of the relevant Company facility and the number of Outside Entity employees performing the WST) investment in either equipment, facilities, proprietary technology, or business and administrative infrastructure; and
 - (2) That to transfer such WST to Employees would, under all the circumstances, subject the Company to a material economic disadvantage measured over time and taking into account the size of the initial required investment (and without comparing wage and benefit costs).

- e. The Company shall provide the members of the Committee with any relevant resources or information including arranging meetings with Outside Entities, in addition the Company will:
 - (1) Identify Outside Entities who have employees performing WST;
 - (2) Examine the type and amount of WST done by each Outside Entity and identify the contract termination dates of any contracts between the Company and such Outside Entities;
 - (3) Identify those Outside Entities which meet the exception outlined in paragraph d above.
 - (4) Develop plans to transfer the WST to Employees. In developing such plans, the objective of the Committee shall be to do so as expeditiously as possible without interfering with the orderly operation of the plant.

- f. After completing the tasks set forth in this Section, the Committee will develop schedules and procedures to transfer any WST which does not meet the exception outlined above to Employees. Progress on such schedules and procedures will be monitored monthly. Should the Union Co-Chair conclude that a dispute cannot be resolved; the dispute may be referred directly to arbitration under the relevant provisions of Article Five Section I of the BLA.

Section G. Printing of Contracts

- 1. Immediately following the Effective Date of this Agreement, the parties will create mutually acceptable labor and benefits agreements. These agreements shall, at the expense of the Company, be printed by a union printer in a form (size, paper stock, number of copies, etc.) and a manner of distribution reasonably designated by the Union. The distribution shall occur within three (3) months of the Effective Date.

- 2. The Company shall provide the Union with electronic versions of all agreements between the parties.

Section H. Hiring Preference

- 1. In all hiring for bargaining unit positions, the Company shall, subject to its obligations under applicable equal employment opportunity laws and regulations, give consideration, to the full extent of interest, to the direct relatives

(**parents, step-parents**, children, children-in-law, step-children, spouse, siblings, grandchildren, nieces, nephews and nieces and nephews of spouses) of Employees and retirees of the Company who meet reasonably established hiring criteria.

2. Such hiring shall conform to applicable lines of progression, bidding, promotion and other requirements under this Agreement.
3. The Company shall, subject to these and other applicable provisions, have the final responsibility for accepting or rejecting a particular applicant for employment.

ARTICLE THREE - HEALTH, SAFETY AND THE ENVIRONMENT

Section A. Employee and Union Rights

1. Employees have the right to a safe and healthful workplace, to refuse dangerous work, to adequate personal protective equipment, to safety and health training, to a proper medical program for workplace injuries and illnesses, and to a reasonable alcoholism and drug abuse policy.
2. The Union has the right to participate in active and informed Joint Safety and Health and Environmental Committees to appoint Union health and safety representatives, to join in regular safety audits and accident investigations, to receive full and continuing access to all information (including all OSHA reports), and to participate in programs which address certain special hazards. The Company will provide the Union Safety Department with prompt telephonic notification of the basic facts concerning any fatality at the worksite, followed by a written communication. The Company will also provide the Union Safety Department with a copy of any fatal accident report.
3. The Company will develop and implement, with the involvement of the Union, policies and programs for ensuring these rights.
4. The Company, with the involvement of the Employees performing the work, will develop and require the use of safe job procedures for the performance of all work. In the absence of a formal safe job procedure, a personal hazard assessment and control checklist will be used until a formal safe job procedure is developed.

Section B. The Right to a Safe and Healthful Workplace

1. The Company will provide safe and healthful conditions of work for its Employees and will, at a minimum, comply with all applicable laws and regulations concerning the health and safety of Employees at work and the protection of the environment. The Company will install and maintain any equipment reasonably necessary to protect Employees from hazards **using the hierarchy of controls as a guide.**
2. The Company will make every reasonable effort to ensure that all equipment is maintained in a safe condition. Its inspection and maintenance program will give top priority to equipment critical to Employee safety and health. Where faulty equipment creates an abnormal risk to Employees, the Company will take all necessary steps to eliminate the risk.
3. The Company will provide suitable heating and ventilation systems and keep them in good working order.

Section C. The Right to Refuse Unsafe Work

1. If an Employee, acting in good faith and on the basis of objective evidence, believes that there exists an unsafe or unhealthful condition beyond the normal hazards inherent in the operation (Unsafe Condition), s/he shall notify his/her immediate supervisor. The Employee and the supervisor will make every attempt to resolve the condition in the interest of safety. Thereafter, s/he has the right, subject to reasonable steps for protecting other Employees and equipment, to be relieved from duty on that job and to return to that job only when the Unsafe Condition has been remedied. The Company may assign the Employee to other available work in the plant, consistent with this Agreement and without displacing another Employee.
2. If the Company disputes the existence of the allegedly Unsafe Condition, the Grievance Chair and the Plant General Manager or their designees will immediately investigate and determine whether it exists.
3. If after the investigation it is determined that the condition existed, the Employee will be made whole for any lost time in connection with the condition. If after the investigation the Company does not agree that an Unsafe Condition exists, the Union has the right to present a grievance in writing to the appropriate Company representative and thereafter the Employee shall continue to be relieved from duty on the job. The grievance will be presented without delay directly to an arbitrator, who will determine whether the Employee acted in good faith in leaving the job and whether the Unsafe Condition was in fact present.
4. No Employee who in good faith exercises his/her rights under this Section will be disciplined.
5. If an arbitrator determines that an Unsafe Condition within the meaning of this Section exists, s/he shall order that the Condition be corrected and that the correction occur before the Employee returns to work on the job in question and the Employee shall be made whole for any lost earnings.

Section D. The Right to Adequate Personal Protective Equipment

The Company will provide, without cost to the Employee, effective protective equipment in good working order when required by law or regulation or when necessary to protect Employees from injury or illness. Such equipment includes, but is not limited to, goggles, hard hats, safety glasses, hearing protectors, face shields, respirators, gloves, protective clothing, harnesses and flame resistant clothing, **including inclement weather PPE.**

Section E. The Right to Safety and Health Training

1. All Employees will be provided with periodic safety and health training. In addition, before the initial assignment to a particular job, Employees will receive training on the nature of the operation or process; the hazards of the job; controls in place; safe working procedures and the reasons for them; the purpose, use and limitations of the required personal protective equipment; and other controls or precautions associated with the job. The training shall be a minimum of sixteen (16) hours, site specific, over and above any State or Federal required training for Employees transferring to another division within a plant or to another plant within the Company. All new hires shall have a minimum of forty (40) hours of safety training.
2. All training programs will be fully discussed and reviewed by the Joint Safety and Health Committee. The Company will make a reasonable effort to use Employees chosen by the Union Co-Chair of the Joint Safety Committee as trainers and will instruct trainers in effective teaching techniques. Upon request, the Union's Health, Safety and Environment Department (Union Safety Department) will be provided with a copy of all training materials and be afforded the opportunity to review the training. **Trainers will be afforded adequate time for each class being taught for preparation and clean up.**

Section F. The Right to a Proper Medical Program for Workplace Injuries and Illnesses

1. The Company will provide first aid equipment and trained personnel in close proximity to each of its facilities. The Company will provide Employees who are seriously injured on the job with prompt emergency transportation to an appropriate treatment facility and return transportation to the plant.
2. An Employee who, as a result of an occupational injury or illness, is unable to return to his/her assigned job for the balance of the shift on which s/he was injured will be paid any earnings lost on that shift.
3. The Company will make medical screening for occupational illnesses available to Employees or retirees (who work or retire after the Effective Date) in jobs where a government agency requires screening.
4. The Company will not require any Employee to submit to any medical test or answer any medical history question that is not related to the Employee's ability to perform his/her job.

5. The Company will maintain the privacy of reports of medical examinations of its Employees and will only furnish such reports to a physician designated by the Employee with the written authorization of the Employee; provided that the Company may use or supply such medical examination reports of its Employees in response to subpoenas, requests by a governmental agency authorized by law to obtain such reports and in arbitration or litigation of any claim or action involving the Company and the Employee. Upon written request by the Employee, the Company will provide the Employee with a copy of the Employee's medical records at no cost to the Employee. All medical examinations will be conducted by or under the supervision of a licensed physician.
6. If a Company physician detects a medical condition that requires further medical attention, s/he will advise the Employee of such condition.

Section G. The Right to a Reasonable Policy on Alcoholism and Drug Abuse

1. Alcoholism and drug abuse are recognized by the parties to be treatable medical conditions. The Company and the Union agree to establish an Employee Assistance Program (EAP), administered and funded by the Company, to facilitate the rehabilitation of Employees afflicted with alcoholism or drug abuse. The EAP will utilize professional and Employee peer counselors and will operate under conditions of strict confidentiality.
2. The Company may require an Employee to submit to a medical evaluation performed by qualified personnel, which may include a drug or alcohol test, only where there is reasonable cause, based on objective evidence, to believe that the Employee is legally intoxicated or impaired by drugs on the job. Employees involved in an accident will be tested only when an error in their coordination or judgment could likely have contributed to the accident. In addition any Employee who incurs an extended leave of absence (except Union leave) of greater than ninety (90) days may be required to submit to a drug and alcohol test as a part of a return to work physical.
3. Employees will not be required to submit to drug or alcohol testing for any other reason, unless such testing is required by law.
4. Drug and alcohol tests will utilize scientifically accepted methods for evaluating impairment. When a biological sample is taken, a portion will be retained for retesting, should the Employee dispute the initial results.
5. Employees who are found through testing to have abused alcohol or drugs will be offered rehabilitation in lieu of discipline. However, this provision does not affect

the right of the Company to discipline Employees for violation of plant rules or for working or attempting to work while knowingly impaired.

Section H. The Union's Right to Participate in a Joint Safety and Health Committee

1. A Joint Safety and Health Committee (Joint Safety Committee) will be established at each facility to be composed of the Local Union President/Unit Chair and the Plant Manager and no less than three (3) additional members or no more than one (1) for each department as designated by each Co-Chair. The parties will designate their respective Co-Chairs and provide each other with updated lists of the members of the Joint Safety Committee.
2. The Joint Safety Committee will have the following functions: participating in the design of Company safety and health programs, including strategic planning; assisting in the establishment of safe job procedures; overseeing and participating in plant safety and health audits (including annual comprehensive audits of the entire plant); reviewing plant safety rules; participating in the investigation of workplace accidents; reviewing accident, injury, illness and other statistics related to safety and health; participating in the design of safety and health training programs; reviewing proposed changes in plant technology or operations for their impact on Employee safety and health; participating in the selection of personal protective equipment; discussing the Company's response to proposed regulations and legislation affecting safety and health; participating in and reviewing the results of safety and health inspections or industrial hygiene monitoring by OSHA, MSHA, and NIOSH; collecting and responding to safety and health concerns raised by individual members of the Joint Safety Committee or Employees; and working together to promote an awareness of safety and health hazards and safe work procedures.
3. The Joint Safety Committee will hold periodic meetings at times determined by the Co-Chairs, but no less often than monthly. Either Co-Chair may call a special meeting of the Joint Safety Committee. The Union members will be afforded time to meet privately as needed to prepare for meetings of the Joint Safety Committee.
4. The Company and the Union will each keep minutes of meetings. Prior to every regular meeting, the Company will prepare a written response to concerns or action items noted at the previous meeting, as well as any open items from previous meetings. The two (2) sets of minutes, or a jointly agreed reconciled version, along with the Company's written response to concerns and action items, will be included in the official record of the meeting.
5. The Company will not make any changes to plant safety and health programs, policies or rules; introduce new protective equipment or eliminate existing

protective equipment; or modify safety and health training, unless the Joint Safety Committee has been notified and the Union has been provided the opportunity to discuss the change.

6. The Joint Safety Committee will not handle grievances, although it may discuss safety and health issues that have led to a grievance.
7. The Company, in cooperation with the Union Safety Department, will provide annual training for members of the Joint Safety Committee. The Company will pay the reasonable cost of training materials and facilities, as well as necessary expenses and earnings in accordance with local plant understandings.
8. Members of the Joint Safety Committee will be afforded access, consistent with their own safety and the safety of the operation, to all operational areas of the plant, upon notification to the appropriate management representative. The director of the Union Safety Department or his/her designee will be allowed access to the plant upon notification to the Company.
9. The Company will provide an office in a convenient location in the plant for the exclusive use of Union members of the Joint Safety Committee. The office will be equipped with a telephone and a computer.
10. The Union members of the Joint Safety Committee will be compensated in accordance with standard local plant understandings for all hours spent on Committee work.
11. The parties will sponsor a **quarterly** safety and health meeting, **in person or virtual**, attended by Union members of the Joint Safety Committee from each plant covered by this Agreement, appropriate Company counterparts and members of the Union Safety Department. The Company will pay reasonable travel expenses, other expenses and earnings determined in accordance with the standard local plant understandings.

Section I. The Union's Right to Participate in Environmental Issues

1. A Joint Environmental Sub-Committee of the Joint Safety and Health Committee will be established at each location, composed of an equal number of Employees designated by the Union and the Company. The Joint Safety and Health Committee will meet regularly to discuss environmental issues affecting the Company and to make appropriate recommendations.
2. The Company will make available for review to the Joint Safety and Health Committee all environmental reports, monitoring results, analyses, materials

received from the EPA and other agencies, and any other documents related to the Company's environmental program and obligations.

3. The parties also agree that energy efficiency is vital to the long term viability of the Company. Energy efficiency updates, energy use and emissions studies to the property and equipment within each plant will be analyzed by Problem Solving Teams as set forth in Article Six Section A. The information and studies will be used to assess potential cost savings in reduction of energy use and emissions.

Section J. The Right to Union Safety and Health Representatives

1. The Union will appoint a full-time safety and health representatives at each plant. These representatives will work with the Company safety and health representative under the direction of the Union Co-Chair.
2. Full-time Union safety and health representatives will receive their Regular Rate of Pay applicable to the job held immediately before becoming a full-time safety and health representative.
3. The Joint Safety Committee, Company Safety and Health Department and Union Safety Department will cooperate in designing and implementing training for Union safety and health representatives.

Section K. The Union's Right to Participate in Accident Investigations

1. When an accident occurs that results, or could have resulted, in a serious injury, the Company will immediately notify the Union Co-Chair of the Joint Safety Committee who will have the right to immediately visit the accident scene, or to assign another Union member of the Joint Safety Committee to visit the accident scene, consistent with his/her safety. The Joint Safety Committee will investigate all such accidents and prepare an accident report. The Company will provide the Joint Safety Committee with full access to the accident site and any information relevant to understanding the causes of the accident, including the right to review any relevant audio and/or video recordings that may exist. **The member(s) involved in the incident, consistent with availability, shall be a part of the investigation.**
2. If the Company requires an Employee to testify at the formal investigation into the causes of an accident or disabling injury, the Employee will be advised that s/he may have a Union representative present at the proceedings. The Union will be furnished with a copy of the Employee's testimony.
3. No Employee will be disciplined or discriminated against in any way solely for suffering an injury or illness or for reporting an accident. The Company will not

establish any program, policy, practice or work rule that might discourage Employees from reporting accidents, injuries or illnesses.

Section L. Carbon Monoxide Control, Toxic Substances and Harmful Physical Agents

1. The Company will routinely perform engineering surveys of hazards, periodic in-plant industrial hygiene sampling and testing for harmful physical agents at each location covered by this Agreement. The survey, to be conducted by qualified personnel, will list locations from which significant amounts of carbon monoxide, toxic substances and harmful physical agents could escape, the conditions which might cause such a release, and the steps necessary to minimize or control the hazard. The survey will be updated annually and whenever significant changes are made to the gas-handling system or procedure.
2. Based on sampling and surveys, the Company will implement a program for the control of such hazards including engineering and equipment changes necessary to eliminate or reduce the hazards identified in the survey; necessary amendments to safe job procedures; the installation and regular testing of fixed automatic monitors equipped with alarms; the use of portable monitors; regular inspection and maintenance of testing equipment; provision of an adequate number of approved breathing apparatus appropriate for emergency operations and in locations readily accessible to Employees; Employee training including regular drills; an emergency rescue program with appropriate rescue and trained personnel; and the investigation by the Joint Safety Committee of all incidents which involve the accidental releases of such hazards, cause an alarm to trigger or result in an elevated level of carboxyhemoglobin in any exposed person. The Joint Safety Committee will review the survey and the program whenever it is updated.

Section M. Ergonomics

The parties will establish a program to identify ergonomic risks in the plant and recommend controls.

Section N. Safety Shoe Allowance

Annually each Employee, other than a probationary Employee, will be provided a voucher for use at local vendor(s) designated by the Company for the full purchase price from an approved list of one (1) pair of safety shoes for the Employee's use at work. The Company shall also replace such shoes, as necessary, in accordance with applicable laws.

Section O. No Union Liability

The Company has the exclusive legal responsibility for safety and health conditions in the plant and for environmental matters. Neither the Union nor its representatives, officers, employees or agents will in any way be liable for any work-related injuries or illnesses or for any environmental pollution that may occur.

ARTICLE FOUR - CIVIL RIGHTS

Section A. Non-Discrimination

1. The provisions of this Agreement shall be applied to all Employees without regard to:
 - a. race, color, religious creed, national origin, handicap or disability or status as a veteran; or
 - b. sex or age, except where sex or age is a bona fide occupational qualification; or
 - c. citizenship or immigration status, except as permitted by law.
2. Harassment based on any of the characteristics as set forth in this Section shall be considered discrimination under this Section.
3. The Company shall not retaliate against an Employee who complains of discrimination or who is a witness to discrimination.
4. There shall be no interference with the right of Employees to become or continue as members of the Union and there shall be no discrimination, restraint or coercion against any Employee because of membership in the Union.
5. The right of the Company to discipline an Employee for a violation of this Agreement shall be limited to the failure of such Employee to discharge his/her responsibilities as an Employee and may not in any way be based upon the failure of such Employee to discharge his/her responsibilities as a representative or officer of the Union. The Union has the exclusive right to discipline its officers and representatives. The Company has the exclusive right to discipline its officers, representatives and employees.
6. Nothing herein shall be construed to in any way deprive any Employee of any right or forum under public law.

Section B. Civil Rights Committee

1. A Joint Committee on Civil Rights (Joint Committee) shall be established at each location covered by this Agreement. The Union shall appoint two (2) members, in addition to the Local Union President/Unit Chair and Grievance Chair. The Company shall appoint an equal number of members, including the Plant Manager and the Plant Manager of Industrial Relations. The parties shall each

appoint a Co-Chair and shall provide each other with updated lists of the members of the Joint Committee.

2. The Joint Committee shall meet as necessary and shall review and investigate matters involving civil rights and attempt to resolve them.
3. The Joint Committee shall not displace the normal operation of the grievance procedure or any other right or remedy and shall have no jurisdiction over initiating, filing or processing grievances.
4. In the event an Employee or Union representative on the Joint Committee brings a complaint to the Joint Committee, the right to bring a grievance on the matter shall be preserved, in accordance with the following:
 - a. The complaint must be brought to the attention of the Joint Committee within the same timeframe that a complaint must be brought to the First Step 1 of the grievance procedure.
 - b. The Employee must provide the Joint Committee with at least sixty (60) days to attempt to resolve the matter.
 - c. At any time thereafter, if the Joint Committee has not yet resolved the matter, the Employee may request that the Grievance Chair file it as a grievance in Step 2 of the grievance procedure, and upon such filing the Joint Committee shall have no further jurisdiction over the matter.
 - d. If the Joint Committee proposes a resolution of the matter and the Employee is not satisfied with such resolution, then the Union may file the complaint at Step 2 of the grievance procedure, provided such filing is made within thirty (30) days of the Employee being made aware of the Joint Committee's proposed resolution.

Section C. Workplace Harassment, Awareness and Prevention

1. All Employees shall be educated in the area of harassment awareness and prevention on no less than a yearly basis.
2. A representative of the Union's Civil Rights Department and a representative designated by the Company's Labor Relations and/or Human Resources Department will work together to develop joint harassment and prevention education, with input from the plants and Local Unions.

3. Within six (6) months of the Effective Date of this Agreement, members of the Joint Civil Rights Committee will be trained in matters relative to this provision.
4. All new Employees (and all Employees who have not received such training) will be scheduled to receive two (2) hours of training as to what harassment is, why it is unacceptable, its consequences for the harasser and what steps can be taken to prevent it.
5. All Employees shall be compensated in accordance with the standard local plant understandings for time spent in training referred to in this Section.

Section D. Child Care, Elder Care and Dependent Care

1. The parties agree to identify programs to meet the changing needs of working families, particularly in regard to dependent care.
2. At each location covered by this Agreement the parties shall create a Dependent Care Committee, comprised of a Contract Coordinator and a designee of the Plant Manager and the Local Union President/Unit Chair. The Committee shall meet and be responsible for the development of dependent care programs. The Committee will utilize local community resources which are able to support the issues of child, elder and dependent care.
3. The Committee's efforts shall include fact finding and identifying working model programs during the term of this Agreement, such as:
 - a. twenty-four (24) hour resources and referral systems;
 - b. subsidy and/or reimbursement provisions for dependent care services;
 - c. pre-tax programs;
 - d. near-site or on-site dependent care centers;
 - e. before and after work care for extended workdays;
 - f. holiday, emergency and sick care on workdays; and
 - g. development of community-based groups with other unions and companies in the region to cost effectively provide dependent care services.

ARTICLE FIVE - WORKPLACE PROCEDURES

Section A. Local Working Conditions

1. Local Working Conditions

The term Local Working Conditions as used in this Section means specific practices or customs which reflect detailed applications of matters within the scope of wages, hours of work or other conditions of employment, including local agreements, written or oral, on such matters. It is recognized that it is impracticable to set forth in this Agreement all of these working conditions, which are of a local nature only, or to state specifically in this Agreement which of these matters should be changed or eliminated (Change or Changed). The provisions set forth below provide general principles and procedures which explain the status of these matters and furnish necessary guideposts. Any arbitration arising under this Section shall be handled on a case-by-case basis on principles of reasonableness and equity.

2. Deprivation of Benefits

In no case shall Local Working Conditions deprive an Employee of rights under this Agreement and the conditions shall be Changed to provide the benefits established by this Agreement.

3. Benefits in Excess

Should there be any Local Working Conditions in effect which provide benefits that are in excess of, or in addition to, but not in conflict with benefits established by this Agreement, they shall remain in effect for the term of this Agreement, except as they are Changed in accordance with Paragraph 4 below.

4. Right to Change

The Company shall have the right to Change any Local Working Condition if the basis for the existence of the Local Working Condition is Changed, thereby making it inappropriate to continue such Local Working Condition; provided, however, that the Change shall be reasonable and equitable.

5. Modification of Agreement

No Local Working Condition shall be established or continued which conflicts with any provision of this Agreement.

6. Additional Requirements

As of the Effective Date, all future Local Working Conditions must be reduced to writing and signed by the Plant Manager and the Local Union President/Unit Chair.

Section B. New or Changed Jobs

1. At each location covered by this Agreement, the Union shall designate up to two (2) individuals to serve on a Job Evaluation Committee. The Committee shall be provided with paid time off in accordance with standard local plant understandings to conduct its business as described in this Section.
2. In the event the Company chooses to modify the duties of an existing job or create a new job, it shall follow the procedure outlined below.
3. The Company shall meet with the Job Evaluation Committee and present it with a written description of how it intends to modify an existing job or a complete description of a proposed new job. The description shall include:
 - a. the requirements of such new or modified job in the areas of training, skill, responsibility, effort and surroundings (Requirements);
 - b. the Company's view as to how these Requirements compare to the Requirements for existing jobs at the plant; and
 - c. based on Paragraphs (a) and (b) above, at what rate the Company believes the job should be paid.
4. The Job Evaluation Committee shall be provided with any additional information requested in connection with its assessment of the new or modified job.
5. If the parties are unable to agree upon the appropriate duties and rate of pay for the new or modified job, they shall submit their dispute to arbitration using a procedure to be developed by the parties.
6. The arbitrator shall base his/her decision on the Requirements of the new or modified job and how those Requirements compare to the Requirements for the existing jobs at the plant and other plants of the Company.

Section C. Hours of Work

1. Normal Workday and Work Week

- a. The normal workday shall be any regularly scheduled consecutive twenty-four (24) hour period comprising eight (8) consecutive hours of work and sixteen (16) consecutive hours of rest. The normal work week shall be five (5) consecutive workdays beginning on the first day of any seven (7) consecutive day period. The seven (7) consecutive day period is a period of 168 consecutive hours and may begin on any day of the calendar week and extend into the next calendar week. On shift changes, the 168 consecutive hours may become 152 consecutive hours depending upon the change in the shift.
- b. Management shall make reasonable efforts to post or otherwise make known to Employees schedules by 2:00 p.m. on Thursday, but in no event not later than 2:00 p.m. Friday of the week preceding the calendar week in which the schedule becomes effective. The Company will establish a procedure affording any Employee whose last scheduled turn ends prior to the posting of his/her schedule for the following week an opportunity to obtain information relating to his/her next scheduled turn. This procedure will also be applicable with respect to Employees returning from vacation.
- c. Employees shall be paid for all shifts which are part of their originally posted schedule.
- d. All shifts not included on the originally posted schedule shall be considered overtime shifts.

2. Absenteeism

- a. It is expected that Employees shall adhere to their prescribed schedule. When an Employee must be absent from work, s/he shall, as promptly as possible, contact the designated person and provide the pertinent facts and when the Employee expects to return to work.
- b. Reasonable rules for the implementation of these principles shall be developed by the Company and made known to Employees. Such rules will not deprive any Employee of any rights otherwise provided by this Agreement and shall be reasonably applied.

3. Overtime

- a. The parties recognize that schedules that regularly require a substantial level of overtime are undesirable and should be avoided where possible.
- b. Where local practices or agreements with respect to the distribution of overtime do not presently exist, the Company and the Local Union Grievance Committee shall promptly conclude an agreement providing for the most equitable overtime distribution consistent with the efficiency of the operation.
- c. The Company will consider an Employee's request to be excused from overtime work and shall accommodate those requests which are practicable and reasonable under the circumstances.

4. Full Week Guarantee

An Employee scheduled to work will receive, during a payroll week, an opportunity to earn at least forty (40) hours of pay (including hours paid for but not worked, work opportunities declined by the Employee, disciplinary time off, absenteeism and report-off time for Union business, but excluding overtime pay and premium pay). An Employee on an approved leave of absence or disability during any payroll week shall be considered as having been provided the opportunity for this guarantee during any such week, it being understood that the pay, if any, that such an Employee is entitled to receive while on approved leave of absence or disability is that provided by applicable law or the Agreement, not the earning opportunity set forth in this Paragraph.

5. Full Day Guarantee

An Employee required to report to work shall be paid for the greater of (a) eight (8) hours or (b) the hours actually worked, except as provided in other Sections of this Agreement or in cases where the Employee works less than eight (8) hours or the actual hours scheduled, as a result of the Employee voluntarily leaving work.

6. Alternative Work Schedule

The Company may adopt alternative work schedules consisting of schedules other than the Normal Workday and Work Week as defined in Article Five Section C.1.a. with the approval of the Local Union President/Unit Chair and the Grievance Chair and sixty percent (60%) of the Employees who are impacted by the alternative schedule.

Alternative work schedules may be revoked by a simple majority vote of the Employees who are impacted by that schedule or by the Company for legitimate business reasons. Following such revocation, the Company shall immediately reinstate a normal schedule in accordance with this Section.

Section D. Overtime

1. Definitions

- a. The payroll week shall consist of seven (7) consecutive days beginning at 12:01 a.m. Sunday or at the changing hour nearest to that time.
- b. The workday for the purposes of this Section is the twenty-four (24) hour period beginning with the time the Employee is scheduled to begin work.
- c. The Regular Rate of Pay as used in Paragraph 2 below (and in this Agreement) shall mean the Base Rate of Pay plus incentive earnings for the job on which the overtime hours are worked.
- d. For the purposes of determining hours which are subject to the non-duplication of overtime hours provision, hours worked on Sunday in excess of normal (or AWS) hours will not be used for the purpose of calculating overtime payments.

2. Conditions Under Which Overtime Rates Shall Be Paid

Unless worked pursuant to an agreed upon Alternative Work Schedule, overtime at the rate of one-and-one-half times (1 ½) the Regular Rate of Pay shall be paid for:

- a. hours worked in excess of eight (8) hours in a workday;
- b. hours worked in excess of forty (40) hours in a payroll week;
- c. hours worked on the sixth or seventh workday of a seven (7) day period during which five (5) days were worked, whether or not all such days fall within a single payroll week; and
- d. hours worked on a second reporting in the same workday where the Employee has been recalled or required to report to work after working eight (8) hours.

3. Holidays

Recognized holidays, whether or not worked, shall be counted as a day worked in determining overtime; however, worked holidays shall only be paid as specified in Article Ten, Section A (Holidays).

4. Non-Duplication of Overtime

Overtime shall not be duplicated by using the same hours paid at overtime rates more than once for the purpose of calculating overtime payments.

Section E. Seniority

1. Seniority Status of Employees

- a. The parties recognize that promotional and other in-plant opportunities and job security should increase in proportion to length of continuous service and that the fullest practicable consideration shall be given to continuous service in such cases.
- b. Continuous Service, as defined by Paragraph 3(a) below, shall be used for all purposes under all labor and benefits agreements, unless explicitly provided otherwise; provided, however, that accumulation in excess of two (2) years during a period of layoff shall be counted only for purposes of this Section, including local agreements thereunder.
- c. In all cases of promotions, decreases in force and recalls after layoffs, the following factors shall be considered:
 - (1) ability to perform the work and physical fitness; and
 - (2) Plant Continuous Service (Plant Service).

Where factor (1) is relatively equal, Plant Service shall be the determining factor.

2. Determination of Seniority Units

- a. Seniority shall be applied on a job and departmental or larger unit basis, as agreed upon. A job may be in one seniority unit for one purpose and in a different unit for another.
- b. The seniority units, lines of progression, departments and rules for the application of seniority factors in effect as of the Effective Date shall remain

in effect unless modified by a local written agreement signed by the Grievance Chair.

- c. Local seniority agreements shall provide that the opportunity to receive training necessary for promotions and all promotions (including step-ups), decreases in forces (including demotions and layoffs), recalls after layoff and other practices affected by seniority shall be in accordance with Plant Service; provided that (1) demotions, layoffs and other reductions in force shall be made in descending job sequence order, starting with the highest affected job and with the Employee on such job having the least length of Plant Service and (2) the sequence on a recall shall be made in the reverse order so that the same Employees return to jobs in the same positions relative to one another that existed prior to the layoff.

3. Continuous Service

- a. Continuous Service shall be determined by the Employee's first employment or reemployment following a break in continuous service in any facility of the Company covered by this Agreement.

- (1) Employees Who Were Employees of Any Predecessor Company

Continuous Service for Employees who were employees (within the meaning of the relevant basic labor agreement with the Union) of any predecessor company (a USW represented company some or all of whose assets are or were acquired by the Company) will be the length of time measured from the Employee's continuous service date under that predecessor company's basic labor agreement subject to the employee's eligibility dates agreed to by the parties, except as otherwise provided by this Agreement or other agreements between the parties.

- (2) All Other Employees

Continuous Service for all other Employees will be the length of time measured from the Employee's first date of employment with the Company.

- b. Company Continuous Service shall be the length of time measured from the Employee's first date of employment or reemployment following a break in continuous service with the Company.

- c. Plant Service shall be the length of time measured from the Employee's first date of employment or reemployment following a break in continuous service in his/her plant.
- d. Continuous Service (including Company Continuous Service and Plant Service) shall only be broken if an Employee:
 - (1) quits;
 - (2) retires;
 - (3) is discharged for cause;
 - (4) if on layoff, fails to report to the Employment Office within ten (10) days of registered mail notice;
 - (5) is absent because of layoff (including a layoff due to a permanent closure) or non-occupational physical disability for a period longer than the lesser of his/her length of Continuous Service at the commencement of such absence or five (5) years; or
 - (6) is absent due to a compensable disability incurred during the course of employment and does not return to work within thirty (30) days after final payment of statutory compensation for the disability or after the end of the period used to calculate a lump-sum payment. If the seniority of an Employee does not permit a return to work, the Employee will be placed on layoff and any break will be determined under Paragraph 5 above.

4. Probationary Employees

- a. New Employees hired after the Effective Date of this Agreement will serve a probationary period for the first 1,040 hours of actual work and will receive no Continuous Service credit during such period. Probationary Employees shall have access to the grievance procedure but may be laid off or discharged as exclusively determined by the Company; provided that such layoff or discharge may not violate Article Four, Section A (Non-Discrimination).
- b. Probationary Employees who continue in the service of the Company beyond the first 1,040 hours of actual work shall receive full Continuous Service credit from their original date of hire.

- c. Where a probationary Employee is laid off and is subsequently rehired within one (1) year from the date of such layoff, the hours of actual work accumulated during the first employment shall be added to the hours of actual work accumulated during the second employment in determining when the Employee has completed 1,040 hours of actual work; provided, however, that his/her Continuous Service date will be the date of hire of the second hiring.

5. Interplant and Intraplant Transfers

It is recognized that conflicting seniority claims among Employees may arise when plant or department facilities are created, expanded, added, merged or discontinued. In the event the local parties are unable to resolve such conflicts, the International Union and the Company may reach such agreements as they deem appropriate, irrespective of existing seniority agreements, or submit the matter to arbitration.

6. Temporary Vacancies

- a. In cases of temporary vacancies involving assignments within a seniority unit, the Company shall to the greatest degree, consistent with efficiency of the operation and the safety of Employees, and the progression sequence, offer that assignment to the Employee in the unit with the longest Plant Service who desires the assignment.
- b. In case of a permanent vacancy on a job, the assignment of a junior Employee to a temporary vacancy on such job shall not be used as a presumption of creating greater ability in favor of such junior Employee if such temporary vacancy should have been made available to the senior Employee.

7. Posting of Job Openings

- a. When a permanent vacancy develops or is expected to develop, it shall be brought to the attention of all affected or potentially affected Employees in a manner which insures adequate notice.
- b. Employees in the seniority unit who wish to apply for the vacancy or expected vacancy may do so in writing in accordance with reasonable rules developed by the Company.
- c. The notice requirement in Paragraph 7(a) above shall **be provided to the successful Employee(s) within thirty (30) days of the posting closing date**

of the Company's choice to fill the vacancy, or notification of a refusal or return under the provisions of paragraph 10 of this section.

8. Seniority Status of Grievance Committee Members and Local Union Officers

When a decrease of force is effected, the Local Union President/Unit Chair, Vice President and the members of the Grievance Committee shall, if they would otherwise be laid off, be retained at the lowest rated job in the unit that they represent. The intent of this provision is to retain in active employment individuals who can provide continuity in the administration of the Agreement; provided that an individual shall not be retained in employment unless work which s/he can perform is available.

9. Administration of Seniority

- a. The seniority standings of Employees in a given department shall be kept on file in that department and the Local Union Zone Grievance Committeeman or Grievance Chair shall have access to the file in connection with any grievances.
- b. The Company shall post in each department, on a bulletin board maintained for that purpose, the Plant Service date of all Employees in that department.

10. Permanent Vacancies and Transfer Rights

- a. An Employee who is assigned to a job for purposes of retention shall not be able to effectuate a permanent transfer to that unit by refusing a recall to his/her home unit. However, nothing contained herein shall preclude such an Employee from effectuating a permanent transfer by bidding for a permanent vacancy in such a unit or any other unit in accordance with established procedures.
- b. A permanent vacancy shall be filled from within the first step of competition (whether it be unit, line of progression, etc.). Each succeeding vacancy shall be filled in the same manner, and the resulting vacancy in the entry level job shall thereafter be filled on a departmental basis (the second step of competition) by Employees with at least six (6) months of Plant Service on the date the vacancy is posted.
- c. Resulting entry level departmental vacancies shall be filled on a plant-wide basis (the third step of competition) by Employees with at least twelve (12)

months of Plant Service on the date the vacancy is posted. An Employee transferring under Article Eight, Section D (Interplant Job Opportunities) shall be eligible to bid on vacancies notwithstanding the twelve (12) months of Plant Service requirement set forth in Paragraph 10(b) above.

- d. As an exception to the procedures for filling vacancies provided for in Paragraphs 10(b) and (c) above, all permanent vacancies in craft trainee jobs shall be filled on a plant-wide basis from among qualified bidding Employees. Similarly, permanent vacancies in craft jobs which are not filled by the promotion or assignment of trainee graduates, or by the transfer of a craft Employee from one unit to another within the same trade or craft, shall be filled on a plant-wide basis from among qualified bidding Employees. An Employee shall not be disqualified from bidding on any such vacancy by reason of any minimum length of service requirement.
- e. Should the Company deem it necessary to retain an Employee on his/her former job in order to continue efficient operation, it may do so, for a maximum of sixty (60) days, on the basis of establishing such Employee on the new job and temporarily assigning him/her to his/her former job until a suitable replacement can be trained for the job or its performance is no longer required. In such event, after two (2) weeks of being delayed the Employee shall be entitled to earnings not less than what s/he would have made had s/he been working on the new job on which s/he has been established and, where applicable, shall be paid as though such hours were credited to any trainee program. In addition, should the Company not assign the Employee to the new job on the sixty-first (61st) day, all subsequent hours worked will be calculated at overtime rates until the Employee is assigned to the new job.
- f. If an Employee accepts transfer under this Paragraph, his/her Continuous Service in the unit from which s/he transfers will be canceled thirty (30) days after such transfer; provided, however, that during such thirty (30) day period the Employee may voluntarily return to the unit from which s/he transferred or the Company may return him/her to that unit because s/he cannot fulfill the requirements of the job or the need for the position is deemed not necessary within thirty (30) days of the date of transfer.
- g. In the event an Employee accepts transfer under Paragraph 10, **s/he may not again apply for transfer for one (1) year after accepting such transfer.**
- h. In the event an Employee refuses a transfer under Paragraph 10 after applying therefore, or voluntarily returns to the unit from which s/he

transferred, s/he may not again apply for transfer for six (6) months after such event.

11. Compensation for Improper Layoff or Recall

In the event of improper layoff or failure to recall an Employee in accordance with his/her seniority rights, the Employee shall be made whole for the period during which s/he is entitled to retroactivity.

Section F. Testing

1. Where tests are used as an aid in making pre-selection determinations of the ability to perform the work, such a test must in all events be:
 - a. job related;
 - b. in accordance with Article Four, Section A (Non-Discrimination);
 - c. uniformly applied within each respective plant; and
 - d. based on the passing grade that is required to determine ability to perform the work.
2. A job related test, whether oral, written or in the form of an actual work demonstration, is one which measures whether an Employee can satisfactorily meet the specific requirements of that job including the ability to absorb any training which may necessarily be provided in connection with that job.
3. Testing procedures shall in all cases include notification to an Employee of any deficiencies and an offer to counsel how to overcome the deficiencies.
4. Where, in accordance with this Agreement, a test is used by the Company as an aid in making a determination of the Employee's ability to perform the work and where the use of the test is challenged in the grievance procedure, the following shall pertain:
 - a. The Company will furnish to a designated representative of the International Union either the test itself or examples of test questions, certified by a testing agency as equivalent in any relevant respects to questions used in the disputed test and sufficient in number to evaluate the test, and all such background and related materials as may be relevant and available. In cases where all or part of the test is non-written, a complete description of the test shall be provided along with all such background and related materials as may be relevant and available.

- b. All such test questions and materials will be held in strictest confidence and will not be copied or disclosed to any other person; provided that such test questions and materials may be disclosed to an expert in the testing field for the purpose of preparing the Union's position in the grievance procedure and to an arbitrator, if the case proceeds to that step. All test questions and materials will be returned to the Company following resolution of the dispute.
- c. Copies of transcripts and exhibits presented in the arbitration of cases involving the challenge to a test will also be held in confidence and will not be copied or otherwise published.

Section G. Permanent Closures

- 1. Before the Company decides to permanently close or discontinue a plant, department or substantial portion thereof (a Closure), it shall give the Union advance written notice at least ninety (90) days prior to the proposed Closure date. Along with such notice, the Company shall provide the Union with a detailed statement of the reasons for the proposed action, all information on which the proposed decision is based and how and where the work which was performed at the closed unit will be performed.
- 2. Thereafter, the Company will meet with appropriate Union representatives in order to provide them with an opportunity to discuss the Company's proposed course of action, provide the Union with any additional requested information and bargain in good faith over any suggested alternatives.
- 3. No less than thirty (30) days prior to the Closure date, the Company shall advise the Union of its final decision, which decision shall be the exclusive function of the Company.
- 4. Any Employee affected by a Closure shall, after exercising any rights to which s/he may be entitled, may be placed on layoff in accordance with this Agreement.

Section H. Manning of New Facilities

- 1. In the manning of jobs at new facilities in existing plants, the jobs shall be filled by qualified Employees who apply for such jobs in the order of length of Plant Service from the following categories in the following order but subject to the other provisions of this Section:
 - a. Employees displaced from any facility being replaced in the plant by the new facilities;

- b. Employees otherwise displaced as a result of the installation of the new facilities;
 - c. Employees presently employed on like facilities in the plant;
 - d. Employees presently on layoff from like facilities in the plant; and
 - e. Employees in the plant with two (2) or more years of Plant Service; provided, that if sufficient qualified applicants from this source are not available, the Company shall fill the remaining vacancies as it deems appropriate.
2. The local parties shall meet to seek agreement on the standards to be used to determine the qualifications entitling Employees otherwise eligible to be assigned to the jobs in question.
3. Should the local parties fail to agree on the standards for determining qualifications, an applicant otherwise eligible must have:
 - a. the necessary reasonable qualifications for performing the job or the ability to obtain such qualifications with a reasonable amount of training, such training to be provided by the Company;
 - b. the ability to absorb any additional training for the job as is necessary to enable the Employee to perform the job satisfactorily; and
 - c. the necessary qualifications to progress in the promotional sequence involved to the next higher job to the extent that the Company needs Employees for such progression. In determining the necessary qualifications to advance in the promotional sequence involved, the normal experience that an Employee would acquire in such sequence shall be taken into consideration; provided, however, it is recognized that the Company can require that a sufficient number of occupants of each job in a promotional sequence be available to assure an adequate number of qualified replacements for the next higher job.
4. Should the Company deem it necessary to assign an Employee to his/her regular job at the old facility in order to continue its efficient operation, it may do so, for a maximum of sixty (60) days, on the basis of establishing the Employee on the new job and then temporarily assigning him/her back to his/her former job until a suitable replacement can be trained for the job or its performance is no longer

required. In such event, the Employee shall be entitled to earnings not less than what s/he would have made had s/he been working on the new job.

Section I. Adjustment of Grievances

1. Purpose

Should any differences arise between the Company and the Union as to the interpretation or application of, or compliance with, the provisions of this or any other Agreement between the Company and the Union, prompt and earnest efforts shall be made to settle them under the following provisions.

2. Definitions

- a. Grievance shall mean a complaint by the Union which involves the interpretation or application of, or compliance with, the provisions of this or any other Agreement between the Company and the Union.
- b. Day as used in this Section shall mean a calendar day, excluding Saturdays, Sundays and holidays.

3. Grievance Procedure

An Employee may informally discuss a complaint with his/her supervisor, with or without his/her Grievance Committeeman (Griever) being present. However, if the Employee wishes to use this grievance procedure, s/he shall report the matter to his/her Griever, who must refer it to Step 1 of the grievance procedure by completing a grievance form and submitting it to the Employee's supervisor within thirty (30) days of the date on which the Employee first knew or should have known of the facts which gave rise to the grievance.

The grievance form shall be signed by the Griever and the Employee. The supervisor shall sign and date the grievance form and return a completed copy to the Griever.

a. Step 1 - Oral

- (1) A grievance received in Step 1 shall be discussed at a meeting with the Grievance Committeeman from the area and/or the Griever, the grievant and the grievant's supervisor at a mutually convenient time within five (5) days of receipt of the grievance form. Management may call any non-represented employee as a witness to provide

testimony and/or evidence to the meeting. The Union may call any USW represented Employee as a witness to provide testimony and/or evidence to the meeting.

- (2) The supervisor shall answer the grievance no later than three (3) days after the Step 1 hearing. If settled in Step 1, the grievance form shall be so noted and signed and dated by the Griever, the Grievance Committeeman and the grievant's supervisor.
- (3) If not settled or withdrawn in Step 1, the Union shall, within five (5) days of the Company's Step 1 response, provide the Company with a written record, signed by the Grievance Committeeman, of the grievance, including the grievance number, a statement of the grievance, the Union's understanding of the facts, its position and the reasons therefor, the remedy requested and the date submitted.
- (4) Upon receipt, the Company shall, within three (3) days, provide the Grievance Committeeman and the Chair of the Union's Grievance Committee (the Grievance Chair) with its version of the written record of the grievance, signed by the Company, with the same set of information required of the Union. These two (2) completed forms shall comprise the Step 1 written record.

b. Step 2 - Written

- (1) In order to be considered further, a grievance shall be appealed by the Grievance Chair to the head of the grievant's department within five (5) days of receipt of the Step 1 written record.
- (2) Such grievance shall be discussed within five (5) days at a meeting with the grievant, the involved Grievance Committeeman, the Grievance Chair, the grievant's supervisor and the involved department head. Management may call any non-represented employee as a witness to provide testimony and/or evidence to the meeting. The Union may call any USW represented Employee as a witness to provide testimony and/or evidence to the meeting.
- (3) In Bargaining Unit Work or safety grievances, a representative of the relevant committee shall also be present.
- (4) The department head shall provide the Grievance Chair with a written response (the Step 2 Answer) to the grievance within three (3) days of the Step 2 meeting.

- (5) Unless the Grievance Chair informs the department head in writing that the grievance is settled or withdrawn on the basis of the Step 2 Answer, the Company shall, within five (5) days of providing the Step 2 Answer, provide the Grievance Chair with Step 2 minutes for the grievance which shall include: the date and place of the meeting; names and positions of those present; the number and description of the grievance discussed; background information and facts; a statement of the Union's position as understood by the Company; and a statement of the Company's position including its response to all claims, points of evidence, testimony and arguments presented by the Union as well as Company testimony and evidence, including past grievances and/or arbitration awards and the decision reached.
- (6) If the Grievance Chair disagrees with the accuracy of the minutes, s/he shall submit a signed written response to the Company within five (5) days of the receipt of the Step 2 minutes.
- (7) The Company shall send a copy of its version of the Step 2 minutes and any Union response to the designated representative of the International Union (the International Rep) and the Grievance Chair immediately upon its receipt of the Union response.

c. Step 3 – Written

- (1) The International Rep shall send a written appeal of a Step 2 Answer to the Plant General Manager (the Company Step 3 Rep) within five (5) days of the receipt of the Step 2 Minutes.
- (2) The International Rep, the Grievance Chair and the Company Step 3 Rep shall meet at a mutually acceptable time within ten (10) days of the Company's receipt of the International Rep's appeal.
- (3) Grievances discussed at such meeting shall be answered in writing and sent to the International Rep within five (5) days after such meeting.
- (4) The International Rep may appeal a grievance to arbitration by sending a written notice to the Board of Arbitration and the Company Step 3 Rep within ten (10) days of the Union's receipt of the Step 3 written answer.

4. General Provisions

- a. The Company shall provide reasonable forms for filing and appealing grievances and documenting the Step 1 and Step 2 written records.
- b. The Company and the Union shall provide each other with updated written lists of their Step 1, Step 2 and Step 3 representatives and their designees who shall have the authority to settle grievances at their respective steps and, for the grieving party, to withdraw or appeal such grievances.
- c. At each Step of the grievance procedure the parties shall provide a full and detailed statement of the facts and provisions of the Agreement relied upon and the grieving party shall provide the remedy sought. Facts, provisions or remedies not disclosed at or prior to Step 3 of the grievance procedure may not be presented in arbitration.
- d. The settlement or withdrawal of a grievance prior to arbitration shall be without precedent or prejudice to either party's position.
- e. Any grievance filed directly in Step 2 or higher shall be initiated within thirty (30) days of the event upon which the grievance is based, or the date on which such event should reasonably have become known.
- f. Except as otherwise provided in the BLA, all grievances shall be initiated at Step 1 and grievances which are not initiated in the proper step shall be referred there for processing.
- g. A single grievance may be processed with the facts of additional violations presented as well. Additional claimants shall sign a special form to be supplied by the Company for this purpose. When the original grievance is resolved the additional claims shall be reviewed in light of the resolved grievance. If the additional claims are not settled, they shall be considered as grievances and processed accordingly.
- h. In the case of a grievance that involves a large group of Employees, a reasonable number may participate in any discussion of the grievance.
- i. In any settlement involving cash payments, payment not made within thirty (30) days will accrue interest from the date of settlement at the same rate as established at the local Federal Credit Union.

- j. If, for any reason, the time limits specified in Paragraph 3 above for:
 - (1) meetings between the parties are not met, the grievance shall be considered denied as of the last day within the time limit for such meeting and the appropriate Union representative shall have the right to move the grievance to the next step;
 - (2) the Union to act are not met, the grievance shall be considered withdrawn; or
 - (3) the Company to act are not met, then the grievance shall be considered granted with the requested appropriate contractual remedy to the grieving party.
 - k. An Employee who is summoned to meet with a supervisor or any other representative of the Company for the purpose of discussing possible disciplinary action shall be entitled to be accompanied by his/her Griever and if the Griever is not then available, the meeting shall be deferred.
 - l. No Employee shall be required to submit to a lie detector test. The results of lie detector tests will not be used by the Company or the Union.
 - m. Notwithstanding anything to the contrary, the grievance procedure may be utilized by the Union with or without an individual grievant. Such grievances shall be filed in Step 2.
 - n. In the event an Employee dies, the Union may process his/her grievance on behalf of his/her heirs.
 - o. The Chair of the Union Negotiating Committee, the District Director and the International Rep shall have access to the plant at reasonable times to investigate issues with which they are concerned.
 - p. The Company will pay for all lost time for the grievant and the designated Union representative for participation in Steps 1, 2 and 3 of the grievance procedure in accordance with standard local plant understandings.
5. Grievance Committee
- a. The Union shall provide the Company with an updated written list of individuals who comprise its Grievance Committee, including a chair and a secretary. The number of members of the Committee at each Plant shall be agreed upon by the Plant Manager and the Local Union President/Unit

Chair, but in no case shall there be less than three (3) nor more than ten (10) members and no more than one (1) member of the Committee shall be from any one department (excluding the Grievance Chair). Committee members will be afforded time off upon reasonable notice and approval to:

- (1) attend scheduled committee meetings;
 - (2) attend meetings pertaining to suspension or discharge or other matters which cannot reasonably be delayed; and
 - (3) visit departments at reasonable times for the purpose of transacting the legitimate business of the Grievance Committee after notice to the head of the department to be visited and after reasonably granted permission from his/her own department head if the Grievance Committee member is at work.
- b. Where the Grievance Committee so decides, the Griever may be designated to aid the Committee. The Union shall provide the Company with an updated written list of such individuals. Each Griever shall:
- (1) be limited to the handling of grievances in Step 1 within the plant unit represented by him/her; and
 - (2) upon reasonable notice to and reasonable approval by his/her immediate supervisor, be afforded time off to investigate the facts essential to the settlement of any grievances.

6. Board of Arbitration

- a. The parties shall choose for the term for this Agreement a Board of Arbitration (the Board) consisting of seven (7) individuals. In the event of the resignation, incapacity or death of a member of the Board the parties shall promptly agree upon a successor. If the parties cannot agree on a successor, each party shall submit three (3) names and use a "strike" method to determine the final selection and a "flip of a coin" to determine the party that "strikes" first.

Current Arbitrators

1. Terry Bethel
2. Jeanne Vonhof
3. David Dilts
4. Ronald Talarico

5. Andrew Strongin
6. **Barry Simon**
7. **Matthew Frankiewicz**

- b. The member of the Board (arbitrator) chosen in accordance with Paragraph 7(a) below shall have the authority to hear and decide any grievance appealed in accordance with the provisions of the grievance procedure as well as disputes concerning the Insurance Agreement. The arbitrator shall not have jurisdiction or authority to add to, detract from or alter in any way the provisions of this Agreement or the Insurance Agreement.
- c. The Board, after consultation with the Company and the Union and subject to the procedures described in this Paragraph, shall adopt rules and regulations to govern its procedure and administration.
- d. The decision of an arbitrator shall be final and binding upon the Company, the Union and all Employees concerned.
- e. In cases involving repeated violations of the same or similar provisions of the Agreement, including the provisions of the grievance procedure, the arbitrator shall fashion a remedy designed to significantly deter such repeated violations.
- f. Where the parties are in disagreement with respect to the meaning and application of a decision, either party may apply to the Board for a compliance hearing in accordance with rules that the Board shall prescribe. Such application shall be given priority and be resolved by the Board within thirty (30) days.
- g. Expenses connected with specific cases shall be shared equally by the Company and the relevant Local Union.

7. Arbitration Hearings

- a. Thirty (30) days prior to the start of each calendar quarter the Director of the USW Arbitration Department (or his designee) shall provide the parties with a calendar listing hearing dates for that quarter and be responsible for scheduling the hearings.
- b. The hearings shall be scheduled as required at each location.
- c. On each hearing date the parties shall, subject to the time available, attempt to present all cases previously appealed to arbitration. The cases shall be

heard in the order in which they were appealed, provided that all pending discharge cases shall be heard first.

- d. Failure to present a case when it is called shall constitute withdrawal of the grievance and failure to respond to a case when presented shall constitute granting of the grievance and agreement to the remedy sought, provided that a hearing may be postponed once if the arbitrator determines that circumstances clearly require postponement.

8. Rules for Hearings

- a. The parties agree that the prompt resolution of cases brought to arbitration is of the highest importance. Therefore, except as provided in Paragraph 8(b) below, arbitration hearings shall be heard in accordance with the following rules:

- (1) the hearing shall be informal;
- (2) no briefs shall be filed or transcripts made;
- (3) there shall be no formal evidence rules;
- (4) the arbitrator shall have the obligation of assuring that the hearing is, in all respects, fair;
- (5) the arbitrator shall issue a decision no later than two (2) days after conclusion of the hearing. The decision shall include a brief written explanation of the basis for the conclusion; and
- (6) the Board shall adopt such other rules as it deems necessary.

- b. In the event the Union or the Company believes that the issues involved are of meaningful precedential significance or great complexity, it may petition the arbitrator to allow the filing of briefs as follows:

- (1) the moving party will notify the other party that it intends to so argue at least seventy-two (72) hours prior to the start of the hearing;
- (2) the hearing shall begin with the arbitrator taking no more than fifteen (15) minutes of testimony from each side on that issue;

- (3) the arbitrator shall rule from the bench on the issue of whether briefs may be filed and the hearing on the case shall commence immediately thereafter; and
 - (4) if the arbitrator rules that briefs are to be allowed, then briefs shall, without exception, be due within thirty (30) days of the close of the hearing and the arbitrator's decision shall be rendered within thirty (30) days thereafter.
- c. The Company agrees that it shall not, in an arbitration proceeding subpoena or call as a witness any bargaining unit Employee or retiree. The Union agrees not to subpoena or call as a witness in such proceedings any non-bargaining unit employee or retiree.

9. Suspension and Discharge Cases

a. No Peremptory Discharge

- (1) Before imposing a discharge (which must be in accordance with Paragraph 9(b) below) the Company shall give written notice of its intent to the affected Employee and the Grievance Chair.
- (2) Where the Union files a grievance protesting such intended discharge within five (5) days of receipt of the notice, the Company may impose no more than a suspension (which must be in accordance with Paragraph 9(b) below) on such Employee prior to completing the procedure referred to in Paragraph 3 below.
- (3) The grievance protesting the intended discharge shall be filed at Step 2 of the grievance procedure and the Step 2 Answer shall be given prior to the Company converting the suspension to a discharge. At the Step 2 meeting the Company shall provide a written statement fully detailing all of the facts and circumstances supporting its proposed disciplinary action.
- (4) In the event the Company does convert the suspension to a discharge, the action shall be treated as a denial of the grievance at Step 2 and the Union may thereupon move the case through the balance of the grievance procedure.

b. Justice and Dignity

- (1) In the event the Company imposes a suspension or discharge, and the Union files a grievance within five (5) days after notice of the discharge or suspension, the affected Employee shall remain on the job to which his/her seniority entitles him/her until there is a final determination on the merits of the case.
- (2) This Paragraph will not apply to cases involving offenses which endanger the safety of employees or the plant and its equipment, including use and/or distribution on Company property of drugs, narcotics and/or alcoholic beverages; possession of firearms or weapons on Company property; destruction of Company property; gross insubordination; **acts of workplace harassment**; threatening bodily harm to, and/or striking another employee; theft; or activities prohibited by Article Five, Section K (Prohibition on Strikes and Lockouts).
- (3) When an Employee is retained pursuant to this procedure and the Employee's discharge or suspension is finally held to be for just cause, the removal of the Employee from the active rolls shall be effective for all purposes as of the final resolution of the grievance.
- (4) When a discharged Employee is retained at work pursuant to this provision and is discharged again for a second dischargeable offense, the Employee will no longer be eligible to be retained at work under these provisions.

c. Any case involving a suspension or discharge may be filed at Step 2 of the grievance procedure.

d. The Company will not make use of any personnel records of previous disciplinary action against the Employee involved where the disciplinary action occurred two (2) years prior to the date of the event which is the subject of suspension or discharge, except records relevant and necessary to establish progressive discipline of the action in dispute, but in no event longer than five (5) years.

e. Should the arbitrator determine that an Employee has been suspended or discharged without just cause, the arbitrator shall have the authority to modify the discipline and fashion a remedy warranted by the facts.

- f. Nothing in these provisions shall restrict or expand the Company's right to relieve an Employee for the balance of such Employee's shift under the terms of the Agreement.

10. Mini-Arbitration

- a. Notwithstanding any other provision of this Agreement, the following mini-arbitration procedure is designed to provide prompt and efficient handling of grievances concerning written reprimands or suspensions of five (5) days or less, excluding discipline for concerted activity. In addition, grievances concerning suspensions of more than five (5) days may be referred to mini-arbitration by mutual agreement of the parties 3rd Step Representatives or designees.
- b. The mini-arbitration procedure shall be implemented in light of the circumstances existing in each Plant, with regard to the following:
 - (1) Grievances appealed pursuant to this procedure will be so appealed by the Chairman of the Grievance Committee by written notice served simultaneously on the Administrative Secretary (the Parties to agree upon the Administrative Secretary) of the area panel and the Company's Step 3 Representative within five (5) calendar days of receipt of the Company Step 2 Minutes.
 - (2) Hearings shall be held one (1) or more days per calendar month, provided grievances have been appealed to mini-arbitration. An Arbitrator may be reserved one (1) day per month to conduct mini-arbitration. The Administrative Secretary of the area panel shall schedule the hearing at a date, time and place, mutually agreed to by the Parties. Thereafter the rules of procedure for mini-arbitration shall apply.
- c. The hearings shall be conducted in accordance with the following:
 - (1) The hearing shall be informal.
 - (2) No briefs shall be filed or transcripts made.
 - (3) There shall be no formal evidence rules.
 - (4) Each Party's case shall be presented by a previously designated local (local union or local plant) representative.

- (5) The arbitrator shall have the obligation of assuring that all necessary facts and considerations are brought before him by the representatives of the Parties. In all respects, he/she shall assure that the hearing is a fair one.
 - (6) If the arbitrator or the Parties conclude at the hearing that the issues involved are of such complexity or significance as to require further consideration by the Parties, the case shall be referred to Step 3 and it shall be processed as though appealed on such date.
- d. The arbitrator shall issue a decision no later than forty-eight (48) hours after conclusion of the hearing (excluding Saturdays, Sundays and Holidays). His/her decision shall be based on the records developed by the Parties before and at the hearing and shall include a brief written explanation of the basis for his/her conclusion. These decisions shall not be cited as a precedent in any discussion or at any step of the grievance procedure. Should it be determined by the arbitrator that an Employee has been suspended without proper cause, the arbitrator shall have jurisdiction to modify the degree of discipline imposed by the Company. If the decision results in the affirmation of any discipline, the discipline shall be part of the Employee's record in accordance with Article Five Section I. 9. d.
 - e. Any grievance appealed to this mini-arbitration procedure must be confined to issues which do not involve novel problems and which have limited contractual significance or complexity.
 - f. By mutual agreement, the time limits referred to in this article may be extended.

Section J. Management Rights

The management of the plants and the direction of the working forces, including the right to hire, transfer and suspend or discharge for proper cause, and the right to relieve employees from duty, is vested exclusively in the Company.

In the exercise of its prerogatives as set forth above, the Company shall not deprive an Employee of any rights under any agreement with the Union.

Section K. Prohibition on Strikes and Lockouts

- 1. There shall be no strikes or work stoppages or the interruption or impeding of work. No officer or representative of the Union shall authorize, instigate, aid or condone any such activities. No Employee shall participate in any such activities.

2. The applicable procedures of this Agreement will be followed for the settlement of all complaints or grievances.
3. There shall be no lockouts.

Section L. Workforce Planning

1. The parties recognize that their shared goals of a highly productive and skilled workforce, as well as continuity of operations, require thoughtful attention to hiring decisions. Accordingly, in addition to any other provision of this BLA, the Company agrees that it will develop, and review with the Union, workforce plans that ensure timely hiring of additional Employees upon the occurrence of any of the following circumstances:
 - a. Anticipated attrition will result in a shortage of trained Employees in any unit(s) of the plant.
 - b. Actual attrition results in a shortage of trained Employees in any unit(s) of the plant.
 - c. Sustained high levels of overtime worked in any unit(s) of the plant demonstrates that additional forces are needed to return to reasonable levels of overtime.
2. Where attrition can be reasonably anticipated the Company will, to the extent practicable, complete the hiring process in sufficient time to provide training such that the new Employee(s) will be capable of providing for uninterrupted operations without resort to unreasonable overtime to cover the shortfall in Employees.

ARTICLE SIX - JOINT EFFORTS

Section A. Partnership

1. Intent and Purpose:

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

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

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

2. Access to Information

The Company shall provide the Union and its advisors with:

- a. full and continuing access to its short and long-term operating and financial results and forecasts including inputs relevant to the development of them;
- b. the earliest practicable notification and continuing updates of any contemplated material corporate transactions, including plans for capital investment, mergers, acquisitions, joint ventures and new facilities to be constructed or established;

- c. Information and continuing updates on any proposed Workplace Change.

Access to and the use of this information will be covered by a reasonable confidentiality agreement.

3. Comprehensive Training and Education Program

- a. Company and Union representatives shall receive ongoing training developed and conducted by their respective organizations in the application of this Section.
- b. Any training in the application of this Section that is attended by both Employees and managers shall be jointly developed and implemented.
- c. The Company shall fund all costs associated with training programs referred to in this Section.

4. Mechanisms

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

- a. Strategic Labor Management Committee

- (1) Appointment and Composition

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

- (2) Contract Coordinators

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

(3) Meetings

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

(4) Access to Board of Directors

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

b. Plant Labor Management Committees

(1) Appointment and Composition

The Local Union President and Plant Manager will be responsible to ensure that the Partnership process at all levels of the business in each location is properly implemented. Any unresolvable issues regarding the Partnership may be referred to the Negotiation Co-Chairs to be addressed.

The parties shall establish a Plant Partnership Committee at each of the Company's facilities. The Plant Partnership Committee shall be composed of three (3) Union representatives who are Employees of the Company and an equal number of Company representatives. The Company members of each Plant Partnership Committee shall include the Plant Manager (who shall serve as the Company Co-Chair). The Company Members of the Committee shall be selected and serve at the pleasure of the Plant Manager. The Union members of each Plant Partnership Committee shall include the Local Union President/Unit Chair (who shall serve as the Union Co-Chair). The Union Members of the Committee shall be selected and serve at the pleasure of the Local Union President/Unit Chair at the plant.

(2) Meetings

The Plant Committee shall meet at least monthly. These meetings will be for the purpose of reviewing and discussing information concerning the operations, results and outlook for the Company,

with emphasis on the particular facility, as well as information concerning Workplace Changes.

Each quarter or as required by the Negotiation Co-Chairs and no less frequently than the Annual Meetings described 5(e) below, the Local Union President and Plant Manager shall report out on the state of the Partnership Process at their location. The report out will include such key measures as grievances statistics, workforce participation, communication of continuous improvements and other subjects as described in A. 1. above.

c. Area Labor Management Committees

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

d. Problem Solving Teams

The Plant Committee or an Area Committee may create one (1) or more Problem Solving Teams to study, address and report back on specific problems mutually agreed to by the Co-Chairs.

e. Company-Wide Meetings

- (1) In each calendar year the parties will hold a two (2) day meeting (the first day for separate meetings for preparation) in proximity to a Company facility to review and discuss the information described in Paragraph 2 (Access to Information), above with the Union's leadership at the plants, Districts and International and the progress of the Partnership in achieving its intent and purpose, (Section 1).

- (2) The Strategic Committee shall agree on a level of disclosure appropriate for the group.
- (3) Union participants shall include the Chair of the Union Negotiating Committee, Secretary of the Union Negotiating Committee, Local Union Presidents/Unit Chairs, Grievance Committee Chairs (or their designees) Contract coordinators at each of the Company's facilities and such others that the union designates. Company participants shall include the Company's officers, Plant Managers and such others as the Company may designate.

5. Workplace Change

- a. The Plant Committee and relevant Area Committee shall be provided with the earliest practicable notification of any plan to significantly modify or change in any way machinery, equipment, controls, materials, software, work organization or any other work process that could directly or indirectly impact Employees (a Workplace Change). Such notification shall include:
 - (1) a description of the purpose, function and established timetable of the Workplace Change, and how it would fit into existing operations and processes;
 - (2) the estimated cost of the proposed Workplace Change including justification;
 - (3) disclosure of any service or maintenance warranties or contracts provided or required by the vendor (if any);
 - (4) the number and type of jobs (both inside and outside the bargaining unit) which would be impacted;
 - (5) the anticipated impact on the skill requirements of the workforce;
 - (6) details of any training programs connected with the Workplace Change (including duration, content and who will perform the training); and
 - (7) the expected impact on job content, method of work, safety and health, training needs and the utilization of Outside Entities.

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

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

Section B. Public Policy Activities

1. The Company and Union hereby agree to establish a jointly administered public policy fund (Public Policy Fund) meeting the following guidelines.
 - a. Purpose and Mission: The purpose of the Fund shall be to:
 - (1) support public policies promoting the interests of the Company and the Union on such subjects as health care, legacy costs, international trade, currency valuation, and other public policy issues of importance to the parties;
 - (2) to contribute to and promote greater cooperation between labor and management; and
 - (3) to assist the Company and Union in solving problems of mutual concern that are not susceptible to resolution through collective bargaining.
 - b. The Public Policy Fund will pursue its mission through labor-management cooperative endeavors such as public and political education, issue advocacy, research, and the coordination of such activities with other like-minded groups.
 - c. The Fund will have a six-person Governing Committee. The Company representatives shall include the Chief Executive Officer of the Company, (or his/her designee). The Union representatives shall include the International President of the USW or his designee, the Secretary of the Union's Basic Steel Industry Conference and the USW District Director serving as the Chair of the Union Negotiating Committee.
 - d. The Public Policy Fund will be financed by an accrual of \$0.12 for each ton of steel shipped to third parties by the Company facilities covered by this Agreement.
 - e. All activities of the Public Policy Fund shall be subject to approval by the Governing Committee, provided that:

- (1) In the event that the Union members of the Governing Committee propose that the Union or its designee take responsibility for any or all aspects of the content, administration, delivery or implementation of any programs or activities conducted under the auspices of the Fund, the Company Members of the Governing Committee shall give recognition to the special advantages that such Union responsibility would contribute to such programs or activities, including but not limited to the knowledge and experience of the Union, the familiarity of the Union with target audiences, and the added credibility that Union responsibility would add to such programs or activities.
- (2) The document creating the Governing Committee will contain a procedure for the quick and binding resolution of any dispute over the administration, delivery, or implementation of programs or activities conducted under the auspices of the Fund.

2. Stand Up For Steel

- a. The Company agrees to join the Stand Up For Steel Labor/Management Committee (Stand Up For Steel) effective on the Effective Date.
- b. The parties agree that Stand Up for Steel will serve as a focal point for industry-wide joint activities in combating unfair trade in steel and related products and other subjects as agreed to by the parties. The parties will continue to pursue other activities separately as appropriate and the funding and structure contemplated herein shall not be applicable to litigation to enforce the nation's trade laws.
- c. Stand Up For Steel will have a Governing Board consisting of an equal number of Union and company representatives. The Board will be co-chaired by the President of the USW and a CEO selected by the participating companies.
- d. All activities conducted under the banner of Stand Up For Steel shall be approved by the Governing Board.
- e. The parties will jointly recruit all American steel (carbon and stainless) and iron ore companies and others to join the organization under the terms described in this Section. The Company agrees to work with the other participating companies so that the company representatives on the Governing Board will represent the interests of all participating companies.

3. Energy Efficiency and Carbon Emissions Task Force
 - a. The purpose of the Task Force shall be to work jointly to identify, analyze, and make recommendations regarding ways to conserve energy, improve energy efficiency and reduce greenhouse gas emissions at the operating facilities of the Company.
 - b. The Task Force shall work in conjunction with the joint efforts of the Parties on legislative initiatives related to the issues, as directed by the Public Policy Governing Committee.
 - c. Two (2) Employees from each plant shall be jointly selected by the Chairs of the Negotiating Committee to work in conjunction with representatives from the Company's Environmental and Energy Management programs at each plant for the purpose of pursuing the activities set forth herein.

Section C. Contract Coordinators

In this BLA, the parties have committed themselves to a number of joint undertakings crucial to the success of the Company, its Employees and the Union. In recognition of the crucial role being served by the Union in accomplishing the joint goals of the parties, the parties agree as follows:

1. The Chair of the Union Negotiating Committee shall select and direct twelve (12) Contract Coordinators, who shall be responsible throughout the Company for implementation and ongoing monitoring of joint undertakings of mutual interest to the Company and the Union. It is expected that Contract Coordinators will visit each of the Company's locations on a regular basis in the performance of their duties.
2. Each Contract Coordinator shall be an Employee of the Company. The Contract Coordinator shall be compensated by the Company in the amount of the appropriate wages, benefits and other fringe benefits s/he would have earned during his/her normal course of employment with the Company, but for this assignment. In addition, each Contract Coordinator shall be reimbursed for reasonable out-of-pocket expenses including, but not limited to, travel (coach airfare, hotel and per diem) incurred in connection with this assignment and as reasonably agreed to by the Company and the Union in advance of incurring such expense. In order to receive such lost time payments and expense reimbursements, supporting vouchers must be provided by the Contract Coordinator.

Section D. New Employee Orientation

1. The parties agree that within one-hundred eighty (180) days of the Effective Date they shall jointly develop an Employee Orientation Program which shall include the following:
 - a. an introduction of plant Company officials, International Union officials and Local Union representatives as may be appropriate;
 - b. distribution and discussion of the BLA, including any relevant local agreements;
 - c. discussion of safety and health programs and safe working procedures;
 - d. presentation and discussion on labor-management participation, problem solving, communications and the role of the Union and the workforce in quality and customer satisfaction;
 - e. discussion of the history and achievements of the United Steelworkers and the particular Local Union;
 - f. discussion of the structure of the United Steelworkers America and the particular Local Union and the services that are provided by the various offices and committees;
 - g. presentation on the history of the Company and plant;
 - h. review of the markets in which the Company participates, the products produced and the customers serviced; and
 - i. discussion of the structure of the Company, the plant organization and the functions and services that are provided by the various departments.
2. This program shall be jointly presented, on Company time, to each Employee of the Company during the one (1) year period following the Effective Date and to each Employee hired thereafter within their probationary period. The Union will be allotted a portion of the program to address the Employees.
3. All costs associated with developing this Program shall be borne by the Company.
4. In addition the Company shall compensate each Employee at their Regular Rate of Pay, within the same timeframe as the joint orientation described above, to attend an orientation session conducted by the Contract Coordinators at a location designated by the Union.

ARTICLE SEVEN - TRAINING

Section A. Workforce Training Program

1. Commitments

The parties are committed to:

- a. the Company's workforce being sufficiently skilled so that all Bargaining Unit Work can be performed in accordance with this Agreement by Employees;
- b. Employees receiving sufficient training to allow for all reasonable opportunities to progress within the workforce and maximize their skills to the greatest extent possible;
- c. multi-skilled, multi-functional training and upgrading of skills in order to achieve a safe workplace and full utilization of the workforce; and
- d. maximize training resources and use of skills on the job.

2. Plant Training Committees

a. Appointment and Composition

The parties shall establish a Plant Training Committee at each of the Company's facilities. The Plant Training Committee shall be composed of three (3) Union representatives who are Employees of the Company and an equal number of Company representatives. The Company members of each Plant Training Committee shall include the Human Resource Representative responsible for Training (who shall serve as the Company Co-Chair). The Company Members of the Committee shall be selected and serve at the pleasure of the Plant Manager. The Union members of each Plant Training Committee shall include the Union Training Coordinator (who shall serve as the Union Co-Chair). The Union Members of the Committee shall be selected and serve at the pleasure of the Local Union President/Unit Chair at the plant.

b. Staff

Each Plant Training Committee shall have one (1) full time Training Coordinator who will be responsible for coordination and oversight of the Training Program. The Training Coordinator will be an Employee selected by and serving at the pleasure of the Chair of the Union Negotiating

Committee and the Vice President of Labor Relations, it being understood that the Union Committee Chair shall consult with the Local Union President(s)/Unit Chair(s) at the plant of the Company. The Training Coordinator shall be compensated in the same manner as the Contract Coordinators referred to in Article Six, Section C of this Agreement.

3. Annual Study of Workforce Training Needs

By January 15th of each year the Plant Training Committee shall complete a plan (Plan) to meet the expected training needs of the workforce over the term of the Agreement, given the Commitments outlined in Paragraph 1 above. Such Plan shall include Findings and Recommendations as described below.

a. Findings

- (1) an age and service profile and the anticipated attrition rates of the workforce over the life of the Agreement;
- (2) an assessment of the current skill requirements (both competencies and force levels) of the plant, the availability of such skill requirements within the existing workforce and any training practices or programs necessary to bring the competencies and/or force levels of the current workforce into prompt conformity with the plant's current skill requirements;
- (3) an evaluation of the appropriateness of existing training programs and the necessity of developing additional training programs, giving due consideration to changing technology and future skill needs;
- (4) an examination of current overtime levels and an assessment of whether Employees in certain positions are working excessive overtime;
- (5) an examination of methods by which productivity can be improved through additional training of Employees;
- (6) an examination of the plant's business plan, including projected capital spending, planned or potential new technology or technological change and other relevant factors over the term of the Agreement;
- (7) an assessment of the work practices and the training practices at the plant, as compared to those of other steel producers represented by the Union;

- (8) an analysis of the achievements and expectations of the previous year's Plan; and
- (9) an estimate of the necessary resources required to implement the Plan.

b. Recommendations

Based on its Findings, the Plant Training Committee shall develop a comprehensive training program, including a detailed implementation plan and all necessary resources for administration, implementation, delivery and evaluation (Training Program) designed to, on a practical and timely basis, meet the commitments outlined in Paragraph 1 above.

c. Update

Each year the Plant Training Committee shall prepare an Update that reviews the Findings and modifies them based on changed circumstances, measures the success of the Training Program against its objectives and modifies the Training Program accordingly.

d. Separate Statements

The Plan and each Update will include separate statements by the parties with respect to any Finding or Recommendation as to which they disagree.

4. Action by the Chairs of the Negotiating Committee

- a. Within thirty (30) days of receipt of the Plan or an Update, the Chair of the Union Negotiating Committee and the Chair of the Company Negotiating Committee shall approve a Training Program or Update (including modifications upon which they can agree) or submit those matters on which they do not agree to an Arbitrator, pursuant to procedures to be agreed upon by the parties.
- b. The dispute will be resolved on the basis of a final offer submission by the parties at a hearing. The arbitrator will determine which of the submissions best meets the Commitments outlined in Paragraph 1 above, in light of the Findings referred to in Paragraph 3(a) above. The arbitrator shall have the power to determine the procedures pursuant to which the hearing is conducted.

5. Administration and Union Role

- a. In accordance with Section A.1. and to facilitate the provisions of Section A.3.b. of this Article, each Plant Training Committee shall jointly oversee the administration and delivery of its Training Program, the expenditure of Company funds necessary for its operation, and an annual audit of such activity.
- b. In the event that the Union members of the Plant Training Committee propose that the Union or its designee take responsibility for any or all aspects of the administration, delivery, or implementation of the Training Program, the Company members of the Committee shall give recognition to the special advantages that such Union responsibility would contribute to the Training Program, including but not limited to the knowledge of the Union concerning the Program and its development, the familiarity of the Union with the capabilities and learning styles of Employees, and the added credibility that Union responsibility would add to the Program. Any dispute over aspects of the administration, delivery, or implementation of the Program shall be a matter for resolution under paragraph 7 below.

6. Safeguards and Resources

- a. The Company shall provide the members of the Plant Training Committee and the Training Coordinator with such training as is necessary to enable them to perform their responsibilities under this Section with a high degree of competence. Employee participation in the Plant Training Committee shall normally occur during normal work hours. All meeting time and necessary and reasonable expenses of the Plant Training Committee shall be paid for by the Company and Employees attending such meetings shall be compensated in accordance with standard local plant understandings.
- b. Union members of the Plant Training Committee shall be entitled to adequate opportunity on Company time to caucus for purposes of study, preparation, consultation and review, and shall be compensated in the same manner as set forth in Paragraph (a) above. Requests for caucus time shall be made to the appropriate Company representative in a timely manner, and such requests shall not be unreasonably denied.
- c. To the extent that Company facilities are available and appropriate for Training Program activities, they will be made available.
- d. **Employees and trainers participating in training sessions shall not be reassigned to other work on days when their training has been scheduled,**

unless Management has taken all reasonable steps to staff positions required to maintain plant operations.

7. Dispute Resolution

In addition to the matters covered by the dispute resolution procedure described in Paragraph 4 above, in the event that the Plant Training Committee is unable to reach agreement on any matter involving the Training Program, the Plant Training Committee shall appoint the arbitrator referred to in Paragraph 4(a) to resolve such dispute. The further details of this procedure shall be as agreed to by the Plant Training Committee unless they are unable to reach such agreement, in which case they shall be determined by the arbitrator.

Section B. Institute for Career Development

1. Establishment

The Union and the Company hereby establish the USW/**Cleveland-Cliffs Steel LLC** Institute for Career Development (the Institute) which, in conjunction with similar programs negotiated by the Union with various other employers, will be administered under the rules and procedures of the Institute for Career Development (ICD).

2. Purpose

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

3. Guiding Principles

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

- a. workers must play a significant role in the design and development of their jobs, their training and education and their working environment;
- b. workers should be capable of reacting to change, challenge and opportunity and this requires ongoing training, education and growth; and
- c. worker growth and development can only succeed in an atmosphere of voluntary participation in self-designed and self-directed training and education.

4. Financing

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

5. Administration

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

6. Reporting, Auditing, Accountability and Oversight

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

a. Reporting

- (1) For each calendar year quarter, and within thirty (30) days of the close of such quarter, the Company shall account to the ICD, the International Union President and the Chair of the Union Negotiating Committee for all changes in the financial condition of the Institute. Such reports shall be on form(s) developed by the Institute broken down by plant and shall include at least the following information:

- (a) The Company's contribution, an explanation thereof and the cumulative balance; and

(b) a detailed breakdown of actual expenditures related to approved program activities during said quarter.

(2) The Union Co-Chairs of each of the Local Joint Committees shall receive a report with the same information for their plant or Local Union, as the case may be.

b. Auditing

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

c. Approval and Oversight

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

7. Dispute Resolution Mechanism

a. Any dispute regarding the administration of the Institute at the Company or plant level shall be subject to expedited resolution by the Chairs of the Union and Company Negotiating Committees and the Executive Director of ICD who shall apply the policies, rules and regulations of the Governing Board and the provisions of this Section in ruling on any such dispute. Rulings of the Executive Director may be appealed to the Governing Board but shall become and remain effective unless stayed or reversed by the Governing Board.

b. Within sixty (60) days of the Effective Date, the parties will develop an expedited dispute resolution mechanism that resolves disputes within two (2) weeks.

ARTICLE EIGHT - EARNINGS SECURITY

Section A. Employment Security

1. Objective

The parties agree that it is in their mutual interest to provide all Employees, with at least three (3) years of Continuous Service, with the opportunity for at least forty (40) hours of pay each week.

2. Layoff Minimization Plan

The Company agrees that, prior to implementing any layoffs, it shall review and discuss with the Union:

- a. documentation of a clear and compelling business need for the layoffs (Need);
- b. the impact of the layoffs on the bargaining unit, including the number of Employees to be laid off and the duration (Impact); and
- c. a Layoff Minimization Plan which shall contain at least the following elements:
 - (1) a reduction in the use of Outside Entities;
 - (2) the elimination of the purchase or use of semi-finished and hot-rolled steel from outside vendors that can be reasonably produced by the Company;
 - (3) the minimization of the use of overtime;
 - (4) a program of voluntary layoffs;
 - (5) the use of productive alternate work assignments to reduce the number of layoffs; and
 - (6) a meaningful program of shared sacrifice by management, including senior management.
 - (7) any plan suggested by the Local Union to create the opportunity for Employees to exercise seniority to bump junior Employees on jobs within a pool of sufficient Labor Grade 1 positions to provide meaningful protection from long term layoff for senior Employees.

3. Employee Protections

Reference to the elements of a Layoff Minimization Plan in Paragraph 2 above shall not be construed to impair in any way any protection afforded to Employees under other provisions of this Agreement.

4. Union Response

The Union shall be provided with sufficient information to reach its own judgment on whether there is a Need, the appropriate Impact and to develop its own proposed Layoff Minimization Plan.

5. Dispute Resolution

- a. In the event the parties cannot reach agreement on whether there is a Need, the appropriate Impact and the terms of a Layoff Minimization Plan, the Company may implement its plan and the Union may submit their dispute to an expedited final offer arbitration under procedures to be developed by the parties. If the Company lays off Employees or takes other actions in violation of this Article, such Employees shall be made whole.
- b. The arbitrator's ruling shall address whether the Company demonstrated a Need and if it did, whose proposed Impact and Layoff Minimization Plan are more reasonable, given all the circumstances and the objectives of the parties.

Section B. Supplemental Unemployment Benefits

1. Eligibility

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

- a. has completed two (2) years of Continuous Service prior to his/her seeking weekly benefits;
- b. is and remains an Employee within the meaning of the Agreement;
- c. does not receive sickness and accident benefits under an agreement between the Company and the Union;
- d. is not in the military service, including training encampments;

- e. is eligible, applies for state unemployment benefits for the week and takes all reasonable steps to receive such benefits; provided, however, that this requirement will not apply if s/he has exhausted state unemployment benefits, receives other compensation in an amount that disqualifies him/her for state unemployment benefits, has insufficient employment to be covered by the state system, fails to qualify for state unemployment benefits because of a waiting week, is unable to work by reason of disability, or is participating in a federal training program; and
- f. either
 - (1) is on layoff for any week in which, because of lack of work, s/he does not work at all for the Company;
 - (2) is on layoff during a plant vacation shutdown and s/he is not entitled to vacation during the shutdown; or
 - (3) became disabled while on layoff and is not physically able to return to work.

2. Amount and Duration of Benefits

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

Supplemental Unemployment Benefit Percentage

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

- b. Notwithstanding the above table, the duration of Weekly Benefits payable to an Employee who becomes disabled while on layoff and is not physically able to return to work shall be limited to fifty-two (52) weeks beginning with the week the Employee is recalled to work.

- c. The amount of a Weekly Benefit may be offset only by the amount of state **or federally sponsored** unemployment benefits, Trade Adjustment Allowance and any Excess Other Compensation, but in no event will the total Weekly Benefit be less than \$250.00 per week for the Duration of Benefits.
- d. Excess Other Compensation means any weekly earnings from an employer other than the Company in excess of the amount that would reduce the Employee's state unemployment benefit to zero. The amount to be offset shall be \$1 for each \$2 of Excess Other Compensation.

3. Company Payment

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

4. Disputes

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

5. Administration of the Plan

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

6. Finality of Determination

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

7. Termination

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

8. Documentation

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

Section C. Severance Allowance

1. Right to Severance Allowance

Employees meeting the conditions outlined below shall, upon request, receive a Severance Allowance as described herein.

2. Eligibility

In order to be eligible for a Severance Allowance an Employee must:

- a. at the time s/he requests such Allowance, have accumulated three (3) or more years of Continuous Service; and
- b. be on layoff (other than voluntary layoff):
 - (1) for six (6) consecutive months, or in any twelve (12) month period be offered, under the terms of the Agreement, less than 520 hours of straight time work, or
 - (2) due to a Permanent Closure as defined in this Section.

3. Employment in Lieu of Severance

In lieu of Severance Allowance, at the time an Employee requests such Severance Allowance, the Company may offer such Employee a regular full-time job of equal earnings at the Employee's plant or within 50 miles of that plant if in accordance with 6 below if:

- a. the job is in a bargaining unit represented by the Union;
- b. the job is not a temporary job or a job known to be of limited duration;
- c. the Employee is physically qualified to perform the job; and
- d. the Employee has the ability and skills required to perform the job or has the ability to absorb such training for the job as is offered and is necessary to enable the Employee to perform the job satisfactory.

4. Notwithstanding 3 above an Employee who is otherwise eligible for a sole option pension may decline the employment offer.
5. Amount and Form
 - a. In the case of Paragraph 2(b)(1) a single lump sum payment equal to one (1) week of pay at the Employee's Vacation Rate of Pay for each year of Continuous Service or portion thereof.
 - b. In the case of Paragraph 2(b)(2) above:
 - (1) One (1) week of pay at the Employee's Vacation Rate of Pay for each year of Continuous Service or portion thereof; plus
 - (2) Two (2) weeks of pay at the Employee's Vacation Rate of Pay for each year of service over 15 years of Continuous Service or portion thereof.
 - c. The total of (1) plus (2) above may not exceed seventy-five thousand dollars (\$75,000).

6. Definitions

For the purposes of this Section:

- a. Age means an Employee's age as of their last birthday at the time of the Permanent Closure;
- b. Service means the Employee's Continuous Service as that term is defined in Article Five, Section E (Seniority, Paragraph 3 of the Basic Labor Agreement), at the time of the Permanent Closure;
- c. Permanent Closure means the permanent closure of a plant or permanent discontinuance of a department of a plant or substantial portion thereof. In addition to an announced Company decision providing therefore, a Permanent Closure shall be deemed to have occurred wherever the Company is not operating the subject plant, department, or substantial portion thereof and cannot clearly demonstrate reasonable plans or expectations for a re-start in the immediate future; and
- d. Region means the area in which a Plant is located for the purposes of this Section. The Cleveland, Weirton and Warren Plants are considered in

Region 1. The Riverdale, Burns Harbor, Minorca Mines and both East Chicago Plants are considered in Region 2. The Steelton, Conshohocken, and Coatesville Plants are considered in Region 3.

7. Consequence of Acceptance

Any Employee who requests and accepts a Severance Allowance shall permanently terminate employment with the Company.

In lieu of Severance Allowance, at the time an Employee requests such Severance Allowance, the Company may offer such Employee a regular full-time job of equal earnings at the Employee's Plant or within that Plant's Region or at the Employee's option, a Plant in any other Region. It is also the Employee's option whether to accept the offer of a job or the Severance Allowance.

Section D. Interplant Job Opportunities

1. An Employee with more than two (2) years of Continuous Service who is continuously on layoff for at least sixty (60) days and not expected to be recalled within sixty (60) days, shall be given priority over new hires and probationary Employees for permanent job vacancies at other than his/her plant as described below:
 - a. The Employee must file with his/her home plant, on a form provided by the Company, a written request for such transfer specifying the other plant or plants at which s/he would accept employment.
 - b. Employees who apply shall be given priority in the order of their Continuous Service (the earlier date of birth to control where such service is identical), provided the Employee has the necessary qualifications to perform the job. In determining qualifications, the Employee shall be treated as if the job were an opening at his/her home plant.
 - c. An Employee laid off from his/her plant who is offered and accepts a job at another plant, will have the same obligation to report for work there as though s/he were a laid-off Employee at that plant. During his/her employment at that plant, s/he will be subject to all the rules and conditions of employment in effect at that plant. S/he will be considered as a new Employee at that plant and therefore such Employee's Plant Service shall be defined in accordance with Article Five Section E.3.c.
 - d. An Employee shall be deemed to reject such job if s/he does not affirmatively respond within five (5) days of the time the offer is made,

which offer shall be directed to his/her last place of residence as shown on the written request referred to in Paragraph (a) above.

- e. An Employee who accepts employment at another plant under this Section will continue to accrue Plant Service for seniority purposes at his/her home plant in accordance with the applicable seniority rules for a maximum period of six (6) months from the date of transfer. If within six (6) month period, s/he is recalled to work at his/her home plant and s/he elects to return, his/her Continuous Service for seniority purposes at the other plant will be cancelled. If s/he elects to remain at the other plant, his/her Continuous Service for seniority purposes at his/her home plant will be cancelled.
 - f. When an Employee is recalled to his/her home plant, the Company may require the Employee to remain at such other plant for the calendar week following the calendar week during which such recall occurs.
2. An Employee who accepts a job at another plant more than 100 miles from his/her home Plant will receive a relocation allowance of \$5000 when they relocate their permanent residence..

ARTICLE NINE - ECONOMIC OPPORTUNITY

Section A. Wages

1. Definitions:
 - a. Regular Rate of Pay as used in this Agreement shall mean the Base Rate of Pay plus incentive earnings.
 - b. Base Rate of Pay as used in this Agreement shall be the rates of pay as shown in Appendix A.

Section B. Incentive Plans

1. New incentive plans shall be designed to afford Employees the earnings opportunity generally available under existing plans. Modified incentive plans shall be designed to afford Employees the earning opportunity generally available under the plan being modified.
2. The Company shall establish new incentive plans to cover newly created jobs. The Company shall also modify existing incentive plans where new or changed conditions resulting from mechanical improvements made by the Company in the interest of improved methods or products, or from changes in equipment, manufacturing processes or methods, materials processed, or quality or manufacturing standards impact the earnings opportunity provided under an existing incentive plan. In all other circumstances, existing incentive plans shall remain unchanged. Such plans shall be installed within ninety (90) days of an Employee being assigned to work on a new or modified job.
3. Such new or modified incentive plans shall be established in accordance with the following procedure:
 - a. The Company will develop the proposed new incentive plan.
 - b. The proposed new plan will be submitted and explained to the Local Union Incentive Committee along with such additional Employees as the Committee shall deem appropriate. The explanation shall include all information reasonably required to understand how the new plan was developed. The Union shall be afforded a full opportunity to be heard with regard to the new plan.
 - c. Should agreement on a new plan not be reached, the new plan may be installed and the Employees affected shall give the plan a fair trial.

- d. The Local Union Incentive Committee may file a grievance at any time from ninety (90) to 180 days from the date of installation of a new plan. Such grievance shall be filed in Step 2 of the grievance procedure and shall be decided on the basis of the standard referred to in Paragraph 1 above.
 - e. In the event the Company does not install a new incentive plan on a timely basis, the Local Union Incentive Committee may file a grievance in Step 2 of the grievance procedure requesting that a new plan be installed. Any such grievance shall include a statement of the alleged changed condition(s), including approximate date(s) of such alleged change(s). If the Board decides that a change has occurred which requires new standards, it shall order the Company to develop and install an appropriate new plan and to appropriately compensate the grievant(s).
4. The Company shall be permitted to establish an interim rate which may be used while the new incentive plan is being developed. The interim rate shall consist of, in addition to the applicable Base Rate of Pay, a special hourly interim allowance equal to the percentage equivalent of the straight-time average hourly earnings above the Base Rate of Pay in Appendix A during the six (6) pay periods immediately preceding implementation of the interim rate. If the job involved is a new job, the interim rate shall be the applicable average interim rate found by relating the job requirements of such new job to the job requirements of the existing jobs under the previously existing incentive plan and shall be based solely on the incentive earnings of the related job(s) under the old plan.

Section C. Shift Premium

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

Section D. Sunday Premium

All hours worked by an Employee on Sunday, shall be paid for on the basis of one and one-half (1½) times the Employee's Regular Rate of Pay. For the purpose of this Section, Sunday shall be deemed to be the twenty-four (24) hours beginning with the shift change hour nearest to 12:01 a.m. Sunday.

Section E. Profit Sharing

1. Introduction

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

2. Level of Payout

The Company agrees that it will create a profit sharing pool consisting of **6.00%** of the Quarterly Profits of **Cleveland-Cliffs Inc. (the "Parent")**, as defined below (**the "Total Pool"**), and to distribute **a portion of the Total Pool** within forty-five (45) days of the end of each fiscal quarter, in the manner described below. The fourth (4th) quarter payment will be distributed within fifteen (15) days following the date of the auditor's opinion of the Company's annual audited financial statements, which may include an adjustment for the correction of errors in prior quarters.

3. Calculation of Profits

For the purposes of this Plan,

a. **"Quarterly Profits"** shall be defined as **Earnings Before Interest and Taxes of the Parent's Steelmaking operating segment as defined in Parent's Form 10-Q for Second Quarter 2022 ("Steelmaking Segment")**, calculated on a consolidated basis in accordance with United States Generally Accepted Accounting Principles (GAAP), with the following exclusions:

(1) **income or loss related to any charges or credits (whether or not identified as special credits or charges) for unusual, infrequently occurring or extraordinary items as defined by GAAP, including credits or charges for plant closures, business dispositions and asset sales that are not normal operating charges or credits of the Parent.**

b. All transactions between the Company and the Parent or any of its Affiliates shall be conducted on an arm's length basis on commercially reasonable terms not less favorable to the Company than those that could be obtained from an unrelated third party.

4. Entitlement

The Employee portion of the Total Pool (the "Employee Pool") will be determined by multiplying the Total Pool by the ratio of total hours worked by

Employees to the total hours worked by all hourly employees in the Steelmaking Segment.

Total Pool x	<u>Company Bargaining Unit Employee Hours Worked</u> Steelmaking Segment Hourly Employee Hours Worked	= Employee Pool
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Notwithstanding the preceding paragraph, the parties agree that the Employee Pool will be (60%) of the Total Pool plus \$500,000 per quarter. Should the ratio of hours within the Steelmaking Segment materially change during the term of the BLA, the parties may meet to discuss the implication of the change to the ratio. However, no changes to the sixty percent (60%) ratio will be made without mutual agreement of the parties.

The first \$500,000 of the Employee Pool will be paid to the 2026 Benefit Trust. The remainder Employee Pool will be divided among all Employees (Participants) on the basis of Eligible Hours (as defined below) of each such Participant in the calendar weeks within each fiscal quarter.

- a. "Eligible Hours" shall include the following, but shall not exceed forty eight (48) hours for any week for any Participant: hours worked (including straight time and overtime hours), vacation and holiday hours at the rate of eight (8) hours for each holiday or day of vacation; hours shall also include those hours not scheduled less than forty (40) due to a scheduled reduced Work Week; hours on Union business; and hours, at the rate of eight (8) hours a day, while receiving Workers' Compensation benefits (based on the number of days absent from work while receiving such benefits).
- b. Any payments made to a Participant pursuant to this Plan shall not be included in the Participant's earnings for purposes of determining any other pay, benefit or allowance of the Participant.

5. Maximum Payment and Profit Sharing Bank

- a. The maximum profit sharing payment shall be eleven dollars (\$11.00) per Eligible Hour.
- b. In the event that the profit sharing payment for any calendar quarter would have been greater than eleven dollars (\$11.00) per Eligible Hour, an amount in excess of eleven dollars (\$11.00) per Eligible Hour will be conditionally "banked".
- c. The amount of the Profit Sharing Bank (PSB), which shall not be a negative number, shall equal the difference, measured in aggregate dollars, between the amount of the Employee Pool and the product

obtained by multiplying eleven dollars (\$11.00) by the number of Eligible Hours during the applicable quarter.

- d. The PSB will accrue during the year and shall be distributed, if necessary, as described below, with the profit sharing payments for the fourth (4th) quarter of the current year.
 - e. The PSB shall be distributed following the determination of the profit sharing payments for the fourth (4th) quarter of the current year, to the extent that any other quarterly profit sharing payment in that same calendar year is less than eleven dollars (\$11.00) per Eligible Hour. The amount of the PSB distributed, if any, shall be distributed based on each Participant's share of the Profit Sharing Shortfall (PSS) applicable for the current year, if any. The PSS shall equal the number of Eligible Hours during the current year for which the profit sharing payment is less than eleven dollars (\$11.00) per Eligible Hour, multiplied by the amount by which the profit sharing payment in the current year is less than eleven dollars (\$11.00) per Eligible Hour. Distribution shall be made until each eligible Participant shall have received eleven dollars (\$11.00) per Eligible Hour or the PSB is exhausted, whichever comes first.
 - f. Any PSB remaining after the fourth (4th) quarter of the current year distribution shall expire immediately after the fourth (4th) quarter of the current year PSS calculation has occurred and the current year PSB has been distributed, if any is required.
 - g. All individuals who participated in the Plan during the calendar year shall be eligible for a share of the applicable PSB distribution, based on their individual share of the total PSS for all Participants during the calendar year , including individuals who died, retired, or were absent (due to layoff, disability or leave of absence).
6. Administration of the Plan
- a. The Plan will be administered by the Company in accordance with its terms and the costs of administration shall be the responsibility of the Company. Upon determination of each Quarterly Profit calculation, such calculation shall be forwarded to the Chair of the Union Negotiating Committee accompanied by a Certificate of Officer signed by the Chief Financial Officer of the Company, providing a detailed description of any adjustments made to Earnings Before Income and Taxes and stating that Profit was determined in accordance with GAAP and that Quarterly Profit was calculated in accordance with this Section.

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

7. Prompt Payment

Notwithstanding Paragraph 6, the Company shall comply with the requirements of Paragraphs 2 through 5 based on its interpretation of the appropriate payout. If the process described in Paragraph 6 results in a requirement for an additional payout, said payout shall be made no more than fourteen (14) days after the date of the agreed upon resolution or issuance of the arbitrator's decision.

8. Summary Description

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

Section F. Inflation Recognition Payment

1. General Description

The below general description is qualified in its entirety by Paragraphs 2 through 6 below.

The purpose of the Inflation Recognition Payment (IRP) is to make quarterly lump-sum payments to Employees if cumulative inflation, as measured over the life of the Basic Labor Agreement, exceeds three percent (3%) per year.

At the end of each calendar quarter, the Consumer Price Index (CPI) for the final month of that quarter will be compared to a CPI Threshold (as found in the Table

in Paragraph 5 below) which represents what the CPI would be if total inflation since the beginning of the Agreement had averaged three percent (3%) per year. If the actual CPI is higher than the CPI Threshold, a lump sum payment shall be made equal to each full one percent (1.0%) by which the actual CPI is higher than the CPI Threshold, multiplied by the Regular Rate of Pay (overtime rates if applicable) for each position worked by an Employee for all hours actually worked in full calendar weeks in the fiscal quarter (hereafter referred to as “earnings”).

Thus, if in a given quarter three percent (3%) annual inflation since the beginning of the Agreement would have produced total inflation of ten percent (10%) and the actual CPI indicates that inflation since the beginning of the contract has been twelve percent (12%) and an Employee had earnings as defined in the paragraph above during the quarter of \$15,000, then that Employee would receive a lump-sum payment of two percent (2%) (12% actual inflation minus a 10% CPI Threshold) times \$15,000 or \$300.

2. IRP Payments

- a. Beginning the period ending December 31, **2022**, the Company shall, on each Payment Date, make to each Employee an IRP payment equal to:
 - (1) their total earnings as defined above for the Covered Period, multiplied by
 - (2) each full percentage (1.0%), by which the CPI for the Measurement Month exceeds the CPI Threshold for the Measurement Month.
- b. No IRP will be made for any Covered Period unless the CPI for the Measurement Month is greater than the CPI Threshold; in the event the CPI is lower than the CPI Threshold there shall be no recoupment of any kind.

The IRP shall be a lump-sum payment and shall not be part of the Employee’s Base Rate of Pay or used in the calculation of any other pay, allowance or benefit.

3. Definitions

- a. CPI shall mean the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), U.S. City Average, All Items, Not Seasonally Adjusted (1982-84=100) as published by the Bureau of Labor Statistics. If the Consumer Price Index in its present form and on the same basis as the last Index published prior to June 2018 becomes unavailable, this Section shall be adjusted to produce as nearly as possible the same result as would have been achieved using the Index in its present form.

- b. Payment Date shall be the forty-fifth (45th) day after the last day of the Measurement Month.
- c. Measurement Month shall be the last month of a Covered Period.
- d. Covered Period(s) shall be as shown in Paragraph 5 below.
- e. CPI Threshold(s) shall be as shown in Paragraph 5 below, based on the formula in Paragraph 6 below.

4. Example:

Covered Period	10-01-22 - 12-31-22
Measurement Month	December 2022
Hypothetical CPI in Measurement Month	304.246
CPI Threshold for the Covered Period	296.825
The amount, of full percentage point(s), by which the CPI for the Measurement Month exceeds the CPI Threshold for the Covered Period	
$((304.246 - 296.825) / 296.825) = 2.0\%$	
Earnings in Covered Period	<u>\$15,000</u>
IRP Payment	$(\$15,000 \times 2.0\%) = \underline{\underline{\$300.00}}$

5. Covered Periods and CPI Thresholds

Covered Period	CPI Threshold
09-01-22 - 09-30-22	285.409
10-01-22 - 12-31-22	296.825
01-01-23 - 03-31-23	296.825
04-01-23 - 06-30-23	296.825
07-01-23 - 09-30-23	305.730
10-01-23 - 12-31-23	305.730
01-01-24 - 03-31-24	305.730
04-01-24 - 06-30-24	305.730
07-01-24 - 09-30-24	314.902
10-01-24 - 12-31-24	314.902
01-01-25 - 03-31-25	314.902
04-01-25 - 06-30-25	314.902
07-01-25 - 09-30-25	324.349
10-01-25 - 12-31-25	324.349
01-01-26 - 03-31-26	324.349
04-01-26 - 06-30-26	324.349
07-01-26 - 08-31-26	334.079

6. Formula to Calculate CPI Threshold

The CPI Threshold shown in the Table above is the CPI for the month of June, 2018 multiplied by 1.03 per year as expressed in the following formula:

$$\text{CPI-W for June 2018} \times (1.03)^n$$

Where n is the number of Covered Years from the first calendar year of 2018 to the Covered Year in which the calculation is made.

Notwithstanding the foregoing, a CPI Threshold of 285.409 shall be maintained through 09-30-22 and will subsequently be increased by 4% to 296.825 for the period 10-01-22 through 06-30-23. The CPI Threshold will then revert to the normal 3% annual increase effective July 1 of each year during the remaining term of the 2022 BLA.

ARTICLE TEN - PAID TIME OFF AND LEAVES OF ABSENCE

Section A. Holidays

1. An Employee shall be paid two and one-half (2 ½) times his/her regular rate of pay for all hours worked on any of the holidays specified below.

January 1
Martin Luther King, Jr.'s Birthday
Good Friday
Memorial Day
Juneteenth
July 4
Labor Day
Thanksgiving Day
Day after Thanksgiving Day
Day Preceding Christmas Day
Christmas Day

2. In the event a holiday falls on Sunday, it shall be observed on Monday. A holiday is the twenty-four (24) hour period beginning at the shift-changing hour nearest to 12:01 a.m. on the day so observed.
3. Pay for a Recognized Holiday Not Worked
 - a. An eligible Employee who does not work on a holiday shall be paid eight (8) times his/her Regular Rate of Pay.
 - b. As used in this Section, an eligible Employee is one who (1) has worked thirty (30) calendar days since her/his last hire; (2) performs work or is on vacation in the payroll period in which the holiday is observed; or if s/he is laid off for such payroll period, performs work or is on vacation in either the payroll period preceding and the payroll period following the payroll period in which the holiday is observed; and (3) works as scheduled or assigned on both his/her last scheduled workday prior to and his/her first scheduled workday following the day on which the holiday is observed, unless s/he has failed to so work because of sickness or other good cause.
 - c. When any holiday is observed during an eligible Employee's vacation, s/he shall be entitled to pay for the unworked holiday.
 - d. If an eligible Employee works on a holiday for less than eight (8) hours, s/he shall be paid for time not worked for the remainder of the eight (8) hours.

- e. It is understood that no Employee shall receive more than double time and one-half (2 ½) for hours worked on a holiday.

Section B. Vacations

1. Eligibility

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

2. Length

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

Years of Service	Weeks of Vacation
*after Probationary period	1
*1 but less than 5	2
*5 but less than 15	3
*15 but less than 24	4
*24 but less than 30	5
*30 or more	6
*Effective vacation year 2023	

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

3. Scheduling

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

4. Grievances

Grievances regarding vacation scheduling must be referred to Step 1 of the grievance procedure not later than fifteen (15) days after notification to the Employee of the scheduled vacation (or changed scheduled vacation) is given to the Employee and shall be handled in a manner that assures resolution prior to the disputed date(s).

5. Vacation Rate of Pay

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

6. Minimum Vacation (Employees Other Than New Hires)

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

7. **Vacation After Probationary Period**

Notwithstanding the provisions of Paragraph 1. a. (1) and (2) above, Probationary Employees who continue in the service of the Company beyond the first 1,040 hours of actual work shall receive one (1) week of vacation during the calendar year. The Company shall make reasonable efforts to schedule that vacation at the time desired by the Employee, provided it does not disrupt the vacation schedule already established hereunder.

8. Vacation Bonus

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

Section C. Bereavement Leave

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

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

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

Section D. Jury or Witness Duty

An Employee who is called for jury service or subpoenaed as a witness shall be excused from work for the days on which s/he serves. Service, as used in this Section, includes required reporting for jury or witness duty when summoned, whether or not the Employee is used. The Employee shall receive, for each such day of service on which s/he otherwise would have worked, the difference between the payment received for such service and the amount calculated by multiplying eight (8) times his/her Regular Rate of Pay. To receive payment the Employee must present proof that s/he did serve, report for service or was subpoenaed and reported as a witness and the amount of pay, if any, received therefor.

Section E. Leave of Absence for Employment with the Union

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

Section F. Service with the Armed Forces

1. Reemployment Rights

An Employee who leaves the Company employment to enter the service of the Armed Forces of the United States (the Armed Forces) shall be granted all statutory rights to reemployment and shall continue to accrue Continuous Service during such service.

2. Training

An Employee shall be provided with a reasonable program of training in the event s/he does not qualify to perform the work on a job which s/he might have attained except for his/her service in the Armed Forces.

3. Educational Leave of Absence

Any Employee entitled to reemployment under this Section who applies for reemployment and who desires to pursue a course of study in accordance with a federal law granting such opportunity shall be granted a leave of absence for such purpose. Such leave of absence shall not constitute a break in Continuous Service. Any such Employee must notify the Company and the Union in writing at least once each year of his/her continued interest to resume active employment with the Company upon completing or terminating such course of study.

4. Disabled Returning Veterans

Any Employee entitled to reemployment under this Section who returns with a service-connected disability which makes returning to his/her prior job onerous or impossible shall be assigned to a vacancy suitable to such impaired condition during the continuance of such disability.

5. Vacation Pay

- a. An Employee who did not receive but was entitled to paid vacation during the calendar year in which s/he enters the Armed Forces shall be paid an amount equal to the vacation pay to which s/he was entitled.
- b. Notwithstanding any other provisions of this Agreement to the contrary, an Employee who is reemployed after being honorably discharged shall be entitled to paid vacation for the calendar year in which s/he is reemployed, provided that no Employee shall be afforded more than one (1) vacation allowance for any one (1) calendar year, at a rate of pay based on his/her earnings for the last full year in which s/he worked prior to his/her serving.

6. Military Encampment Allowance

An Employee who attends an encampment (for a period not to exceed two (2) weeks in any one (1) calendar year), weekend drill, or any specialized training in preparation for active duty assignment of the Reserve of the Armed Forces or the National Guard shall be paid the difference between the amount paid by the

Government (not including travel, subsistence and quarters allowance) and his/her Regular Rate of Pay for the number of days s/he would have been scheduled to work during such encampment, weekend drill or specialized training in preparation for active duty assignment. Such hours paid shall be considered hours worked for all purposes.

Section G. Family and Medical Leave Act

The Company shall comply with the Family and Medical Leave Act of 1993 (FMLA) and shall apply its requirements as set forth below. Nothing in this Section shall be construed to provide lesser treatment than that required under the FMLA or to deprive any Employee of any right or forum thereunder.

1. General

- a. A copy of a summary of the law and Employee rights thereunder is available at the Company's Personnel Services Office for review and will be issued upon request and at the time any FMLA leave is requested. The required posting under the FMLA will be maintained by the Company.

2. Eligibility and Entitlement

- a. Leave under this Section shall be available to any Employee who has twelve (12) months or more of Continuous Service calculated pursuant to the Seniority provisions of this Agreement and has worked at least 1,250 hours, (including hours not worked because of work related injury or Union Business) during the preceding twelve (12) months. For calculation of eligibility, Employees will receive eight (8) hours a day for each day missed because of work related injury or Union Business.
- b. Any eligible Employee shall be entitled to up to twelve (12) weeks of unpaid leave in any twelve (12) month period. This period shall be measured on a rolling twelve (12) month basis, measured backward from the date of any FMLA leave is used. Any time taken off in connection with any of the situations covered by the FMLA shall be counted toward the twelve (12) week period, excluding time off related Sickness and Accident, or compensable workplace illness or injury.
- c. The Company will allow intermittent parental leave under FMLA Leave for the first twelve (12) months after the birth of a child. Such Employee shall be allowed an additional six (6) weeks intermittent parental leave for the period of thirteen (13) months through eighteen (18) months after the birth of a child.

3. Pay During FMLA Leave

- a. An Employee may request to utilize additional paid vacation during the FMLA leave time. The Company reserves the right to approve such a request where it involves a change in the vacation schedule.
- b. Except for the substitution of paid vacation, all time off provided shall be unpaid and shall be considered as time not worked for all other matters.
- c. An Employee on FMLA leave is not eligible for Supplemental Unemployment Benefits in the event of a layoff, until following the termination of the leave.

4. Continuous Service

Leaves of absence under this Section shall not constitute a break in Continuous Service and the period of such leave shall be included in an Employee's length of Continuous Service under this Agreement and all benefit agreements.

5. Benefit Continuation

- a. All Employees' benefit coverage will continue during such leave, provided the Employee is otherwise eligible for such coverage and the Employee continues making any normally-required premium or other payments in a manner acceptable to the Company. In the event the Employee fails to make such payments, all benefit coverage shall terminate.
- b. In the event an Employee fails to return to work or quits after the Employee's FMLA leave period has been concluded, the Company waives its right to recover the cost of health insurance coverage provided by the Company during such leave.

Section H. Leave for Immigration Agency or Court Proceeding

When an Employee is wrongly detained by a United States immigration agency such shall be considered an excused absence, provided the Employee provides documentation to substantiate the improper detention, complies with local report-off requirements, and returns to work no later than ten (10) days following the date of the release from such detention.

Section I. Parental Leave

The Company will grant two (2) consecutive weeks of paid parental leave at the Employee's Base Rate of Pay following the birth or adoption of a child. Paid parental leave must be taken within six (6) months of the birth, adoption or placement of a child, and is in addition to any leave granted for physical disability related to pregnancy or birth. This leave shall run concurrent with FMLA if the Employee has available FMLA time.

ARTICLE ELEVEN - CORPORATE GOVERNANCE

Section A. Board of Directors

1. The Company and the Union acknowledge that every member of the Company's Board of Directors (Board, members of such Board, Directors) has a fiduciary duty to the Company and all of its stockholders.
2. The Company agrees that the Union shall have the right, subject to the procedure; and as described below, to designate two (2) individuals to serve on the Board.
 - a. The International President shall provide the Company CEO with the name and resume of the individuals whom s/he wishes to have serve on the Board.
 - b. Provided that the individuals are acceptable to the CEO, such acceptance not to be unreasonably withheld, the CEO shall direct the Secretary of the Company to promptly take such steps under the By-laws of the Company as are necessary for the election of the individuals to the Company's Board at the earliest reasonable date.
3. If after selection, an individual becomes unwilling or unable to serve or the Union wishes to replace him/her, the International President shall provide the CEO with the name of a new individual whom s/he wishes to have serve on the Board and the process outlined above shall thereafter be followed. In such case the individual previously named by the International President may be removed from the Board.
4. In Accordance with Article Six Section A (Partnership), the Union appointees to the Board shall be provided an opportunity to appear before the **Cleveland-Cliffs Inc.** Investment Allocation Committee on matters of concern to the Union.

Section B. Investment Commitment

1. The Company agrees to make the expenditures required to make its Steel Related Assets world class and to maintain them as such.
2. The Union agrees to contribute to the competitiveness of the facilities and work with the Company to maintain the competitive nature of the facilities.
3. The Company agrees that, except during maintenance and repair outages, it will not directly or indirectly replace the product which could have been produced at any facility covered by this Agreement with product obtained from other than Canadian or United States facilities that provide base wages, benefits and protections such as just cause and seniority that are substantially equivalent to

those provided in this Agreement, unless it is operating the relevant facilities covered by this Agreement at full capacity.

4. The Company agrees that it will make capital and repair and maintenance expenditures at the facilities covered by the Agreement of no less than **\$4.0 Billion** over the term of the Agreement in accordance with 1. above, with a material portion of such spending made in each year of the Agreement.
5. The Company agrees to use its best efforts to acquire and maintain long-term stable supplies of Coke and Iron Ore sufficient to operate all of its Blast Furnaces at full capacity and to use the Company's best efforts to obtain such supply from sources in the United States and Canada.
6. For the purpose of this Section,
 - a. Company shall be defined as in Article Two, Section E (Neutrality); and
 - b. Steel-Related Assets are assets or operations that the Company owns or controls and operates, located at facilities covered by this Agreement and have not been shut down pursuant to provisions of this Agreement, at any time during the term of this Agreement that are used or associated with:
 - (1) the manufacture, production, finishing, warehousing or transportation of any steel product; or
 - (2) the manufacture, mining, concentration, agglomeration, storage or transportation of coke or iron ore.
7. The Strategic Committee established under Article Six, Section A – Partnership of the Agreement shall be responsible for the oversight and implementation of the commitments outlined above. The Company has committed to developing and reviewing with the Union plan(s) to best use the capital and repair and maintenance expenditures described herein to improve the competitiveness of **Cleveland-Cliffs Steel LLC**.

Section C. Upstreaming

1. The Company agrees that it will not, other than as provided in its agreements with the Union, directly or indirectly, pay any dividends on, or make any distributions, exchanges, conversions, retirements, repurchases or redemptions, in respect of its stock (any of such activities, Upstreaming) to any stockholder of the Company or any affiliate of any such stockholder.

2. The Company agrees that it will only Upstream if the Company is in material compliance with all of its agreements with the USW. The Company may only Upstream to the extent of paying dividends in an amount consistent with: the Company's historical, current and projected financial performance and capital spending requirements; the terms of any preferred stock sold for full and fair value and paying a market rate dividend (at the time of issuance); and the maintenance of a reasonable financial position.
3. Without in any way limiting the applicability of Paragraphs 1 and 2 above, the Company agrees that all transactions (including, without limitation, sales, loans, purchases, leases, guarantees, fees of any kind, and equity transactions) between the Company and any equity holder or any Affiliate of any equity holder, shall be conducted on an arm's-length basis, on commercially reasonable terms not less favorable to the Company than those that could be obtained from an unrelated third party, and in accordance with any shareholders agreement of the Company. In addition, any loan or similar transaction to any such person shall only be made if it is beneficial to the Company and on terms consistent with the business relationship between such person and the Company. Subject to the foregoing, the Company may engage in transactions with its equity holders and their Affiliates.
4. It is understood that the Company's Board of Directors shall have the authority to Upstream as described in Paragraphs 2(a) and 2(b) above and to engage in the actions described in Paragraph 3 above, that the Union shall have access to a dispute resolution procedure (at the option of the USW, either arbitration before a panel of AAA commercial arbitrators or litigation in the United States District Court having jurisdiction over Cook County, Illinois) in the event it believes that the Company's actions violated this Section of the Agreement and that the dispute resolution procedure shall include the authority to determine if a violation occurred and what if any remedy should be prescribed.
5. The Company will not undertake any transaction the effect of which is to materially reduce the Company's ability to fulfill its obligations under this Agreement.

Section D. Right to Bid

1. Should the Company decide or be presented with an offer to sell or otherwise transfer a controlling interest in the corporate entity which owns its assets (a Controlling Interest) or all or a portion of one (1) or more of its facilities (Facilities) (either or both, the Assets), it will promptly advise the USW in writing and grant to the USW the right to organize a transaction to purchase the Assets (a Transaction).

2. The Company will provide the USW with any information provided to other bidders so that the Union may determine whether it wishes to pursue a Transaction. All such information shall be subject to an executed Confidentiality Agreement.
3. The Company shall promptly notify the USW of the schedule and/or timetable for consideration by the Company of any possible transaction. The Company will provide the USW with the greater of (a) forty-five (45) days or (b) the time provided by the schedule and/or timetable given to other interested parties to submit an offer for the Assets, except in the case of an unsolicited offer for a controlling interest in the Company in which case the USW shall be provided with the time provided by the schedule and/or timetable given to other interested parties.
4. During the period described in Paragraph 3 above, the Company will not enter into any contract regarding the Assets with another party.
5. In the event that the USW submits an offer pursuant to the above, the Company shall not be under any obligation to accept such offer. However, the Company may not enter into an agreement with regard to the Assets with an entity other than the USW unless that Transaction is superior to the USW offer. The Company may only deem a proposed Transaction superior if its Board of Directors reasonably determines that such Transaction is more favorable to the Company and/or its shareholders, taking into consideration such factors as price, certainty of payment, conditions precedent to closing and other factors which influence which of the transactions is in the best interests of the Company and/or its shareholders.
6. This Section shall not cover any public offering of equity.
7. The rights granted to the USW in this Section may be transferred or assigned by the USW; provided, however, that in the event of a Transaction:
 - a. that does not involve a Controlling Interest; and
 - b. where the Company decides to only pursue, for legitimate business reasons, a Transaction which will result in a sale of less than 100% of the Company's interest in the Assets,

the USW's transferee or assignee must be reasonably acceptable to the Company.

Section E. North American Growth

1. The Parties agree that the Company and all of its stakeholders would benefit from the Company's growth in the following areas: (i) continuing to acquire steelmaking capacity; (ii) expanding its ownership of raw material (coke and iron ore) producing assets; and (iii) adding "value-added" downstream capacity.
2. While individual transactions must meet the criteria and where appropriate the approval of the Company's Board of Directors, the Company agrees to aggressively pursue opportunities in all of the three (3) areas described above, subject to the reasonable and timely approval of the Union, such approval not to be unreasonably withheld. Opportunities may arise between the quarterly meetings provided for below, and therefore the Company will provide the Union with as much notice as is commercially practicable in the circumstances, in order for the Union to exercise its responsibilities under this section.
3. In order to facilitate such growth the parties agree to constitute a Strategic Committee consisting of, from the Company: the Chairman and two (2) individuals designated by the Chairman which may include the senior official responsible for operations in the United States; and for the Union: the Union's International President and two (2) individuals designated by the Union's International President.
4. The Committee will meet quarterly. It shall review opportunities for growth in the areas described above and shall make recommendations to the **Cleveland-Cliffs Inc. Executive Management** regarding particular opportunities and general approaches. This Section applies to potential growth in North America by the Company or its North American entities which are under the common control of the Parent (publicly traded entity).

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed in their respective names of their respective representatives thereunto duly authorized.

CLEVELAND-CLIFFS STEEL LLC	UNITED STEELWORKERS
Lourenco Goncalves President and CEO Cleveland-Cliffs Inc.	Thomas M. Conway International President
Clifford T. Smith Executive Vice President & President, Cleveland-Cliffs Steel Cleveland-Cliffs Inc.	John E. Shinn Secretary-Treasurer
James Graham Executive Vice President, Human Resources, Chief Legal and Administrative Officer & Secretary	David McCall Vice President (Administration) and Negotiating Committee Chairman
Robert Fischer Vice President of Human Resources and Labor Relations	Kevin Mapp Vice President (Human Affairs)
Terry Fedor Executive Vice President, Operations	Donnie Blatt District 1 Director
Wendell Carter Executive Vice President, Technology	Mike Millsap District 7 Director
Matt Holihan Vice President, Mining & Pelletizing	Pat Gallagher Subdistrict Director - District 1
Jim Vilga Senior Director Human Resources and Labor Relations Operations	Rick Bucher Assistant to the Director, District 7
Jim Dyckman Senior Director Human Resources and Labor Relations Operations	Teresa Cassady Assistant to the Director, District 1
Kurt Holland Senior Director Compensation & Benefits	Chad Apaliski Senior Technician, Corporate Research Dept.
Anthony Pacilio Senior General Manager, Indiana Harbor	Rachael Davis Senior Technician, Pension and Benefits Dept.
Jean Louis Muller Senior General Manager, Burns Harbor	Dickie Peskar President, Local Union 979
Chad Asgaard Senior General Manager, Cleveland Works	Don Seifert President, Local Union 1010
Christine Fleps Director Benefits	Rich Sayers President, Local Union 1375-07

CLEVELAND-CLIFFS STEEL LLC	UNITED STEELWORKERS
Nick Pappas Director Labor Relations	Ray Napoli President, Local Union 1688
Alissa Rosario Area Manager Human Resources	Mark Glyptis President, Local Union 2911
Deb Proper Area Manager Human Resources	Pete Trinidad President, Local Union 6787
Janet Jordan Area Manager Human Resources	David Zasadni President, Local Union 6115
Joshua Pelletier Area Manager Human Resources	Kameen Thompson President, Local Union 9462
	Sherman Crowder Contract Coordinator
	Joe Venere Contract Coordinator
	Mark Granakis Contract Coordinator
	Bob Rankin Contract Coordinator
	Dan Boone Contract Coordinator
	Bob Boardman Contract Coordinator
	Andres Maldonado Contract Coordinator
	James Thomas Contract Coordinator
	Lonnie Asher Contract Coordinator
	Bill Richardson Contract Coordinator
	Tony Montana Technician, Communications Dept.

USW Negotiating Committee
Larry Ray, Director District 8
Bernie Hall, Director District 10
Emil Ramirez, Director District 11

**APPENDIX A
Wages**

<u>Labor Grade</u>	<u>Job(s)</u>
1	Utility Person
2	Service Technician Plant Transportation Specialist
3	Operating Technician
4	Maintenance Technician – Mechanical Maintenance Technician – Electrical
5	Senior Operating Technician

Base Rates of Pay

Labor Grade	09-04-22	09-03-23	09-01-24	09-07-25
1	\$25.35	\$26.36	\$27.42	\$28.51
2	\$27.75	\$28.86	\$30.01	\$31.21
3	\$30.51	\$31.73	\$33.00	\$34.32
4	\$32.11	\$33.39	\$34.73	\$36.12
5	\$34.11	\$35.47	\$36.89	\$38.37

Red Circle Rates that were established under the predecessor BLA will be maintained during the Term of this BLA.

Starter Base Rate of Pay - Probationary Employees, excluding Maintenance Technicians and Maintenance Technician Trainees hired on or after January 1, 2019, are subject to the Training Rate equal to 80% of the applicable Base Rate of Pay. Employees shall advance to the full Base Rate of Pay beginning the pay period following the completion of their Probationary Period. **Effective with the ratification of the 2022 BLA, the Starter Base Rate of Pay shall be suspended for the term of the agreement.**

APPENDIX B
Letters Concerning Miscellaneous Matters

September 1, 2022

Mr. David McCall
International Vice President (Administration)
United Steelworkers
60 Boulevard of the Allies
Pittsburgh, PA 15222

RE: Ongoing Training

Dear Mr. McCall:

1. The parties agree that the right to adequate training is fundamental to achieving the safe and successful implementation of the Agreement.
2. The parties recognize that certain jobs may require skills which some Employees may not possess. In light of this situation, the Company agrees to provide Employees who do not have the required skills for their jobs with reasonable ongoing training and skill enhancement opportunities to ensure competent job performance.
3. In the event that, despite the efforts described in Paragraph 2 above, the Employee is not capable of acquiring the needed job skills, then the Company shall be relieved of its obligation to provide further training and the Employee may bid on a vacancy for which s/he is qualified.
4. The training programs necessary to carry out the provisions of this letter of understanding will be conducted during the Employee's normal working hours.
5. No Employee will be disciplined for poor job performance that results from a failure of the Company to provide training pursuant to this letter of understanding or for failure to acquire needed skills for a particular job.
6. The parties agreed that in order to maintain competent job performance, continuing familiarization and rotation within various assignments related to job descriptions is both required and necessary. It is the parties' understanding that Employees will be trained in all required job functions within a Job Description in order to maintain proficiency. The parties at each plant will develop a Plan in accordance with Article Seven Section A in order to achieve the expectations of this understanding consistent with maintaining safety, productivity, quality and avoidance of unreasonable overtime.

Sincerely,

Robert Fischer
Vice President of Human Resources & Labor Relations
Cleveland-Cliffs Steel LLC

Confirmed:

David McCall
International Vice President (Administration)

September 1, 2022

Mr. David McCall
International Vice President (Administration)
United Steelworkers
60 Boulevard of the Allies
Pittsburgh, PA 15222

Re: Memorandum of Agreement Concerning Maintenance Technician Trainee Programs

Dear Mr. McCall:

As a result of discussions between the Company and the Union regarding to the establishment of Maintenance Technician Trainee Programs; the selection of Employees into the Program; the Training of Employees; the Testing of Employees; and the Rates of Pay of Employees, the following understandings have been reached.

The parties affirm that the implementation of the provisions of this Agreement are consistent with the Training Commitments detailed in Article Seven Section A of the **2022** Basic Labor Agreement ("BLA"). Accordingly, the Company and the Union agree to the following:

1. Maintenance Technician Trainee Programs shall be established at each of the Company's locations. Entry into the Programs shall be awarded to Employees based on the Company's commitment to fill no less than forty percent (40%) of the annual plant wide Maintenance Technician postings with Maintenance Technician Trainees. Entry into the Tier 2 Training Programs will be determined by the terms of the BLA and by achieving a minimum score of fifty (50) on the Ramsay MTM or MTE test. The Trainee will then be offered a maximum of three hundred and twenty (320) hours of Company provided for training in order to pass the Ramsay Mechanical test at 84 or the Ramsay Electrical at 73. Once the trainee passes the Ramsey test s/he will be awarded the vacancy in accordance with local plant practice. If the Trainee does not pass the Ramsay test at the above score he/she they will return to their home department at their previous position and may not again apply for entry into any Maintenance Technician Trainee Program for one (1) year unless the Trainee provides proof of certified remedial training. During the initial Tier 2 training, the Trainee will receive his/her incumbent rate.
2. Upon entry into one of the Tier 1 Maintenance Trainee Programs (either Electrical or Mechanical), an Employee shall be considered to be a Maintenance Technician Trainee (either Electrical or Mechanical). S/he shall be paid at the rate of Labor Grade 3 plus plant wide average incentive. The Trainee shall be provided with up to three-hundred and twenty (320) hours of instruction (in addition to training identified in 1. Above) while in the Labor Grade 3 job classification, and up to

seven hundred and twenty (720) hours of on the job training and practical experience. While the Trainee is progressing through the aforementioned instruction and practical experience he/she will be required to pass five (5) of the ten (10) factors tests. It is understood that the Trainee may be assigned anywhere in the plant during his/her period of above training.

3. While the Trainee is completing up to an additional three-hundred and twenty (320) hours of training and also an additional seven hundred and twenty (720) hours of actual work in the Tier 1 Program, while in the Labor Grade 3 job classification plus the appropriate incentive, s/he will be required to pass the remaining factor tests suitable under Article Five Section F of the BLA. Upon satisfactory completion, the Trainee will advance to Labor Grade 4 and full Maintenance Technician status.
4. Should it be determined that a Trainee is not progressing at an acceptable pace while in the Program as evidenced by her/his failure to pass the Factor Tests subsets in accordance with the aforementioned timeline, s/he shall be counseled by the Company and Union Co-Chairs of the Plant Training Committee. After such counseling, the Trainee shall be given an additional one hundred sixty (160) hours to correct the deficiencies, and retested. Should the deficiencies not be corrected, the Trainee shall be deemed to not have the ability to perform the work and removed from the Program. Once removed from the Program, (or should the Trainee elect to leave the program for any reason), s/he shall be assigned at the discretion of management to any department within the plant as a Utility Person until such time as the Employee exercises her/his seniority to bid on a vacancy within the plant.
5. Factor Testing shall be administered by a third-party administrator as agreed to by the plant training committee.
6. Each plant training committee will develop the factor testing similar to Appendix A and B. Any proposed changes must be agreed to by the plant training committee.
7. Any existing Local Agreements that provide pay or benefits that exceed what is provided for in this Memorandum shall remain in effect.

Appendix A:

MTE

1. 440 VAC Motor Installation
2. Wire and Configure and Troubleshoot a 250V DC Motor
3. Troubleshoot a 440 VAC Starter
4. Operate a Medium Voltage Switch Gear
5. Troubleshoot a DC Crane Control Board
6. Calibrate a Pressure Transmitter
7. Assemble an Electronic Power Supply
8. Program an Allen-Bradley PLC
9. Troubleshoot an Allen-Bradley PLC
10. Five KV Cable Termination

Appendix B:

MTM

1. Rigging and Assembly
2. Drill, Tap and Burn Plate
3. Installing Threaded Pipe
4. Motor and Shaft Alignment
5. Coupling and Bearing Installation and Removal
6. Hydraulic Circuits
7. Lubrication Systems
8. Crane Inspections
9. Coupling Guard Fabrication
10. Welding

Sincerely,

Robert Fischer
Vice President of Human Resources & Labor Relations
Cleveland-Cliffs Steel LLC

Confirmed:

David McCall
International Vice President (Administration)

September 1, 2022

Mr. David McCall
International Vice President (Administration)
United Steelworkers
60 Boulevard of the Allies
Pittsburgh, PA 15222

RE: Miscellaneous Understandings

Dear Mr. McCall:

This will confirm the miscellaneous understandings reached in conjunction with the negotiations of the Basic Labor Agreement dated September 1, 2022.

- If Management schedules a deviation from the Agreed to Alternative Work Schedule during any week without the agreement of the area Grievance Committeeman or the affected Employee(s), the provisions of Article Five, Section D. (Overtime) will apply for the week.
- Employees working an Alternative Work Schedule as allowed under Article Five, Section D, will be treated as follows under the below listed provisions:
 - i. For purposes of Article Five, Section D. (Overtime), when an Employee works beyond scheduled hours under the Alternative Work Schedule such Employee will be eligible for overtime for such hours worked beyond the Alternative Work Schedule.
 - ii. For purposes of Article Eight, Sections A. (Employment Security) and B. (Supplemental Unemployment Benefits), Employees working pursuant to a normal pattern Alternative Work Schedule will be considered as being provided the opportunities required by these sections.
 - iii. For purposes of Article Ten, Section A. (Holidays), an Employee scheduled off on his/her normal pattern Alternative Work Schedule will be paid for an unworked Holiday at the hours he/she would have been scheduled under the Alternative Work Schedule.
 - iv. For purposes of Article Ten, Section C. (Bereavement), Article Ten, Section D. (Jury and Witness Duty), Employees absent from work pursuant to such provision will be paid the number of hours they would have been scheduled under the Alternative Work Schedule for qualifying days.

- Where the Company establishes a steady shift schedule on a job where Employees are also scheduled on rotating shifts, assignment to the steady shift schedule shall be by seniority, with the senior Employees who desire to work the schedule given preference to the assignment in accordance with understandings reached between Plant Management and the Local Union Committeeman.
- The Training Coordinator established in Article Seven Section A will perform activities similar to those below on behalf of the Company and Union. It is understood that this position will work on other matters of mutual interest of the parties involving training and education of the workforce.
 - i. Coordinates, develops and plans training activities undertaken by the parties.
 - ii. Coordinates and facilitates training sessions for Employees.
 - iii. Maintains data base records of training accomplished and monitors when training needs to be renewed on all matters including, safety, civil rights, license renewal, etc.
 - iv. Assists in training needs involved in capital expenditures.
 - v. Administers tests to Employees. Responsible for tracking training records.
 - vi. Conducts training sessions on routine topics involved in routine plant programs.
 - vii. Participates in pre-training activities necessary to meet plant needs.
 - viii. Works with the Human Resources department on training programs throughout the plant.
 - ix. Works with community educational resources to assist the current and potential future workforce.
 - x. Fulfills the roll of coordinating ICD activities on behalf of the plant as directed by the Training Committee.
- Employees required to remain on the job until relieved shall be allowed to relieve each other ("buddy relief") in accordance with procedures established between the management and union, up to 30 minutes prior to the scheduled end of the turn provided the Employee has worked their scheduled total hours.
- The Company will provide reasonable and appropriate arrangements for lunch opportunity and other personal needs for Employees during the course of a shift.

- At the request of the Union and where practicable the local parties may agree to provide that, identified Union representatives at the Plants will be scheduled on a steady day turn basis, to an available job at the applicable rate, in accordance with efficient operations of the plant.
- Where contribution or eligibility for benefits or pay is based upon hours worked, hours spent on Union Business, whether compensated by the Company or by the Union, shall be considered hours worked for the purpose of the benefit contribution, pay or eligibility. The Local Union President will validate to the Company the Union Business hours compensated.
- In the discussions concerning the use of Funds contributed to the Institute for Career Development, the parties agree, that it may be appropriate to allocate funds to certain programs that will be established by the parties to address training requirements and programs established in the Basic Labor Agreement. The Local Joint Committee may recommend the use of such funds for such programs. Should the Local Joint Committee be unable to determine which programs may be applicable for the use of such funds, the parties will submit the issue to the Co-Chairs of the Negotiating Committee to resolve such dispute consistent with the intent of the parties and by mutual agreement.
- When a normal payday coincides with a holiday, payday will be recognized on the last working day before the holiday.
- The Company will make arrangements at each Plant to provide express checks within twenty-four (24) hours for payroll shortages in excess of \$100.00, provided the affected employee alerts the Payroll Department by 12:00 Noon of the previous day.

Sincerely,

Robert Fischer
Vice President of Human Resources & Labor Relations
Cleveland-Cliffs Steel LLC

Confirmed:

David McCall
International Vice President (Administration)

September 1, 2022

Mr. David McCall
International Vice President (Administration)
United Steelworkers
60 Boulevard of the Allies
Pittsburgh, PA 15222

RE: Crane Assignments

Dear Mr. McCall:

During discussions leading to the 2008 BLA, the Union presented the Company with a list of various crane assignments for the parties to discuss and determine which such assignments, if any, are highly skilled and which are integral to the operating units. This letter will confirm our understanding reached on those cranes assignments which are currently being paid at Labor Grade 2 and upon the Effective Date will be increased to Labor Grade 3. The parties agreed that the below list of cranes are to be considered highly skilled assignments which are integral to the operating units.

1. Burns Harbor - 501 Hot Rolling Slab Yard
2. Cleveland - South Hot Rolling Slab Yard, RS 22 Finishing Pickle/Tandem
3. Indiana Harbor West - 3 Hot Rolling Slab Yard, 2 East Finishing Pickler
4. Indiana Harbor East - 22 Hot Rolling Slab Yard, 27 Finishing Pickler
5. Conshohocken - 113 Hot Roll Slab Yard

It is further agreed that, in light of the changes to the Operating Technician job description contained in this Agreement should disputes involving other crane Labor Grade issues arise during the term of this Agreement, the above cranes maybe used as benchmarks pursuant to Article Five Section B. of the BLA.

Sincerely,

Robert Fischer
Vice President of Human Resources & Labor Relations
Cleveland-Cliffs Steel LLC

Confirmed:

David McCall
International Vice President (Administration)

September 1, 2022

Mr. David McCall
International Vice President (Administration)
United Steelworkers
60 Boulevard of the Allies
Pittsburgh, PA 15222

RE: Railroads

Dear Mr. McCall:

This will confirm the understandings reached in conjunction with the negotiations of the Basic Labor Agreement (BLA) dated September 1, 2022. Except as specifically addressed in this Appendix, all terms and conditions of employment set forth in the BLA between **Cleveland-Cliffs Steel LLC (Cleveland-Cliffs or Company)** and the United Steelworkers (USW) shall apply to the Employees of the various Company owned railroads associated with the Plants covered by this Agreement (Railroads) who work within the crafts and classes as certified by the National Mediation Board.

1. Term of the Agreement: Solely as it relates to the Employees of the Railroads, the **Cleveland-Cliffs Steel LLC/USW** BLA shall become amendable upon the Termination Date of the **Cleveland-Cliffs Steel LLC/USW** BLA ("Moratorium Date"), subject to the following:
 - a. Any and all changes to the **Cleveland-Cliffs Steel LLC/USW** BLA shall be implemented with respect to the Employees of the Railroads, except as limited herein or except as the Parties may otherwise agree.
 - b. Any change in the Termination Date of the **Cleveland-Cliffs Steel LLC/USW** BLA shall change the Moratorium Date to that same date.
2. Union Security: Article Two, Section B, Lines 3-6 of the **Cleveland-Cliffs Steel LLC/USW** BLA shall be modified to provide that it shall be a condition of continued employment that all Employees of the Railroads shall become members of the USW on the 60th day following the Effective Date of the **Cleveland-Cliffs Steel LLC/USW** BLA.
3. Railroad Retirement Act Issues: The Railroads shall take all acts and make all contributions required by the Railroad Retirement Act and that the rights of Railroad Employees shall be preserved to the fullest extent allowed by such act. It is understood that, to the fullest extent possible, Railroad Employees shall receive credit for all former service and that the

Company shall make the same level of contributions to the retirement system as formerly made.

4. Steelworker Pension Trust Contributions: The Company shall make contributions to the Steelworkers Pension Trust ("SPT") on behalf of employees of the Railroads as set forth in the Pension Agreement of the **Cleveland-Cliffs Steel LLC/USW BLA**, with the exception that the Company will offset all such contributions of the SPT by the amount the Company contributes on behalf of such Employees to the railroad retirement system, as described in Paragraph 3 above. The offset as described above (not including the individual's personal contributions) will ensure that the total retirement benefit paid to the Employees of the Railroads is equal to the total retirement benefit paid to the other represented Employees covered by the **Cleveland-Cliffs Steel LLC/USW BLA**.
5. Offset to Sickness and Accident Benefits: The Company will pay Sickness and Accident Benefits to Employees of the Railroads in accordance with the **Cleveland-Cliffs Steel LLC/USW Program of Insurance Benefits** regarding Sickness and Accident, with the exception that the Company will offset such amounts by any amounts paid to such Employees for like benefits paid by other sources.
6. Hours of Service: The number of hours worked by Employees of the Railroads shall comply in all respects with the statutory requirements of 49 U.S.C. § 21101 et seq.
7. Permanent Vacancies and Transfer Rights - Article Five Section E. 10. c. shall be amended as it applies to Employees of the Railroads to require at least twenty-four (24) months of Plant Service before being eligible to transfer from the Railroads.

Sincerely,

Robert Fischer
Vice President of Human Resources & Labor Relations
Cleveland-Cliffs Steel LLC

Confirmed:

David McCall
International Vice President (Administration)

September 1, 2022

Mr. David McCall
International Vice President (Administration)
United Steelworkers
60 Boulevard of the Allies
Pittsburgh, PA 15222

RE: Non-Core Functions

Dear Mr. McCall:

This will confirm the understandings reached in conjunction with the negotiations of the Basic Labor Agreement dated September 1, 2022.

- Notwithstanding any local understandings to the contrary, the Company may contract out non-core functions limited to, janitorial, mail activities, landscaping, snow removal, garbage and trash removal, railroad track repair and general plant housekeeping which is not directly associated with general labor work on a production facility.
- The Parties agree that any incumbents in the jobs listed above will continue to perform such work until such time as the incumbent executes a successful bid to a permanent vacancy in the plant. Additionally, in the case of a lay-off situation, Employees shall be assigned to such work (if being performed) before being laid-off.
- In addition this understanding does not waive the Company's obligations under Article Two Section F.5. and 8.

Sincerely,

Robert Fischer
Vice President of Human Resources & Labor Relations
Cleveland-Cliffs Steel LLC

Confirmed:

David McCall
International Vice President (Administration)

September 1, 2022

Mr. David McCall
International Vice President (Administration)
United Steelworkers
60 Boulevard of the Allies
Pittsburgh, PA 15222

RE: Indiana Harbor West Property Protection

Dear Mr. McCall:

This letter will confirm our understandings, reached during the 2008 negotiations, concerning the Property Protection employees at Indiana Harbor West.

Except as otherwise provided by this letter, all terms and conditions contained in the Basic Labor Agreement (BLA) between **Cleveland-Cliffs Steel LLC** ("Company") and the United Steelworkers ("Union") shall be applicable to all Property Protection employees except superintendents, captains, lieutenants, sergeants, and confidential clerks.

The Union agrees that Property Protection employees are expected to abide by the rules of the Company as set forth in the Company's published rules outlining the special and unique duties and responsibilities of the Property Protection employees, as amended from time to time.

The Union recognizes and agrees that the special responsibilities of Property Protection employees referenced in paragraph 2, above, are of the greatest importance to the Company, and that failure to fully and diligently carry out these special responsibilities and duties, including giving entire obedience and loyalty to the Company, shall be grounds for discipline or discharge, in the sole discretion of the Company; provided that no discrimination will be exercised against any member of the Union because of such membership. In any grievance or arbitration which relates to discipline or discharged alleged to be based upon failure of an employee to fulfill his or her responsibilities to the Company or to carry out his or her duties or to give entire obedience and loyalty to the Company, the sole issue shall be whether there is sufficient evidence to show that the employee in question was guilty of the offense charged.

Sincerely,

Robert Fischer
Vice President of Human Resources & Labor Relations
Cleveland-Cliffs Steel LLC

Confirmed:

David McCall
International Vice President (Administration)

September 1, 2022

Mr. David McCall
International Vice President (Administration)
United Steelworkers
60 Boulevard of the Allies
Pittsburgh, PA 15222

Re: Workplace Procedures

Dear Mr. McCall:

This will confirm our understanding reached during our negotiations of the 2022 BLA, with regard to Workplace Procedures. The Parties have re-committed to workplace design to ensure that efficient and effective procedures are implemented at each plant to accomplish work in the most productive and safe manner.

The Parties acknowledge that the North American steel industry has been in a constant state of flux as it reacts to domestic and global market forces. Recent economic events have reinforced the need for steel producers to be lean and competitive as they weather these market forces. We recognize that we face serious competitive challenges as a consequence of the constant changes in raw material cost structure and availability, the capital investment requirements, customer demands and workforce configuration.

In order to ensure the long term viability of both Parties, we are committed to improving costs and the financial condition of the Company, as well as to investing in our facilities to ensure continued sustainability. In addition to these efforts, the Parties agree to jointly undertake a program that reflects their broad, mutual commitment to change in work systems, work culture and work practices in furtherance of the mutual goals of maximizing efficiency, flexibility, productivity, profitability, and long term job security.

The Parties recognize that employment security and productivity improvement must be inseparably linked if the Company is to attain sustained profitability. The objective is to maximize efficiency by having Employees perform a broader range of duties and by eliminating barriers that may interfere with flexibility and productivity. This process began by restructuring the then existing job descriptions and agreeing to new lines of progression ("LOP") and new Job Descriptions during the negotiations of the predecessor Agreements ("Predecessor Agreements") to this Basic Labor Agreement (BLA). The Parties recognize and agree that their longer term mutual goals can be achieved only through a process of continuous review and refinement of the original plan. Accordingly, in order to achieve the foregoing objectives, the Parties have agreed to continue existing local restructuring agreements and the process already initiated under the Predecessor Agreements. Specifically, the Parties agree as follows:

1. A box (e.g., Operating Technician, Labor Grade 3) in a LOP represents a position to which an Employee may hold incumbency. Former job titles listed inside a box in a LOP represent the duties and functions of the position encompassed by that previous job description.
2. Employees may be assigned to perform any function within their Job Description that they are capable of safely performing. Rotation through the various functions encompassed by the Job Description will be necessary and required to provide and maintain job knowledge and skills.
3. Continued implementation of this effort and the intent shall be reviewed by the Co-Chairs of the Negotiating Committee. The Co-Chairs (or their designees) shall meet on a quarterly basis and attempt to resolve any disputes that may exist.

Sincerely,

Robert Fischer
Vice President of Human Resources & Labor Relations
Cleveland-Cliffs Steel LLC

Confirmed:

David McCall
International Vice President (Administration)

September 1, 2022

Mr. David McCall
International Vice President (Administration)
United Steelworkers
60 Boulevard of the Allies
Pittsburgh, PA 15222

Re: Payroll Guidelines

Dear Mr. McCall:

The below guidelines have been agreed as further guidance in implementing the pay provisions of the Basic Labor Agreement. These guidelines apply to all locations other than Indiana Harbor East. If you concur, please sign below.

Normal Schedule

Sunday Premium

- Paid on first eight (8) hour turn worked on Sunday. Any hours worked on Sunday in addition to the first eight (8) hours are considered paid at overtime and are not used for the purpose of calculating overtime.

Holidays

- Unworked holidays are paid at eight (8) times an Employee's Regular Rate of Pay.
- Worked holidays are paid at 2.5 times an Employee's Regular Rate of Pay for all hours worked.
- Holidays whether worked or not shall be counted as time worked for the purpose of calculating overtime.

Overtime (paid at 1.5)

- For hours worked in excess of eight (8) hours in a workday.
- For hours worked in excess of forty (40) hours in a payroll week.
- For hours worked on a 6th or 7th workday in a payroll week.
- For hours worked on a 6th or 7th workday in a 2 week period in which 5 consecutive days were worked (days may not be worked in the same payroll

week) except where it is worked pursuant to a Local Working Condition Agreement.

- Hours worked on a second reporting in same workday after employee has worked eight (8) hours.

Article Five, Section C 1. c. – Paid for all Shifts on Original Schedule

- If a shift is canceled after the schedule is posted, an employee shall be paid for the canceled shift. Such shift will be used for the purpose of calculating overtime.
- If multiple shifts are canceled and rescheduled due to unforeseen circumstances or for valid operating reasons after the schedule is posted, the employee shall be paid for one (1) canceled shift and the rescheduled shifts shall be paid in accordance with Article Five, Section C 1. d. (see below).

Article Five, Section C 1. d. – Shift added after Schedule is Posted

- If the Employee is required to work, due to a shift/shifts being added to the schedule, after the schedule is posted, the Employee shall be paid at 1.5 times their Regular Rate of Pay for all hours worked.
- The hours worked will not be used for the purpose of calculating overtime.

Alternative Work Schedule (AWS)

Definition of AWS – In order for a schedule to be considered an Alternative Work Schedule it must be a schedule other than the Normal Workday and Work Week as defined in Article Five Section C. 1. If the schedule does not meet the criteria then it must follow the rules of a normal workday and workweek, and the overtime rules outlined in Article Five – Section D will apply.

Sunday Premium

- Paid on first shift (ten (10) or twelve (12) hours) worked on Sunday. Any hours worked on Sunday in addition to the first shift (ten (10) or twelve (12) hours) are paid at overtime and are not used for the purpose of calculating overtime.

Holidays

- Unworked holidays that are not part of the agreed to AWS schedule are paid at eight (8) times employees Regular Rate of Pay.
- Unworked holidays that are part of the agreed to AWS schedule are paid at the number of hours (ten (10) or twelve (12) hours) times employees Regular Rate of Pay.

- Worked holidays are paid at 2.5 times employees Regular Rate of Pay for all hours worked.
- Holidays whether worked or not shall be counted as time worked for the purpose of calculating overtime.

Overtime (paid at 1.5)

- For hours worked in excess of the agreed to (ten (10) or twelve (12) hours) AWS hours in a workday.
- For hours worked after reaching forty (40) hours in a payroll week.
- All hours worked in excess of normal agreed to AWS hours in a payroll week, provided the employee has worked as scheduled.

Article Five, Section C 1. c. - Paid for all Shifts on Original Schedule

- If a shift is canceled after the schedule is posted, an employee shall be paid for the canceled shift. Such shift will be used for the purpose of calculating overtime.
- If multiple shifts are canceled and rescheduled due to unforeseen circumstances or for valid operating reasons after the schedule is posted, the employee shall be paid for one (1) canceled shift and the rescheduled shifts shall be paid in accordance with Article Five, Section C 1. d. (see below).

Article Five, Section C 1. d. - Shift added after Schedule is Posted

- If the Employee is required to work, due to a shift/shifts being added to the schedule, after the schedule is posted, the Employee shall be paid at 1.5 times their Regular Rate of Pay for all hours worked.
- The hours worked will not be used for the purpose of calculating overtime.

Employee Convenience

- A pay code has been added that allows an Employee to change his/her schedule under certain circumstances. This will allow the Company the ability to accommodate the Employee without incurring additional overtime costs.
- The use of the pay code must be agreed to by the Local Union at each location pursuant to a Local Working Condition Agreement.

Sincerely,

Robert Fischer
Vice President of Human Resources & Labor Relations
Cleveland-Cliffs Steel LLC

Confirmed:

David McCall
International Vice President (Administration)

September 1, 2022

Mr. David McCall
International Vice President (Administration)
United Steelworkers
60 Boulevard of the Allies
Pittsburgh, PA 15222

Dear Mr. McCall:

Re: Ratio of Employees to non-represented employees

During the course of negotiations leading to the 2022 Agreement, the Company agreed to minimize the ratio of non-bargaining unit employees, including Engineers (including full-time or full-time equivalent contractors of any sort performing services historically performed by the Company's non-bargaining unit employees) to bargaining unit Employees and shall take all reasonable actions (including transferring responsibilities and duties to bargaining unit Employees) to achieve a ratio of no more than one (1) non-bargaining unit employee for each four (4) bargaining unit Employees. The Union and Employees will fully cooperate with any reasonable assignment of responsibilities and work (including training) that affects achievement of the target ratio. The Company shall provide the Chairman of the Negotiating Committee, on June 1st of each year of the BLA, a report that summarizes the number of non-bargaining unit employees in order to allow the Union to determine compliance with the requirements of this letter of understanding.

Sincerely,

Robert Fischer
Vice President of Human Resources & Labor Relations
Cleveland-Cliffs Steel LLC

Confirmed:

David McCall
International Vice President (Administration)

September 1, 2022

Mr. David McCall
International Vice President (Administration)
United Steelworkers
60 Boulevard of the Allies
Pittsburgh, PA 15222

Re: Incentive Plans

Dear Mr. McCall:

This will confirm our understanding reached during our negotiations of the **2022** BLA, with regard to incentive plans.

During negotiations resulting in the **2022** BLA, the parties agreed to pursue the potential opportunity to improve quality and yield, strengthen the business and generate additional earnings opportunities for Employees from improvements in these areas. The parties commit to exert every reasonable effort, in good faith, to develop methods of modifying existing incentive plans; to improve quality, yield and environmental compliance through adjustments designed to share the gains of improved performance between Employees and the Company. The parties will each appoint two (2) representatives to a Problem Solving Team under Article Six - Joint Efforts, Section A. Partnership, to work together and report back to the Co-Chairs of the Negotiating Committee on a continuing basis.

Sincerely,

Robert Fischer
Vice President of Human Resources & Labor Relations
Cleveland-Cliffs Steel LLC

Confirmed:

David McCall
International Vice President (Administration)

September 1, 2022

Mr. David McCall
International Vice President (Administration)
United Steelworkers
60 Boulevard of the Allies
Pittsburgh, PA 15222

Re: Indiana Harbor Incentive Plans

Dear Mr. McCall:

This will confirm our understanding reached during our negotiations of the 2022 BLA, with regard to incentive plans for Indiana Harbor being converted to Operations Performance Incentive Plan ("OPIP").

During negotiations resulting in the 2022 BLA, the parties agreed to pursue the potential opportunity to improve quality and yield, strengthen the business and generate additional earnings opportunities for Employees from improvements in these areas. The parties commit to exert every reasonable effort, in good faith, to develop methods of replacing existing incentive plans; to improve quality, yield and environmental compliance through the implementation of OPIP to share the gains of improved performance between Employees and Indiana Harbor. The parties will each appoint two (2) representatives to a Problem Solving Team under Article Six Section A. Partnership and Article Nine Section B. Incentive Plans, to work together and report back to the Co-Chairs of the Negotiating Committee on a continuing basis

Sincerely,

Robert Fischer
Vice President of Human Resources & Labor Relations
Cleveland-Cliffs Steel LLC

Confirmed:

David McCall
International Vice President (Administration)

September 1, 2022

Mr. David McCall
International Vice President (Administration)
United Steelworkers
60 Boulevard of the Allies
Pittsburgh, PA 15222

Re: Severance Allowance for Participants in the **Cleveland-Cliffs Steel** DBP

Dear Mr. McCall:

This confirms our understanding that an Employee covered under the **Cleveland-Cliffs Steel** Defined Benefit Pension Plan and otherwise entitled to a severance allowance under the provisions of Article 8 Section C, who elects to take an immediate unreduced pension as a result of a shutdown, shall not be entitled to receive a severance allowance.

Sincerely,

Robert Fischer
Vice President of Human Resources & Labor Relations
Cleveland-Cliffs Steel LLC

Confirmed:

David McCall
International Vice President (Administration)

September 1, 2022

Mr. David McCall
International Vice President (Administration)
United Steelworkers
60 Boulevard of the Allies
Pittsburgh, PA 15222

Re: Returning Veterans Recruiting

Dear Mr. McCall:

This will confirm our understanding reached during our negotiations of the **2022** BLA, with regard to Returning Veterans Recruiting. The parties currently have existing agreements under provisions of the BLA regarding hiring opportunities and preferences (IJOP, Direct Relatives). Additionally, and after the implementation of such existing preferences the parties have agreed to a joint initiative and outreach program to offer job opportunities to returning US Veterans, as necessary.

In the event it is determined that an outreach program to returning service men and women who have been recently discharged from branches of the US Military is required to meet a particular hiring need at a plant location, the appropriate USW Training/Contract Coordinator will be invited to participate in that outreach effort.

Sincerely,

Robert Fischer
Vice President of Human Resources & Labor Relations
Cleveland-Cliffs Steel LLC

Confirmed:

David McCall
International Vice President (Administration)

September 1, 2022

Mr. David McCall
International Vice President (Administration)
United Steelworkers
60 Boulevard of the Allies
Pittsburgh, PA 15222

Re: Hiring Preference

Dear Mr. McCall:

Notwithstanding the Company's position that the hiring standards for external applicants are a permissive subject of bargaining, the Company affirms that new hiring tests have been selected by the Performance Assessment Network (PAN) and those new tests must be validated for use by the Company. To validate the test, two hundred and fifty (250) applicants, who have taken the new tests, must be hired by the Company and their performance evaluated as part of this validation process.

Once the new hiring tests have been validated, and subject to the applicable equal employment opportunity laws and regulations, applicants who have passed the testing process will be slotted in order into one (1) common pool (the pool size will be determined annually by the expected number of new hiring demands) of applicants per location (location may be a facility or region), based on their status as a direct relative in the order in which they applied (non-relatives will be slotted after relatives in the order in which they applied), for the subsequent steps in the hiring process. Further, the Company will establish uniform minimum hiring standards at all plants. On an annual basis, each established pool will be re-opened for a limited number of new applicants in order to meet the expected number of new hiring demand.

Sincerely,

Robert Fischer
Vice President of Human Resources & Labor Relations
Cleveland-Cliffs Steel LLC

Confirmed:

David McCall
International Vice President (Administration)

September 1, 2022

Mr. David McCall
International Vice President (Administration)
United Steelworkers
60 Boulevard of the Allies
Pittsburgh, PA 15222

Re: Experimental Child Care Program

Dear Mr. McCall:

Based on guidance from Company legal counsel following a review of the non-taxable status of certain benefits in the ICD Program; this letter will confirm our understanding to modify the Experimental Child Care Program which had been agreed to as part of the negotiations of the 2022 BLA.

The costs associated with this program shall be deducted from the accrued ICD aggregate balance at the corporate level and shall not impact or reduce a LJC's annual budget.

To be eligible

1. An Employee must meet all of the following requirements at the time of annual open enrollment benefits that includes elections for Dependent Care Flexible Spending Accounts;
 - a. Be eligible to participate in the Program of Insurance Benefits pursuant to the Program's eligibility guidelines, and
 - b. enroll and voluntarily contribute to the Dependent Care Flexible Spending Account ("FSA") during the applicable annual open enrollment period, and
 - c. have dependents who meet the qualifying person test under applicable laws and/or regulations.
2. Individual experimental Matching Dependent Care Benefit amount
 - a. Employee voluntary contributions made to their Dependent Care FSA will be matched on a dollar for dollar basis up to a maximum of \$1,800 per year where not otherwise used for tuition reimbursement under the ICD Tuition Reimbursement Program.
 - b. Matching Dependent Care Benefits shall be discontinued:
 - i. upon the sum total of Employee voluntary contributions and matching contributions reaching the legal maximum contributions to such account, or

- ii. upon the anticipated exhaustion of funds allocated for the experimental matching Dependent Care Benefit as set forth below.
- c. Matching Dependent Care Benefits shall be subject to the same legal and program administrative requirements as voluntary Dependent Care FSA benefits and shall be applied to individual Employee claims for reimbursement. Under no circumstances shall an Employee be entitled to utilize Matching Dependent Care Benefits on a greater basis than voluntary Dependent Care FSA benefits.

The Chairs of the Negotiating Committee shall monitor on a quarterly basis the utilization level of the child care program and beginning January 1, 2016 the total allocation of funds shall not exceed one (1) million dollars annually or two (2) million dollars in total for the Term of the BLA.

Sincerely,

Robert Fischer
Vice President of Human Resources & Labor Relations
Cleveland-Cliffs Steel LLC

Confirmed:

David McCall
International Vice President (Administration)

September 1, 2022

Mr. David McCall
International Vice President (Administration)
United Steelworkers
60 Boulevard of the Allies
Pittsburgh, PA 15222

Re: Domestic Violence and Abuse

Dear Mr. McCall:

The Company and the Union recognize that Employees sometimes face situations of violence and/or abuse in their personal life that may impact their work life and affect their attendance and performance at work. It is further recognized that Employees are a valuable asset in which the Company has invested significant resources in training and development and Employees facing a situation of domestic violence/abuse deserve support. The employment relationship should not be impacted due to such situations that are beyond the Employee's control. The Company and the Union also recognize that domestic and family violence and abuse create workplace hazards, and sound strategies and policies can alleviate such risks.

In recognition of the above, the Company agrees that, if an Employee becomes a victim of domestic or family violence, it shall grant such Employee paid leave for domestic or family violence, without loss of seniority, for up to ten (10) working days at the Employee's vacation rate of pay to seek medical help, to obtain services from victim service organizations, domestic violence shelters, or other social services or community agencies, to seek counseling or the assistance of law enforcement, to attend legal proceedings, to relocate temporarily or permanently to prevent further violence against the employee or her/his child/children, to make alternative child care arrangements, or other like activities. The Company acknowledges that the Employee may be unable to request this time off with notice. This leave will be in addition to existing leave entitlements, such as S&A, vacation, etc., and may be taken as consecutive days, single days, or as a fraction of a day.

The Parties recognize that domestic and family violence situations are highly sensitive and will only disclose information on a "need to know" basis. To that end, the Company may require appropriate documentation of the circumstances, and said documentation may be furnished by a broad range of individuals including but not limited to doctors, lawyers, counselors, domestic shelter employees, spiritual leaders, local union officials, etc.

Sincerely,

Robert Fischer
Vice President of Human Resources & Labor Relations
Cleveland-Cliffs Steel LLC

Confirmed:

David McCall
International Vice President (Administration)

APPENDIX C Office and Clerical

The parties agree that in addition to the rights established in Article Two, Section A (Recognition and Coverage), all Office and Clerical jobs previously performed by USW members shall continue to be performed by USW-represented Employees. To ensure adherence to this Agreement, in each plant where an Office and Clerical bargaining unit previously existed, a review shall be conducted in accordance with the following:

- (a) Within ninety (90) days of the Effective Date, the parties at each plant shall meet at mutually agreeable times to review all non-represented jobs to determine whether such jobs should properly be included in the bargaining unit. In making such determination, the parties shall be guided by the practices under the predecessor companies. Where jobs have been restructured, the guiding principle shall be whether the job is more nearly like a job that would have been included under the previous contract with the previous employer.
- (b) Such review shall be completed no less than 120 days after the Effective Date.
- (c) A representative of the International Union, the Local Union President/Unit Chair or his/her designee and up to two (2) other representatives of the Local Union may participate in such a review. The Local Union representatives shall be afforded time off as may be required to participate in such meetings.
- (d) The Company shall provide the Union with a list of all non-represented jobs, including the incumbents of such jobs, currently excluded from the bargaining unit.
- (e) The Company shall produce a description of the duties, the job classification and the location of each excluded job.
- (f) The review shall result in the determination of whether the jobs are properly excluded from the bargaining unit. If the parties are unable to reach agreement, the Union may file a grievance on such issue directly in Step 2 of the grievance procedure for determination. Should arbitration be necessary to resolve a dispute, the arbitrator shall decide the issue on the basis of the standard set forth in the above provisions.
- (g) If it is determined that a job has been improperly excluded from the bargaining unit under the procedures provided herein, such job shall be placed in the bargaining unit.

APPENDIX D Job Descriptions

Position Title: Senior Operating Technician
Labor Grade 5

Operates and is responsible for the performance of all functions on a producing unit as a member of the operating team. Directs other operating crew members and service areas, and communicates with maintenance, as required, to maximize production. Performs and assists in production and maintenance tasks and functions necessary to assure maximum production, quality, and inspection. Performs or leads maintenance activities as required with operating crew members and coordinates and works in conjunction with Maintenance Technicians.

Position Title: Maintenance Technician Mechanical
Labor Grade 4

Performs all mechanical functions necessary to maintain all operating and service equipment using standard and specialized tools and equipment. Makes mechanical repairs as required in connection with their mechanical service. Operates equipment in conjunction with repairs and provides assistance in operating functions as necessary to keep equipment running. May work alone, with minimal supervision and works with other Maintenance Technicians, and coordinates and works in conjunction with Operating Technicians and/or Service Technicians in the performance of mechanical maintenance tasks.

Position Title: Maintenance Technician Electrical
Labor Grade 4

Performs all electrical functions necessary to maintain all operating and service equipment using standard and specialized tools and equipment. Makes electrical repairs as required in connection with their electrical service. Operates equipment in conjunction with repairs and provides assistance in operating functions as necessary to keep equipment running. May work alone, with minimal supervision and works with other Maintenance Technicians, and coordinates and works in conjunction with Operating Technicians and/or Service Technicians in the performance of electrical maintenance tasks.

Position Title: Operating Technician
Labor Grade 3

Operates and assists Senior Operating Technician and other crew members in tasks on producing units necessary to assure maximum production, quality, inspection and maintenance of material and equipment. Performs specialized functions, including highly skilled crane operations which are integral to the operating unit. Performs and assists in maintenance tasks as directed by Senior Operating Technicians and Maintenance Technicians as required.

Position Title: Plant Transportation Specialist
Labor Grade 2

Operates various types of plant mobile equipment including trucks, heavy equipment, dozers, front end loaders, boom trucks, mobile cranes, etc. If required, Class A CDL and required endorsements in plants where necessary. Fuels, inspects and performs preventative maintenance on all types of mobile equipment. Performs and assists in maintenance tasks as directed by Senior Operating Technicians and Maintenance Technicians as required.

Position Title: Service Technician
Labor Grade 2

Performs all work which support operations of the various producing units. Operates material handling equipment, overhead electric cranes and tractors (various sizes and types) and directs the flow of material to be processed to and from producing units and performs functions necessary to support operations. Works with materials and equipment necessary to transport and process product and materials. Performs and assists in maintenance tasks as directed by Senior Operating Technicians and Maintenance Technicians as required.

Position Title: Utility Person
Labor Grade 1

Performs any type of general labor and light mobile equipment operation required to maintain plant operations. Performs and assists in maintenance tasks as directed by Senior Operating Technicians and Maintenance Technicians as required.

**Office and Technical Job Descriptions
(Not applicable at Indiana Harbor – East)**

**Position Title: Technician
Labor Grade 3**

Analyzes data and interacts with production group to schedule steel movement to facilitate the flow of materials and processed steel. Interacts with and directs support crew members, performs administrative duties, and communicates with maintenance, as required to maximize production. Is responsible for ordering raw materials, scheduling and facilitating repairs and interacting with outside vendors to ensure that a steady flow of required outside services to be accomplished in a correct and timely manner. Operates and repairs computers, test equipment and light mobile equipment as required to support and maintain plant operations. Interacts with outside processing firms making adjustments in shipping and delivery schedules as required. Satisfies customers' needs by continually making the necessary adjustments to their orders whether it is shipping changes, product adjustments, or whatever the customer needs in order to maintain a good business relationship. Is responsible for the flow of information throughout the plant and corporation. Analyzes accounting information and relays it for use in the overall decision making process. May work alone with minimal supervision or with maintenance or operating crews. Some areas may require testing and/or certification in order to perform duties.

**Position Title: Plant Technician
Labor Grade 2**

Collects, analyzes, and applies data to facilitate the movement of steel through the entire production process. In conjunction with the production department is responsible for the sequence of events which the product must travel in order to reach our customer in a correct and timely fashion. Is responsible for the repair and maintenance of safety equipment both in a repair facility and throughout the plant. Required to operate gauging equipment, analyzers, some light mobile equipment, test equipment and computers. May work alone, with minimal supervision or with maintenance and operating crew members. Some areas may require testing and/or certification in order to perform duties.

**Position Title: Administrative Technician
Labor Grade 1**

Responsible for the administrative functions on a plant wide basis. Duties include the distribution of mail, cost control and analysis, data gathering and posting, and general clerical duties. Must be proficient in the use of various office equipment, including but not limited to computers, typewriters, word processors, and duplicating equipment. Some areas may require testing in order to perform the duties.

**Safety won't be compromised...
it is of the utmost importance to all of us...
and our families.**

- ❖ Use hazard identification, risk assessment & control safe job procedures for the performance of all work. In the absence of a formal safe job procedure, complete a form that identifies hazards, assesses risks, and develops controls for any job.**
- ❖ Be our brother's and sister's keeper. Look out for one another all the time. Practice shared vigilance to alert others of risks and hazards, and try to be receptive when co-workers alert you of risks.**
- ❖ Before you do a job, step back and think it through.**
- ❖ Make the job safe or don't do it.**

Let's make every day a safe day!