SAFETY
EVERYWHERE
... all the time!

1968

BASIC AGREEMENT

between

KAISER STEEL COMPANY

and the

UNITED STEELWORKERS
OF AMERICA

(Also including 1968 Insurance and Pension Agreements)

EXHIBIT "A"

Grade	Present Min. Rate Per Hour	Adjusted Min. 12-1-60	Rate Per Hour 10-1-61
1	$1.960	$2.030	$2.10
2	1.960	2.030	2.10
3	2.027	2.099	2.17
4	2.094	2.168	2.24
5	2.161	2.237	2.31
6	2.228	2.306	2.38
7	2.295	2.375	2.45
8	2.362	2.444	2.52
9	2.429	2.513	2.59
10	2.496	2.582	2.66
11	2.563	2.651	2.73
12	2.630	2.720	2.80
13	2.697	2.789	2.87
14	2.764	2.858	2.94
15	2.831	2.927	3.01
16	2.898	2.996	3.08
17	2.965	3.065	3.15
18	3.032	3.134	3.22
19	3.099	3.203	3.29
20	3.166	3.272	3.36
21	3.233	3.341	3.43
22	3.300	3.410	3.50
23	3.367	3.479	3.57
24	3.434	3.548	3.64
25	3.501	3.617	3.71
26	3.568	3.686	3.78
27	3.635	3.755	3.85
28	3.702	3.824	3.92
29	3.769	3.893	3.99
30	3.836	3.962	4.06
31	3.903	4.031	4.13
32	3.970	4.100	4.20
	and over		

1962

BASIC AGREEMENT

BETWEEN

LATROBE STEEL COMPANY

AND THE

UNITED STEELWORKERS
OF AMERICA

(Also includes 1962 Insurance and Pension Agreements)

TABLE OF CONTENTS

AGREEMENT

THIS AGREEMENT dated July 26, 1962 (hereafter referred to as the 1962 Basic Agreement) is between the Latrobe Steel Company, Latrobe, Pennsylvania, or its successors (hereinafter referred to as the Company),

a

n

d

the UNITED STEELWORKERS OF AMERICA, or its successors (hereinafter referred to as the Union). The provisions of this Agreement shall become effective July 1, 1962, except as otherwise expressly provided herein.

The Union having been designated the exclusive collective bargaining representative of the employees of the Company as defined in Section II—Recognition, the Company recognizes the Union as such exclusive representative. Accordingly, the Union makes this Agreement in its capacity as the exclusive collective-bargaining representative of such employees. The provisions of this Agreement constitute the sole procedure for the processing and settlement of any claim by an employee or the Union of a violation by the Company of this Agreement. As the representative of the employees, the Union may process grievances through the grievance procedure, including arbitration, in accordance with this Agreement or adjust or settle the same.

SECTION I—INTENT AND PURPOSE

A. It is the intent and purpose of the parties hereto to set forth herein the Basic Agreement covering rates of pay, hours of work and the conditions of employment to be observed between the parties hereto; and, to provide procedure for

prompt, equitable adjustment of alleged grievances to the end that there shall be no interruption or impeding of the work, work stoppages, strikes, lockouts, or other interferences with production during the life of this Agreement.

B. The Company and the Union encourage the highest possible degree of friendly, cooperative relationships between their respective representatives at all levels and with and between all employees. The officers of the Company and the Union realize that this goal depends on more than words in a labor agreement, that it depends primarily on attitudes between people in their respective organizations and at all levels of responsibility. They believe that proper attitudes must be based on full understanding of and regard for the respective rights and responsibilities of both the Company and the Union. They believe also that proper attitudes are of major importance in the plant where day-to-day operations and administration of this Agreement demand fairness and understanding. They believe that these attitudes can be encouraged best when it is made clear that Company and Union officials whose duties involved negotiation of this Agreement, are not antiunion or anticompany but are sincerely concerned with the best interests and well being of the business and all employees.

C. It is the continuing policy of the Company and the Union that the provisions of this Agreement shall be applied to all employees without regard to race, color, religious creed or national origin.

SECTION II—RECOGNITION

A. 1. The Company recognizes the Union as the exclusive collective bargaining agency for all hourly production and hourly maintenance employees of the Company employed in and about

the Company's plant in the Latrobe, Pennsylvania area.

2. The Company recognizes and will not interfere with the right of its employees to become members of the Union. The Union agrees that neither it nor any of its officers or members will engage in any Union activity on Company time or will engage other employees in any Union activity while such employees are on Company time; and, the Company may discipline any employee who shall be proved guilty of violating this provision. Any dispute as to the facts or as to the nature of the discipline imposed by the Company shall be adjusted in accordance with the provisions of Section VIII, Adjustment of Grievances, including arbitration if necessary, or the Company may elect to leave to the determination of the arbitration machinery the question of the nature of the discipline to be imposed.

B. A supervisory employee shall not perform any manual work other than for instruction, emergency, or other good cause.

C. Union Security

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

2. Each employee hired on or after July 1, 1956, shall, as a condition of employment, beginning on the 30th day following the beginning of such employment or the effective date of this Agreement, whichever is the later, acquire and maintain membership in the Union.

3. For the purpose of this Section, an Employee shall not be deemed to have lost his membership in the Union in good standing

until the International Secretary-Treasurer of the Union shall have determined that the membership of such employee in the Union is not in good standing and shall have given the Company a notice in writing of that fact.

D. Checkoff

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

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

3. Upon receipt by the Management of a voluntary written assignment (in a form agreed to in writing by the Company and the Union) by an employee, the Company will deduct from the second pay of such employee each month and thereafter during the existence of such assignment, his periodic Union dues for the preceding month; and, the Company shall also deduct any assessments against him which shall be general and uniform among employees who shall at the time be members of the Union, and, if owing by him, an initiation fee, all as payable to the Union in accordance with its constitution and by-laws. The Company shall promptly remit any and all amounts so deducted to the International Secretary-Treasurer of the Union, who shall notify the Company in writing of the respective amounts of the dues, initiation fees and assessments which shall be so deducted.

4. The pay referred to for deductions of dues, initiation fees or assessments shall be the second pay closed and calculated in a month.

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

E. The provisions of Subsection C and D shall be effective in accordance and consistent with applicable provisions of federal law.

F. Indemnity Clause

The Union shall indemnify and save the Company harmless against any and all claims, demands, suits, or other forms of liability that shall arise out of or by reason of action taken or not taken by the Company for the purpose of complying with any of the provisions of this Section, or in reliance on any list, notice or assignment furnished under any of such provisions.

SECTION III—WAGES

A. Standard Hourly Wage Scale

The standard hourly wage scale of rates for the respective job classes shall be those set forth in Exhibit A of this Agreement. Jobs

shall be placed in the standard hourly wage scale in accordance with the Wage Inequity Agreement dated August 13, 1959.

B. Application of the Standard Hourly Wage Scale

The standard hourly wage scale rate for each job class shall be the standard hourly wage rate for all jobs classified within such job class. In addition:

1. A schedule of trade or craft rates, containing:

(a) a standard rate equal to the standard hourly wage scale rate for the respective job class of the job;

(b) an intermediate rate at a level two job classes below the standard rate; and

(c) a starting rate at a level four job classes below the standard rate, is established for each of the following repair and maintenance trade or craft jobs:

Blacksmith	Painter
Boilermaker	Pipefitter
Bricklayer	Roll Turner
Carpenter	Sheet Metal
Electrician	Worker
Instrument Repairman	Toolmaker
Machinist	Welder

2. A schedule of learner rates for the respective learning periods of 520 hours of actual learning experience with the Company on jobs for which training opportunity is not provided by the promotional sequence of related jobs is established at the level of standard hourly wage scale rates for the respective job classes

determined on the basis of the required employment training and experience time specified in factor 2 of the job classification record of the respective job for which the learner period is preparatory as follows:

a. Seven to twelve months: One learner period classification at a level two job classes below the job class of the job.

b. Thirteen to eighteen months: A first learner period classification at a level four job classes below the job class of the job, and a second learner period classification at a level two job classes below the job class of the job.

c. Nineteen months and above: A first learner period classification at a level six job classes below the job class of the job; a second learner period classification at a level four job classes below the job class of the job; and a third learner period classification at a level two job classes below the job class of the job.

3. The Company, at its discretion, may apply a learner rate to a learner on any job during any period of time where another employee, other than the learner is on the job, provided the learner rate applied is:

a. the standard hourly wage scale rate for job class 1 in the case of an employee hired for the learner job; or

b. the lower figure of:

(1) the standard hourly wage scale rate of the job from which transferred; or

(2) the standard hourly wage scale rate of the job being learned in the case of an employee transferred from another job in the plant.

C. Description and Classification of New or Changed Jobs

In the interest of the effective administration of the Job Description and Classification procedures as set forth in the Manual, a Plant Union Committee on Job Classification (hereinafter called the Plant Union Committee) consisting of up to three employees designated by the District Director of the Union shall be established in the plant. 33

1. The job description and classification for each job in effect as of the date of this Agreement shall continue in effect unless (a) Management changes the job content (requirements of the job as to the training, skill, responsibility, effort and working conditions) to the extent of one full job class or more; (b) the job is terminated or not occupied during a period of one year; or (c) the description and classification are changed in accordance with mutual agreement of officially designated representatives of the Company and the Union. 34

2. When and if from time to time the Company at its discretion, establishes a new job or changes the job content (requirements of the job as to training, skill, responsibility, effort and working condition) of an existing job to the extent of one full job class or more, a new job description and classification for the new or changed job shall be established in accordance with the following procedure: 35

(a) Management will develop a description and classification of the job in accordance with the provisions of the Manual. 36

(b) The proposed description and classification will be submitted to the Plant Union Committee for approval, and the standard hourly wage scale rate for the job class to which the job is thus assigned shall apply in accordance with the provisions of Subsection B of this Section. Copies of the proposed description and classification shall be sent to a designated representative of the International Union. 37

(c) If Management and Plant Union Committee are unable to agree upon the description and classification, Management shall install the proposed classification, and the standard hourly wage scale rate for the job class to which the job is thus assigned shall apply in accordance with provisions of Subsection B of this Section. The Plant Union Committee shall be exclusively responsible for the filing of grievances and may at any time within 30 days from the date of installation, file a grievance with the Plant Management Representative designated by the Company alleging that the job is improperly described and/or classified under the provisions of the Manual. Thereupon the Plant Union Committee and Management shall prepare and mutually sign a stipulation setting forth the factors and factor codings which are in dispute. Thereafter such grievance shall be referred by the respective parties to the Third Step Representatives for further consideration. In the event the Third Step Representatives are unable to agree on the description and classification within 30 days, they shall prepare and mutually sign a stipulation, (which may amend the stipulation set forth by the Plant Union Committee and Management) setting forth the factors and factor codings which are in dispute, a copy of which shall be sent to a designated representative of Management and the aforementioned representative of the International Union. 38

(d) Upon request of either party's Third Step Representative, the matter may be referred to the aforementioned designated rep- 39

resentative of the International Union or a designated representative of Management respectively who may request that the proposed description and classification be submitted to them for their review and resolution. In the event either of said representatives request such review, they shall meet for this purpose and shall, within 60 days, advise the Third Step Representatives of their agreement or failure to reach agreement.

(e) If said representatives fail to reach agreement within the 60-day period, the Union's Third Step Representative may, within 15 days thereafter, request that the issues in dispute be submitted to arbitration. If submitted to arbitration, the issue shall be limited to the factors stipulated at that time by the respective Third Step Representatives as being in dispute and the decision shall be effective as of the date when the new job was established or the change or changes installed.

(f) In the event the parties fail to agree as provided, and no request for review or arbitration is made within the time provided, the classification as prepared by the Company shall be deemed to be approved.

(g) In the event Management does not develop a new job description and classification, the Plant Union Committee may, if filed promptly, process a grievance under the grievance and arbitration procedures of this Agreement requesting that a job description and classification be developed and installed in accordance with the provisions of the Manual. The resulting classification shall be effective as of the date when the new job was established or the change or changes installed.

D. Existing Incentive Plans

1. Effective as of the date of any general wage increase, the total earnings (not including overtime, shift and Sunday premiums, and cost-of-living adjustment) received by an employee for hours worked (for which he shall receive incentive earnings) on a job covered by an existing incentive plan, shall be increased by the percentage by which the minimum hourly wage rate after such increase for such job exceeds the minimum hourly wage rate in effect on the day before such wage increase for such job.

2. It is understood that the fundamental principle of the work and wage relationship is that the employee is entitled to a fair day's pay, i.e., the Standard Hourly Wage Scale, in return for which the Company is entitled to a fair day's work. The fundamental principle of the performance and incentive wage relationship is that when regularly required on an incentive job to perform work over and above the requirements of a fair day's work, an employee is entitled to receive equitable extra compensation over and above a fair day's pay at the rate of 1% increase in pay for each 1% increase in work in excess of the established standard. The Standard Hourly Wage Rate will be the established minimum guaranteed hourly rate for all jobs on incentives. For hours worked on incentive jobs the employees shall receive the highest of the following:

a. The total earnings of the applicable incentive plan,

b. The total amount arrived at by multiplying the hours worked by the applicable Standard Hourly Wage Rate,

c. The total amount arrived at by multiplying the hours worked by the existing guaranteed hourly rate.

E. New and Adjusted Incentives

1. The Company, at its discretion, may establish new incentives to cover: 48

a. new jobs on which the Company is not required to established incentives;

b. jobs not presently covered by incentive application; or 49

c. jobs covered by an existing incentive plan where, during a current three-month period, the straight-time average hourly earnings of employees under the plan are equal to or less than the average of the standard hourly wage rate for such employees. 50

2. The standard hourly wage rate established under Subsection A of this Section shall be the established hourly base rate of pay under any new incentive that may be applied to the job during the term of this Agreement. 51

3. The following shall apply to the adjustments or replacements of incentives: 52

a. It is recognized that adjustment of an incentive may be required to preserve its integrity to reflect new or changed conditions occurring after the effective date of this Agreement which are not sufficiently extensive to require cancellation and replacement of the incentive and which result 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. Such adjustment shall be made effective as of the date of the installation which shall be at the earliest practicable date and shall be established in accordance with the procedure set forth in Section III-E-5 below. 53

b. When such new or changed conditions as defined in Paragraph 3a above are of such magnitude that replacement of the incentive may be required, the Company shall adjust such incentive in accordance with the procedure set forth in Section III-E-5 below or shall establish a new incentive to replace the existing incentive. 54

4. New incentives established pursuant to Section III-E-1, 2 and 3b above shall be established in accordance with the following procedure: 55

a. Management will develop the proposed incentive. 56

b. The proposal will be submitted to the grievance committeeman or steward representing the employees affected for the purpose of explaining the incentive and arriving at agreement as to its installation. Management shall, at such time, furnish such explanation with regard to the development and determination of the incentive as shall reasonably be required in order to enable the Union representative to understand how such incentive was developed and determined and shall afford to such Union representative a reasonable opportunity to be heard with regard to the proposed incentive. 57

c. If agreement is not reached, the matter shall be reviewed in detail by designated representatives of the grievance committee and Management for the purpose of arriving at mutual agreement as to installation of the incentive. 58

d. Should agreement not be reached, the proposed incentive may be installed by Management and the employee or employees affected may at any time after thirty days, but within sixty days following installation, 59

file a grievance alleging that the incentive does not provide equitable incentive compensation. Such grievance shall be processed under the grievance and arbitration procedure of this Agreement. If the grievance is submitted to the arbitration procedure, the Arbitrator shall decide the question of equitable incentive compensation and the decision of the Arbitrator shall be effective as of the date when the incentive was put into effect.

e. In the event Management does not adjust 60
the incentive or develop an incentive, as provided in Section III-E-3-b above, the employee or employees affected may, if filed promptly, process a grievance under the grievance and arbitration procedures of this Agreement requesting that an incentive be installed in accordance with the provisions of this Subsection. If the grievance is submitted to arbitration, the decision of the Arbitrator shall be effective as of the date when the grievance was filed.

f. When a new incentive is installed or 61
replaced pursuant to Section III-E-1 or III-E-3-b above, the incentive earnings thereunder shall not be less than those provided in Section III-D-2 above.

5. Adjusted incentives, established pursuant 62
to Section III-E-3-a or b above, shall be established in accordance with the following procedure:

a. Management will develop and install the 63
adjustment as soon as practicable.

b. The adjustment will be submitted to the 64
grievance committeeman for the purpose of notification, and Management shall furnish such explanation of the adjustment as shall

reasonably be required to enable the Union representative to understand how such adjustment was developed.

c. When an incentive is adjusted pursuant 65
to this Section, the incentive earnings expressed as a percentage above the standard hourly wage rate on the adjusted incentive for the job covered thereunder, shall not be less than the percentage of incentive earnings received as an average by regularly assigned incumbents of that job under that incentive during the three months preceding such adjustment, provided that the average performance during such three-month period is maintained. As to any job which did not exist under the incentive prior to its adjustment, the average percentage calculated for jobs which did exist shall apply under the same conditions.

d. The employees affected may at any time 66
after 30 days, but within 60 days following installation, file a grievance which shall be processed under the grievance and arbitration procedures of this Agreement. If the grievance is submitted to the arbitration procedure, the Arbitrator shall decide the issue of compliance with the requirements of Section III-E-5-c above and the decision of the Arbitrator shall be effective as of the date when the adjustment was put into effect.

e. In the event Management does not adjust 67
an incentive, as provided in Section III-E-3-a or b above, the employee or employees affected may, if filed promptly, process a grievance under the grievance and arbitration procedures of this Agreement requesting that an adjustment to the incentive be installed in accordance with the provisions of this Subsection. If the grievance is submitted to arbitration, the decision of the Arbitrator

shall be effective as of the date when the grievance was filed.

F. Adjustment of Personal Out-Of-Line Differentials

1. The reduction of an out-of-line rate where a job has been reclassified downwards, shall not be effective to reduce earnings of an employee regularly assigned to the given job as of the date of reclassification. However, the normal turnover of employees shall be utilized in the elimination of any such out-of-line wage rates. 68

2. As of the effective date of any increases made in job class increments in the standard hourly wage scale under this Agreement the personal out-of-line differentials of all incumbents of incentive and nonincentive jobs shall be adjusted or eliminated by applying that part of the increase in the standard hourly wage scale rate for the job which is attributable to the increase in the increments between job classes to reduce or eliminate such personal out-of-line differentials. 69

G. Wage Rate Inequity Grievances

No basis shall exist for an employee to allege a wage rate inequity and no grievance alleging a wage rate inequity shall be filed during the term of this Agreement. 70

H. Miscellaneous

1. The January 1, 1953, Job Description and Classification Manual agreed to by the United States Steel Corporation and the Union as adopted and agreed upon in the August 13, 1959 Wage Inequity Agreement is hereby agreed to and made part of this Agreement. 71

2. The Company will not establish performance standards for nonincentive jobs not in accordance with the fundamental principle of the work and wage relationship set forth in Subsection D-2 hereof. In any dispute, the Company shall have the obligation to prove that any standard set is in accordance with this principle or to cover the job with an incentive. 72

3. In the event an employee is assigned temporarily at the request or direction of Management from his regular job to another job, such employee, in accordance with the provisions of this Section, shall receive the established rate of pay for the job performed. In addition, while performing work under such circumstances, such employee shall receive such special allowance as may be required to equal the earnings that otherwise would have been realized by the employee. This provision shall not affect the rights of any employee of the Company under any other provisions of this Agreement. 73

I. Shift Differentials

1. For hours worked on the afternoon shift there shall be paid a premium rate of 8¢ per hour. For hours worked on the night shift there shall be paid a premium rate of 12¢ per hour. 74

2. Shifts shall be identified in accordance with the following: 75

a. Day Shift includes all turns regularly scheduled to commence between 6:00 a.m. and 8:00 a.m. inclusive.

b. Afternoon Shift includes all turns regularly scheduled to commence between 2:00 p.m. and 4:00 p.m. inclusive. 76

c. Night Shift includes all turns regularly scheduled to commence between 10:00 p.m. and 12:00 midnight inclusive. 77

3. Shift differential shall be included in the calculation of overtime compensation. Shift differential shall not be added to the base hourly rate for the purpose of calculating incentive earnings but shall be computed by multiplying the hours worked by the applicable differential and the amount so determined added to earnings. 78

4. Any hours worked by an employee on a regularly scheduled shift which commences at a time not specified in Paragraph 2, above, shall be paid as follows: 79

a. For hours worked which would fall in the prevailing day turn of the department, no shift differential shall be paid. 80

b. For hours worked which would fall in the prevailing afternoon turn of the department, the afternoon shift differential shall be paid. 81

c. For hours worked which would fall in the prevailing night turn of the department, the night shift differential shall be paid. 82

5. Shift differential shall be paid for allowed time or reporting time when the hours for which payment is made would have called for a shift differential if worked. 83

J. Sunday Premium

1. All hours worked by an employee on Sunday, which are not paid for on an overtime basis, shall be paid for on the basis of employee's rate of pay as defined in Paragraph 4 below at one and one-fourth times the employee's regular rate of pay. 84

2. For the purpose of this provision, Sunday shall be deemed the 24 hours beginning with the turn-changing hour nearest to 12:01 a.m., Sunday. 85

3. Sunday premium based on the minimum hourly wage rate shall be paid for reporting allowance hours. 86

4. The regular rate of pay, as the term is used in Paragraph 1, above, shall mean the hourly rate which the employee would have received for the work had it been performed during nonovertime hours; for employees on an incentive, tonnage or piecework basis, such regular rate of pay shall be the average straight-time hourly earnings as computed in accordance with existing practices. 87

K. Cost of Living Adjustment

The existing 18½ cent per hour cost of living adjustment shall continue in effect during the term of this Agreement. 88

SECTION IV—HOURS OF WORK

A. Scope

This Section defines the normal hours of work and shall not be construed as a guarantee of hours of work per day or per week or of days of work per week. This Section shall not be considered as any basis for the calculation of overtime. 89

B. Normal Work Day

The normal workday shall be 8 hours of work in a 24-hour period. The hours of work shall be consecutive except when an unpaid lunch period is provided in accordance with prevailing practices. 90

C. Normal Work Week

The normal workweek shall be five (5) consecutive work days, followed by a rest period 91

of forty-eight (48) consecutive hours within a period of seven (7) consecutive days; provided, however, that on shift changes the sixteen (16) hour rest period within the work day need not be provided in addition to, but may be considered as a part of the forty-eight (48) consecutive hour rest period and in the case of six-day schedules as a part of the twenty-four (24) consecutive hour rest period. A normal workweek begins 8:00 a.m., Monday and ends 7:59 a.m. the following Monday with the exception that a third turn may start on Sunday night.

D. Schedules

92 1. Should it be necessary, in the interest of efficient operations, to establish schedules departing from normal, the Executive Board of the Union, the Committeeman of the Department involved, and the Management of the plant may, at the request of either party, confer to determine whether, based upon the facts of the situation mutually satisfactory modified schedules can be arranged, but the final right to arrange working schedules rests with Management in order to avoid adversely affecting operations in the plant. Employees shall be given preference for schedules in accordance with their seniority.

93 2. All employees shall be scheduled on the basis of the normal work pattern except where:

94 a. such schedules regularly would require the payment of overtime;

95 b. deviations from the normal work pattern are necessary because of breakdowns or other matters beyond the control of Management;

96 c. schedules deviating from the normal work pattern are established by agreement between the Executive Board of the Union and the Committeeman of the Department involved and the Plant Management; or

97 d. deviations are necessary to avoid adversely affecting operations in the plant.

98 3. Schedules showing employee's workdays shall be posted or otherwise made known to employees in accordance with prevailing practices but not later than Thursday of the week preceding the calendar week in which the schedules become effective unless otherwise provided by local agreement.

99 4. Schedules may be changed by Management at any time except where by local agreement schedules are not to be changed in the absence of mutual agreement; provided, however, that any changes made after Thursday of the week preceding the calendar week in which the changes are to be effective shall be explained at the earliest practicable time to the grievance committeeman or steward of the employee affected; and provided, further, that with respect to any such schedules, no changes shall be made after Thursday except for breakdown or other matters beyond the control of Management.

100 5. Should changes be made in schedules contrary to the provisions of Paragraph 3 above so that an employee is laid off on any day within the 5 scheduled days and is required to work on what would otherwise have been the sixth or seventh workday in the schedule on which he was scheduled to commence work, the employee shall be paid for such sixth or seventh day worked at overtime rates in accordance with Section V—Overtime.

E. Reporting Allowance

101 1. An employee who is scheduled or notified to report and who does report for work shall

be provided with and assigned to a minimum of four hours of work on the job for which he was scheduled or notified to report or, in the event such work is not available, shall be assigned or reassigned to another job paying at least an equal hourly rate, provided he is qualified to do the work. In the event when he reports to work, no work is available, he shall be released from duty and credited with a reporting allowance of 4 times the hourly rate of the job for which he was scheduled or notified to report. When an employee who starts to work is released from duty before he works a minimum of 4 hours, he shall be paid for the hours worked at the rate for the reporting allowance equal to the hourly wage rate of the job for which he was scheduled or notified to report multiplied by the unutilized portion of the 4-hour minimum.

2. The provisions of the above Paragraph 1 shall not apply in the event that: 102

a. strikes, work stoppages in connection with labor disputes, failure of utilities beyond the control of Management or acts of God interfere with work being provided; or 103

b. An employee is not put to work or is laid off after having been put to work, either at his own request or due to his own fault; or 104

c. An employee refuses to accept an assignment or reassignment within the first 4 hours as provided in Paragraph 1 above; 105

d. Management gives reasonable notice of change in scheduled reporting time or that an employee need not report. 106

F. Absenteeism

1. Whenever an employee has just cause for reporting late or absenting himself from work, he shall, whenever practicable, give notice as far in advance as possible to his Supervisor or 107

other person designated to receive such notice. The Company agrees to give reasonable consideration to the request of employees to be absent. An employee who reports late or absents himself from work without just cause may be subject to discipline but no employee shall be disciplined for absenting himself with just cause if he gives such notice.

2. Should an employee not have just cause for failing to give notice, he shall be subject to discipline regardless of whether or not the employee is otherwise subject to discipline for reporting late for, or absenting himself from work without just cause. 108

G. Allowance for Jury Service

An employee who is called for jury service shall be excused from work for the days on which he serves and he shall receive, for each such day of jury service on which he otherwise would have worked, the difference between 8 times his average straight-time hourly earnings (as computed for holiday allowance) and the payment he receives for jury service. The employee will present proof of service and of the amount of pay received therefor. 109

SECTION V—OVERTIME

A. Purpose

1. This Section provides the basis for the calculation of, and payment for, overtime and shall not be construed as a guarantee of hours of work per day or per week, or a guarantee of days of work per week. 110

2. It is the policy of the Company insofar as practicable, to restrict production work to the regular established basic workday and workweek, and the Company agrees that in making requests for overtime work outside of the regu- 111

lar established basic workday or workweek, it will recognize the employee's right to decline overtime work for good cause. No employee shall be disciplined or lose holiday pay for declining overtime or holiday work if another qualified employee with less seniority in the unit on the shift is available. If all qualified employees in the unit on the shift decline the overtime or holiday work, the qualified employee with the least seniority in the unit on the shift shall be assigned the work, unless he is able to obtain a qualified replacement in the unit on the shift. Overtime shall be distributed pursuant to local departmental practices, now in effect or as changed by mutual agreement.

B. Definitions of Terms

1. The payroll week shall consist of any 7 consecutive days used by the Company for computing the pay of employees (which may or may not coincide with a week beginning at 12:00 midnight Sunday, or at the turn-changing hour nearest to that time). 112

2. The workday for the purposes of this Section is the 24-hour period beginning with the time the employee begins work. 113

3. Overtime rates shall be time and one-half the applicable hourly rate for the job on which the overtime hours are worked; except for employees on an incentive, tonnage or piecework basis, the applicable hourly rate shall be the average straight-time hourly earnings as computed in accordance with existing practices. 114

C. Conditions Under Which Overtime Rates Shall Be Paid

1. Overtime rates shall be paid for: 115

a. Hours worked in excess of 8 hours in a workday;

b. Hours worked in excess of 40 hours in a payroll week; 116

c. Hours worked on the sixth or seventh workday in a payroll week during which work was performed on 5 other workdays; 117

d. Hours worked on the sixth or seventh workday of a seven (7) consecutive day period during which the the first five (5) days were worked, whether or not all of such days fall within the same payroll week, except when worked pursuant to schedules mutually agreed to as provided for in Subsection D of Section IV—Hours of Work; provided, however, that no overtime will be due under such circumstances unless the employee shall notify his foreman of a claim for overtime within a period of one (1) week after such sixth or seventh day is worked; or, if he fails to do so, files a grievance claiming such overtime within thirty (30) days after such day is worked; and provided further that on shift changes, the 7-consecutive-day period of 168 consecutive hours may become 152 consecutive hours depending upon the change in the shift; 118

e. Hours worked under the conditions specified in Subsection IV-D-5—Hours of Work; 119

f. Hours worked on a second reporting in the same workday where the employee has been recalled or required to report to the plant after working less than eight hours on his first shift, provided that his failure to work eight hours on his first reporting was not caused by any of the factors mentioned in Subsection IV-F-2 for purposes of disqualifying an employee for reporting allowance. 120

D. Nonduplication

Payment of overtime rates shall not be duplicated for the same hours worked, but the higher of the applicable rates shall be used. To the extent that hours are compensated for at overtime rates under one provision, they shall not be counted as hours worked in determining overtime under the same or any other provision, and reporting allowance under Subsection F, Reporting Allowance of Section IV shall not be used for determining hours of work or earnings for the calculation of, or payment of overtime; provided however, that a holiday in Section XII whether worked or not and whether scheduled as a day of work or not, shall be counted as a day worked in determining overtime under the provisions of Subsection V-C-1-c above and hours worked on a holiday shall be counted for the purpose of calculating overtime under the provisions of Subsection V-C-1-a above. 121

SECTION VI—VACATIONS

A. Eligibility

1. To be eligible for a vacation in any calendar year during the term of this Agreement, the employee must; 122

a. Have one year or more of continuous service; and

b. Not have been absent from work for six consecutive months or more in the preceding calendar year; except that in case of an employee who completes one year of continuous service in such calendar year, he shall not have been absent from work for six consecutive months or more during the 12 months following the date of his original employment; provided, that an employee with more than one year of continuous service who in any year shall be ineligible for a vacation by reason 123

of the provisions of this paragraph as a result of an absence on account of layoff or illness shall receive one week's vacation with pay in such year if he shall not have been absent from work for six consecutive months or more in the 12 consecutive calendar months next preceding such vacation. Any period of absence of an employee while on vacation pursuant to this Section or while absent due to a compensable disability in the year in which he incurred such disability, or while in military service in the year of his reinstatement to employment shall be deducted in determining the length of a period of absence from work for the purposes of this Subsection A-1-b.

2. An employee, even though otherwise eligible under this Subsection A, forfeits the right to receive vacation benefits under this Section if he quits, retires, or is discharged prior to January 1 of the vacation year. 124

3. Continuous service shall be determined by the employee's first employment or reemployment following a break in service, whichever is later and in accordance with the provisions for determination of continuous service as set forth under Subsection B of Section VII—Seniority, of this Agreement, except that there shall be no accumulation of service in excess of the first two years of any continuous period of absence on account of layoff or physical disability (Except, in the case of compensable disability, as provided in Subsection B-6, Section VII—Seniority) in the calculation of service for vacation eligibility. 125

B. Length of Vacation and Extra Vacation Pay

1. An eligible employee who has attained the years of continuous service indicated in the following table in the calendar year 1962, shall re- 126

ceive a vacation corresponding to such year of continuous service and extra vacation pay as shown in the following table:

127

Years of Service	Vacation Time Off	Amount of Vacation Pay
1 but less than 3	1 week	1 week's pay
3 but less than 5	1 week	1½ weeks' pay
5 but less than 10	2 weeks	2 weeks' pay
10 but less than 15	2 weeks	2½ weeks' pay
15 but less than 25	3 weeks	3 weeks' pay
25 or more	3 weeks	3½ weeks' pay

128 2. Effective January 1, 1963, an eligible employee who has attained the years of continuous service indicated in the following table in any calendar year during the continuation of this Agreement shall receive a vacation corresponding to such years of continuous service as shown in the following table:

129

Years of Service	Weeks of Vacation
1 but less than 3	1
3 but less than 10	2
10 but less than 25	3
25 or more	4

130 3. A one week's vacation shall consist of seven consecutive days, a two weeks' vacation of fourteen consecutive days, a three weeks' vacation of 21 consecutive days and a four weeks' vacation of 28 consecutive days; provided, however, that in the event the orderly operations of the plant require, the two weeks' vacation may be scheduled in two periods of seven consecutive days each and the three weeks' vacation may be scheduled in two periods of seven and fourteen consecutive days or, with the consent of the employee, in 3 periods of seven consecutive days each and the 4 weeks' vacation may be scheduled in two periods of 14 consecutive days each or in two periods of 7 and 21 consecutive days or, with

the consent of the employee in three periods of 7, 7 and 14 consecutive days, or in four periods of 7 consecutive days.

C. Vacation Pay

131 1. Each employee granted a vacation will be paid at his average rate of earnings per hour for the first two of the last four closed and calculated pay periods worked by the employee preceding the first week of actual vacation period or the first two of the last four closed and calculated pay periods worked by the employee preceding the end of the previous calendar year, whichever is higher. Hours of vacation pay for each vacation week shall be the average hours per week worked by the employee in the first two of the last four closed pay periods worked by the employee preceding the first week of the actual vacation period or the first two of the last four closed pay periods worked by the employee preceding the end of the previous calendar year, whichever is higher, but not less than forty (40) hours per week. For the purposes of this Section, "pay period" shall mean a semimonthly period.

132 Vacation pay computed on base periods prior to a general wage increase for a vacation or portion thereof scheduled after such wage increase in such year shall be adjusted for such increase in such year.

133 2. In the case of an employee who dies and has complied with the requirements as to eligibility for vacation, vacation payments shall be paid to his wife or his estate.

D. Scheduling of Vacations

134 1. Each eligible employee shall be requested to specify the vacation period he desires. Subject to paragraph 2 hereof, vacations shall, so far as possible, be granted at times most desired by

employees upon a seniority basis, but the final right to allotment of vacation periods is exclusively reserved to the Company in order to insure the orderly operation of the plant.

2. It is understood and agreed that the plant 135
or any department thereof may be shut down for a two consecutive week period at least one week of which must be in July and such period may be designated as comprising all or a part of the vacation period for any employees of the plant who are qualified to receive vacation privileges. The Union shall be notified promptly after March 1 of each calendar year if the Company intends to shut down for vacations and if so the dates of such shutdown.

3. Any employee absent from work because 136
of layoff, disability or leave of absence at the time employees are requested to specify the vacation periods they desire and who has not previously requested and been allotted a vacation period for the calendar year, may be notified by Management that a period after May 1, is being allotted as his vacation period but that he has the right within 14 days to request some other vacation period. If any such employee notifies Management in writing, within 14 days after such notice is sent, that he desires some other vacation period, he shall be entitled to have his vacation scheduled in accordance with the foregoing Paragraph 1.

E. Vacation Allowance

The Union and the Company agree that their 137
mutual objective is to afford maximum opportunity to the employees to obtain their vacations and to attain maximum production. All employees eligible for vacation shall be granted their vacation from work except as hereinafter provided. However, the Company may, due to operating requirements and employment conditions,

arrange, with the written consent of an employee and the designated representative of the Union, that such employee receive vacation allowance in lieu of any part or all of his actual vacation. A copy of each such consent shall be filed with the representative designated by the local Union. The vacation allowance due such employee shall be computed as provided in Subsection C above.

SECTION VII—SENIORITY

A. Seniority Status of Employees

1. The parties recognize that promotional op- 138
portunity and job security in event of promotions, decrease of forces and rehirings after layoffs should increase in proportion to length of continuous service, and that in the administration of this Section, the intent will be that wherever practicable full consideration shall be given continuous service in such cases.

2. In recognition, however, of the responsi- 139
bility of Management for the efficient operation of the works, it is understood and agreed that in all cases of:

a. Promotion (except promotions to positions 140
excluded under the definitions of "employees" in Section II—Recognition) the following factors as listed below shall be considered:

(1) continuous service and ability to perform the work,

(2) physical fitness.

b. Decrease in forces or rehirings after lay- 141
offs, the following factors as listed below shall be considered:

(1) continuous service and ability to perform the work,

(2) physical fitness.

c. Any employee of any department in the plant being laid off for lack of work and because he does not have sufficient departmental seniority to remain in the department in which he is employed shall have the right to demote to the Labor Pool where he shall retain employment so long as any employee in the Labor Pool has less plant seniority than the employee involved. The Labor Pool shall be made up of all jobs in job classes 1, 2 and 3 and such other jobs in other job classes as shall be agreed upon, the number of which shall be equal to at least the number of jobs in job class 4. Employees laid off from their department on or after Monday shall not have the right to so demote until Monday of the next week. 142

B. Calculation of Continuous Service

1. There shall be no deduction of any time lost which does not constitute a break in continuity of service. 143

2. Continuous service shall be broken by: 144

a. Voluntarily quitting the service.

b. Absence due to discharge, termination or suspension, any of which continues for more than six (6) months; and, unrenewed leave of absence for 30 days. Any extension of 30 days' leave of absence must be approved by Management and Grievance Committee. 145

c. Termination in accordance with Section XIV—Severance Allowance. 146

d. Absence in excess of the period during which continuous service can accumulate under Paragraph e below or failure to give written notice required by said Paragraph e. 147

e. Subject to the provisions of Subparagraph f below, if an employee shall be absent because of layoff or physical disability, he shall continue to accumulate continuous service during such absence for two years and for an additional period equal to (1) three years, or (2) the excess, if any, of his length of continuous service at commencement of such absence over two years, whichever is less. Any accumulation in excess of two years during such absence shall be counted, however, only for purposes of this Section VII including local agreements thereunder, and shall not be counted for any other purpose under this or any other agreement between the Company and the International Union. In order to avoid a break in service after an absence of two years, the employee must give the Company annual written notice that he intends to return to employment when called, if the Company at least 30 days prior thereto has mailed him a notice at the most recent address furnished by him to the Company that he must file such notice. 148

f. Absence due to a compensable disability incurred during course of employment shall not break continuous service, provided such individual is returned to work within 30 days after final payment of statutory compensation for such disability or after the end of the period used in calculating a lump sum payment. 149

g. If his employment shall be terminated by the Company, because he shall have been absent from work for 10 days or more without reasonable cause or because he shall have failed without such cause promptly to return to work after a leave of absence or when recalled to work after a layoff. 150

C. Probationary Employees

New employees and those hired after a break in continuity of service will be regarded as probationary employees for the first thirty (30) days of actual work within a six-month period and 151

will receive no continuous service credit prior to completion of such thirty (30) days of actual work. Probationary employees may be laid off or discharged as exclusively determined by Management; provided, that this provision will not be used for purposes of discrimination because of membership in the Union. Probationary employees continued in the service of the Company subsequent to the first thirty (30) days of actual work shall receive continuous service credit from date of last hiring.

D. Waiver of Promotions

An employee may waive promotion by signifying such intention to his supervisor or shall be considered as waiving it if he fails to step up to fill a vacancy. Such waivers shall be noted in the personnel records and confirmed by the Company in writing to the Employees and the Union. Employees may withdraw their waiver or announce their intention to fill future vacancies (which the Company shall also note in personnel records and confirm in writing), following which they shall again become eligible for promotion, but an employee who has so waived promotion and later withdraws it as herewith provided shall not be permitted to challenge the future high sequential standing of those who have stepped ahead of him as the result of such waiver, until he has reached the same job level (by filling a permanent opening) as those who have stepped ahead of him, at which time his waiver shall be considered as having no further force and effect. Employees may not enter and withdraw waivers indiscriminately and without good and valid reasons. 152

E. Seniority With Relation to Non-Bargaining Unit Occupations

1. When an employee is transferred to fill a permanent vacancy, he shall, during the first 153

sixty (60) calendar days following such transfer, have the right to return to the job he left with accumulated department and plant seniority. Following the expiration of this 60-day period, he shall forfeit all accumulated seniority in the bargaining unit.

2. During the sixty (60) day trial period, the job he left will be temporarily filled in accordance with Paragraphs A and G of this Section. 154

F. Posting of Job Openings

1. When a vacancy develops, or is expected to develop (other than a temporary job or a job of less than 30 days' duration) in the promotional line in any seniority unit, Management shall, to the greatest degree practicable, post notice of such vacancy or expected vacancy, or job assignment for a period of five (5) working days and in such manner as may be appropriate at the plant. Such posted jobs shall be outlined on the posted notice as to content and rate of the job posted. 155

2. Employees in the seniority unit who wish to apply for the vacancy or expected vacancy may do so in writing in accordance with rules developed by Management at the plant. 156

3. Management shall, if in its judgment there are applicants qualified for the vacancy or expected vacancy, fill same from among such applicants in accordance with the provisions of Subsection A of this Section. 157

G. Temporary Vacancies

1. In cases of temporary vacancies because of absences of the incumbent involving temporary assignments within a seniority unit, the Company shall, to the greatest degree consistent with efficiency of the operation and safety of employees, assign the employee with longest continuous service in the unit, provided such em- 158

ployee desires the assignment. If no one in the unit desires the job, Management shall assign any employee from another department or from the Labor Pool who desires the assignment. An employee so assigned shall be returned to the job he left when the incumbent returns to the job or when the job is filled by bid as set forth in paragraph 2 hereof.

2. When the vacancy has existed for thirty 159
days and it appears that it will continue in excess of thirty additional days, by agreement between Management and the Union, the vacancy may be posted for bids in accordance with Subsection F above subject to the right of the incumbent to return to the job.

H. Transfers at Request of Employees

1. When an employee is transferred at his 160
own request from one department to another, such transfer shall be probationary for a period of fourteen (14) calendar days or a minimum of ten (10) working days. At any time within the period specified, the employee may return of his own volition to his original department, or may be returned by the Company to his original department. In such case, the employee shall retain his original departmental seniority. If the employee elects to remain in the new department, after the expiration of the fourteen (14) calendar day (or a minimum of ten (10) working days) period, he becomes a new employee in the new department and loses his seniority in his old department.

2. No employee shall be permitted to make 161
such a transfer of department more often than once in twelve (12) consecutive months, with the exception that an employee, while he is laid off from the plant, or to the Labor Pool within this twelve (12) month period, may make a new application for a transfer of department.

3. If an employee who makes application to 162
transfer from one department to another or to a new job in the same department, and once accepts assignment to the job, later withdraws his application, he shall not be eligible to make further application for any job for a period of six (6) months. This paragraph shall not apply to an employee transferring to a new job in the same department until he has had a trial period of five days on the new job.

4. If an employee makes a transfer of job 163
within a department to a job of equal or lower rate of pay, he must work at that job for a minimum period of twelve (12) months before becoming eligible for another transfer within the department except that he may transfer to a job at a higher rate of pay or to a preferential shift.

I. Transfer Due to Disability and Age

Cases of this type shall be handled by joint 164
agreement between the Management and Executive Committee of the Union and committeeman of the departments involved. Such transfers may be used for the purpose of rehabilitation.

J. Seniority Status of Grievance Committeemen and Local Union Officers

1. When management decides that the work 165
force of any seniority unit in the plant is to be reduced, the member of the plant grievance committee, if any, in that unit shall, if the reduction in force continues to the point at which he would otherwise be laid off, be retained at work for such hours per week as may be scheduled in the department in which he is employed, provided he can perform the work of the job to which he must be demoted. The intent of this provision is to retain in active employment the plant griev-

ance committeemen for the purpose of continuity of the administration of the Labor Contract in the interest of employees so long as a work force is at work, provided that no grievance committeeman shall be retained in employment unless work which he can perform is available to him in the plant area which he represents on the grievance committee.

2. This provision shall apply also to employees 166
who hold any of the following offices in the local union or unions in which the employees of the plant are members: President, Vice President, Recording Secretary, Financial Secretary and Treasurer.

K. Leaves of absence for Employees who accept positions with the International or Local Unions

1. Leaves of absence for the purpose of accept- 167
ing positions with the International or Local Unions shall be available to a reasonable number of employees. Adequate notice of intent to apply for leave shall be afforded local plant Management to enable proper provision to be made to fill the job to be vacated.

2. Leaves of absence shall be for a period not 168
in excess of one year and may be renewed for a further period of one year.

3. Continuous service shall not be broken by 169
the leave of absence but will continue to accrue.

L. Seniority Units

1. The existing seniority unit or units to 170
which the seniority factors shall be applied and the rules for application of the seniority factors, including service dates within these units, covered by existing local agreement, shall remain in effect unless or until modified by local written agreement signed by Management and

the President and Chairman of the Grievance Committee of the Local Union. Changes in such seniority units or the inclusion of a new job or jobs in an existing seniority unit or units or the establishment of a new seniority unit or units shall be negotiated and signed on behalf of the Union by the President and the Grievance Committeeman of the Local Union and shall be posted in the plant and department affected.

2. In any case in which local agreement cannot 171
be consummated as to a change in such existing seniority units or the inclusion of a new job or jobs in an existing seniority unit or units or the establishment of a new seniority unit, Management shall make such change or shall include such job or jobs in the most appropriate seniority unit, or if more appropriate, establish a new seniority unit subject to the grievance procedure of this Agreement.

M. Seniority Lists

The Company shall make available to the 172
Local Union, lists showing the relative continuous service of each employee in each seniority unit. Such lists shall be revised by the Company from time to time, as necessary, but at least every six (6) months, to keep them reasonably up-to-date. The seniority rights of individual employees shall in no way be prejudiced by errors, inaccuracies, or omissions in such lists.

N. Interplant and Intraplant Transfers

1. It is recognized that new plant or depart- 173
ment capacities may be added or expanded, necessitating transfer of employees. It is agreed that problems arising out of the transfer of employees, or the retransfer of employees from new plants to the plants or departments from which they were originally transferred or the transfer of employees from discontinued depart-

ments or plants to new plants or departments are matters for which adjustment shall be sought between Management and the grievance committee or committees.

2. In the event the above procedure does not result in agreement, the International Union and the Company may work out such agreements as they deem appropriate irrespective of seniority agreements existing pursuant to Subsection L of this Section or may submit the matter to arbitration under such conditions, procedures, guides and stipulations as to which they may mutually agree.

SECTION VIII—ADJUSTMENT OF GRIEVANCES

A. The procedural steps for the settlement of grievances, hereinafter set forth, represent a general standard which may be modified at the plant by agreement between Management and the Union if the modifications agreed upon are in keeping with a procedure best suited for the orderly and expeditious settlement of grievances. It is agreed that the procedure provided in this Section if followed in good faith by both parties, is adequate for fair and expeditious settlement of any grievances arising. Grievances to be considered must be filed promptly after the occurrence thereof.

B. Should differences arise between the Company and the Union as to the meaning and application of the provisions of this Agreement or should any local trouble of any kind arise in the plant, there shall be no suspension of work on account of such differences, but an earnest effort shall be made to settle such differences promptly in the manner hereinafter outlined. Any grievance in the process of adjustment on the date of the execution of this Agreement shall be handled in accordance with the procedure herein outlined.

C. Grievance Procedure

Step 1

1. Any employee who believes that he has a justifiable request or complaint shall discuss the request or complaint with his foreman, with or without the grievance committeeman being present, as the employee may elect, in an attempt to settle same. However, any such employee may instead, if he so desires, report the matter directly to his grievance committeeman and in such event the grievance committeeman, if he believes the request or complaint merits discussion, shall take it up with the employee's foreman in a sincere effort to resolve the problem. The employee involved may be present in such discussion, if he so desires.

2. If the foreman and the grievance committeeman, after full discussion, feel the need for aid in arriving at a solution, they may by agreement, invite such additional Company or Union representatives from the plant as may be necessary and available to participate in further discussion, but such additional participants shall not relieve the foreman and grievance committeeman from responsibility for solving the problem.

3. If a complaint or request has not been satisfactorily resolved in Step 1, it can be presented in writing and processed in Step 2 if the grievance committeeman determines that it constitutes a meritorious grievance. If the complaint or request concerns only the individual or individuals involved, and its settlement will have no effect upon the rights of other employees, the individual or individuals involved may effectively request that the matter be dropped.

Step 2

A grievance, to be considered further must be filed in writing in triplicate with the Department

Superintendent on forms, furnished by the Company, promptly after the conclusion of the Step 1 discussions. It shall be dated and signed by the grievance committeeman or the employee (or other employees affected) and should include such information and facts as may be of aid to the Company and the Union in arriving at a fair, prompt and informed decision. The answer to the grievance shall be given within 72 hours from the time of presentation and shall be in writing on the grievance form. Such answer shall indicate the date the grievance form was received, shall be signed and delivered to the grievance committeeman.

Step 3

1. In order for a grievance to be considered further, it shall be presented by the Union for consideration of the Grievance Committee and the Director of Industrial Relations, or his representative or representatives, at the next special or regular meeting. The Grievance Committee along with the Local Union President (if he so desires) and the Director of Industrial Relations or his representatives shall hold regular monthly meetings at which, among other appropriate matters, pending grievances in Step 3 shall be discussed. Either party may call witnesses who are employees of the Company and attendance shall be limited to the time required for their testimony. 181

2. Grievances discussed and not settled in a regular or special Step 3 meeting shall be answered in writing by Plant Management within 5 days after the date of such meeting. 182

3. Grievances which allege violations directly affecting employees working under more than one foreman or Department Superintendent shall be filed initially in Step 3 and processed in accordance with the foregoing Step 3 procedure. 183

Step 4

1. In order for a grievance to be considered further, written notice of appeal shall be served, within 10 days after receipt of the Step 3 grievance answer by the Chairman of the Grievance Committee, by the representative of the International Union, certified to Management in writing, upon the representative of the Company, similarly certified to the Union by the Company. No employee grievances shall be permitted to progress into this Step without review by the District Union Executive. Such notice shall state subject matter of grievance, identifying number, and objections taken by either party to previous dispositions. 184

2. Discussion of the appealed grievance shall take place at the earliest date of mutual convenience following receipt of the notice of appeal, but not later than 30 days thereafter unless either party shall request in writing, with reasons therefor, that the meeting take place at a later date. 185

3. Grievances discussed in such meeting shall be answered, in writing, by the representative of the Company within 10 days after the date of such meeting. 186

4. Either party may request a further statement of facts to be made available no later than 3 days preceding the date set for the Step 4 meeting and either party may call witnesses whose attendance shall be restricted to the time required for their testimony. Except for witnesses, the Step 4 meetings shall be limited to the representatives of the Company and the representatives of the Union, unless otherwise mutually agreed upon in advance of the meeting. 187

5. Whenever either party concludes that further Step 4 meetings cannot contribute to the 188

settlement of a grievance, the dissatisfied party may, by written notice served on the other party within 30 days from receipt of the answered grievance from the last Step 4 meeting, appeal the grievance to arbitration.

D. Time Limits

1. The time limitations herein shall not include Saturdays, Sundays and holidays and may be extended at any step by mutual agreement of the representatives involved in such step. 189

2. If a grievance is not referred or appealed to the next step within the specified time limits, it shall be considered settled on the basis of the Company's answer, but such settlement shall not constitute a precedent in any other case. 190

3. If a grievance is not answered by the Company within the specified time limits, the Local Union Grievance Committee, in the first three steps and the International Representative of the Union in the fourth step, shall have the right to declare the grievance granted and, upon notification the Company shall comply therewith, but such settlement shall not constitute a precedent in any other case. 191

E. Arbitration

Step 5

1. Either party serving notice of appeal of a grievance to arbitration will submit with such notice a list of at least four arbitrators who are acceptable for hearing the case. 192

2. Upon receipt of the appeal and list of arbitrators, the other party will either accept one of the arbitrators or submit an alternate list for consideration by the party submitting the grievance to arbitration. 193

3. If the parties cannot agree on an arbitrator from either list, the parties shall request a list of seven recognized arbitrators from the Federal Mediation and Conciliation Service and shall alternately strike the names of arbitrators from the list. The remaining arbitrator not so stricken shall be requested to hear the case. 194

4. As part of the joint submission to arbitration, the arbitrator shall be requested to provide his award within 30 days following the hearing. 195

5. The arbitrator's decision shall be final and binding on both parties and his compensation and the expense of the hearing shall be borne equally by both parties. Awards or settlements of grievances may or may not be retroactive but in no event may any award in a continuing grievance be retroactive to a date earlier than 30 days prior to the date on which the grievance was filed unless otherwise provided in this Agreement. The arbitrator shall only have jurisdiction and authority to interpret, apply, or determine compliance with the provisions relating to wages, hours of work and other conditions of employment set forth in this Agreement together with those which are, or may hereafter be in effect at the plant of the Company, insofar as shall be necessary to the determination of such grievances arising hereunder, but the arbitrator shall not have jurisdiction or authority to add to, detract from, or alter in any way the provisions of this Agreement. 196

F. General Provisions Applying to Grievances

1. At all steps in the grievance procedure, and particularly at the Third Step and above, the grievant and the Union representatives should disclose to the Company representatives a full and detailed statement of the facts relied upon, the remedy sought, and the provisions of the Agreement relied upon. In the same manner, 197

Company representatives should disclose all the pertinent facts relied upon by the Company.

2. a. In order to avoid the necessity of filing numerous grievances on the same subject or event, or concerning the same alleged contract violation occurring on different occasions, a single grievance may be processed and the facts of alleged additional violations (including the dates thereof) may be presented in writing in the appropriate Step on a special form supplied by the Company. Such additional claims shall be filed promptly and be signed by each additional grievant. 198

b. When the original grievance is resolved in the grievance or arbitration procedure, the parties resolving such grievance (the Fourth Step representatives if resolved by arbitration) shall review such pending claims in the light of the decision in an effort to dispose of them. If any such claim is not settled, it shall be considered as a grievance and processed in accordance with the applicable procedure and the applicable time limitations. 199

3. Grievances which are not filed initially or discussed in the proper step of the grievance procedure may be referred to the proper step for discussion and answer by the Company and the Union representatives designated to handle grievances in such step. 200

G. Union Grievances

The grievance procedure may be utilized by the Union in processing grievances which allege a violation of the obligations of the Company to the Union as such. In processing such grievances, the Union shall observe the specified time limits in appealing and the Company shall observe the specified time limits in answering. In the event an employee dies, the Union may process on behalf of his legal heirs any claim he would have had relating to any monies due under any provision of this Agreement. 201

H. Company Grievances

The Grievance procedure may be utilized by the Company in processing Company grievances. In processing such grievances, the Company shall observe the specified time limits in appealing and the Union shall observe the specified time limits in answering. 202

I. Suspension of Grievance Procedure

It is further understood that an interruption or impeding of the work, stoppage or strike on the part of the Union or a lockout on the part of the Company, shall be a violation of this Agreement, and that under no circumstances shall the parties hereto discuss the grievance in question or any other grievances while the work interruption, impeding or suspension of work is in effect. It is further agreed that, if this procedure is not followed and as a result of such failure an interruption or impeding of the work, stoppage or strike occurs, the offending person or persons refusing to resume normal work may be suspended and later discharged from the employ of the Company in accordance with Section X of this Agreement, provided, however, that prior to such discharge the Company will provide a list of names, check numbers and addresses of employees considered by it to be involved to the representatives of the Union in the District in which the plant is located. 203

J. Waiver of Grievance Procedure

Notwithstanding the procedure herein provided any grievance may be submitted to arbitration at any time by agreement of the parties to this Agreement. 204

K. Access to the Plant

The District Director and the representative of the Union who customarily handles griev- 205

ances in Step 4 shall have access to the plant subject to established rules of the plant, at reasonable times to investigate grievances with which he is concerned.

L. Union Grievance Committee

1. The Grievance Committee for the plant shall consist of not less than three (3) and not more than eight (8) employees, designated by the Union who will be afforded such time off without pay as may be required, except when meeting is called by Management, to: 206

a. Attend regularly scheduled committee meetings, 207

b. Attend meetings pertaining to discharge or other matters which can not reasonably be delayed until the time of the next scheduled meeting, and 208

c. Visit departments other than their own at all reasonable times, only for the purpose of handling grievances, after notice to the head of the department to be visited and permission from their own departmental superintendent. 209

2. The parties agree that in the interest of proper disposition of grievances, there may be appointed representative stewards who shall aid the Grievance Committee in the prompt handling of grievances. The stewards shall be permitted to represent employees up to and including Step 2 only, in the procedure for the adjustment of grievances, set forth in this section, and will be afforded such time off without pay, as may be required. 210

SECTION IX—MANAGEMENT

The Management of the works and the direction of the working forces, including the right to hire, suspend or discharge for proper cause, and 211

the right to relieve employees from duty because of lack of work or for other legitimate reasons, is vested exclusively in the Company, provided that this will not be used for purposes of discrimination against any member of the Union. The Company in the exercise of its rights shall observe the provisions of this Agreement.

SECTION X—SUSPENSION AND DISCHARGE CASES

A. In the exercise of its rights as set forth in Section IX—Management, Management agrees that a member of the Union shall not be peremptorily discharged or suspended for a period of five (5) days or more from and after the date hereof, but that in all instances in which Management may conclude that an employee's conduct may justify discharge or suspension of five (5) days or more, he shall first be suspended for a period of five (5) calendar days and given written notice of such action. A copy of such notice shall be furnished to the employee's Grievance Committeeman as soon as practicable. 212

B. During this period of initial suspension, the employee may, if he believes that he has been unjustly dealt with, request a hearing and a statement of the offense before his department head with his steward or grievance committeeman present as he may choose, or the General Superintendent or the Manager of the plant with or without the members of the Grievance Committee present, as he similarly may choose. At such hearing, the facts concerning the case shall be made available to both parties. 213

C. After such hearing, or if no such hearing is requested, Management shall conclude whether the suspension shall be converted into discharge, or, dependent upon the facts of the case, that such suspension shall be extended, reduced, sus- 214

tained or revoked. If the suspension is revoked, the employee shall be returned to employment and receive full compensation at his regular rate of pay for the time lost. In the event the disposition shall result in either the affirmation or extension of the suspension or discharge of the employee, the employee may within five (5) days after such disposition allege a grievance, which shall be filed in Step 3 in accordance with the procedure of Section VIII—Adjustment of Grievances. Final decision on all suspension or discharge cases shall be made by the Company within five (5) days from the date of filing the grievance, if any.

D. Should it be determined by the Company 215
after the hearing or by an arbitrator in accordance with Step 5 of the Grievance Procedure that the employee has been discharged or suspended unjustly, or that the penalty should be modified, the Company shall reinstate the employee and pay full compensation at the employee's regular rate of pay for the time lost in accordance with such determination.

E. If such initial suspension is for not more 216
than four (4) calendar days and the employee affected believes that he has been unjustly dealt with, he may file a grievance and have it processed in accordance with Section VIII—Adjustment of Grievances.

F. Reports covering disciplinary penalty of 217
four days' suspension or less of an employee will not be held against any such employee who has a clean record for at least two years following the date of his last disciplinary report.

SECTION XI—MILITARY SERVICE

A. Re-employment

1. Except as shall be otherwise provided by 218
law or by agreement in writing between the

parties hereto, should any employee other than temporary employees at the plant, who has entered or shall enter the military, naval, or merchant marine service of the United States, be honorably discharged from such service and shall within ninety (90) days after he is relieved from such service or in the case of disabled veterans within ninety (90) days after the completion of hospitalization continuing after discharge, apply to the Company in writing for reemployment at such plant for the purposes of Section VII—Seniority, his record of continuous service at that plant shall be deemed not to have been broken by his absence on such military, naval, or merchant marine service, and on the basis of said seniority, (determined in accordance with the provisions of said Section VII) he shall be entitled to reemployment at such plant, if and when work which he is qualified to perform is available in such plant to a position, wage rate and status which he would have reached in normal job and wage progression had he not left the Company for such services and he shall be given preference over any other employee with less seniority as so determined by said Section VII. Should the employee be unable to perform the job to which he is thereby entitled, he shall be granted a reasonable program of training so that he may have the opportunity to perform the work required. If an employee so applying for reemployment shall so request, he shall be granted a leave of absence without pay not to exceed sixty (60) days before he returns to work. The above provisions shall not apply where employee enlists or reenlists during a period other than a national emergency.

2. Any employee entitled to reinstatement 219
under this Section who applies for reemployment and who desires to pursue a course of study in accordance with the Federal law granting him such opportunity before or after returning to

his employment with the Company, shall be granted a leave of absence for such purpose. Such leave of absence shall not constitute a break in the record of continuous service of such employee, but shall be included therein provided the employee reports promptly for reemployment after the completion or termination of such course of study. Any such employee must notify the Company and the Union in writing at least once each year of his continued interest to resume active employment with the Company upon completing or terminating such course of study. Any employee entitled to reinstatement under this Section who entered the armed forces of the United States and who returns with service connected disability incurred during the course of his service shall be assigned to any vacancy which shall be suitable to such impaired condition during the continuance of such disability irrespective of seniority; provided, however, that such impairment is of such a nature as to render the veteran's returning to his own job or department onerous or impossible; and provided further that the veteran meets the minimum physical requirements for the job available or for the job as Management may be able to adjust it to meet the veteran's impairment.

B. Vacations

1. If an employee who would otherwise have 220
been entitled to a vacation with pay, or in lieu thereof to vacation allowance, under the provisions of SectionVI—Vacations, during the calendar year in which he shall enter the military, naval or merchant marine service of the United States before he shall have accepted vacation allowance in lieu of vacation, he shall be paid an amount equal to the vacation pay which he would have been entitled to receive for the period of such vacation.

2. An employee who, after being honorably 221
discharged from military, naval, or merchant marine service of the United States, is reinstated pursuant to this Section XI, shall be entitled to a vacation with pay or in lieu thereof to vacation allowance in and for the calendar year in which he is reinstated in accordance with the provisions of Section VI.

C. Advisory Committee

A committee consisting of equal representa- 222
tives of the Company and the Union shall be established in the plant for the purpose of advising on problems relating to reemployment and readjustment of returning service personnel.

SECTION XII—HOLIDAYS

A. 1. The following days shall be considered 223
holidays:

New Year's Day	July 4th
Good Friday	Labor Day
Decoration Day	Thanksgiving Day
Christmas	

2. For all hours worked by an employee on any 224
of the holidays specified above, overtime shall be paid at the overtime rate of two and one-fourth times his regular rate of pay.

3. The holiday shall be the 24-hour period be- 225
ginning at the turn-changing hour nearest to 12:01 a.m. of the holiday. If any of these holidays shall fall on a Sunday, the following Monday (and not such Sunday) shall be observed.

B. 1. Effective as of the date of this Agree- 226
ment, an eligible employee who does not work on a holiday listed above shall be paid 8 times the applicable hourly rate of the job to which he is regularly assigned, exclusive of shift and over-

time premiums (in the case of an employee who is on an incentive basis, the employee's average hourly earnings exclusive of shift and overtime premiums for the pay period in which the holiday is observed shall be used); provided, however, that if an eligible employee is scheduled to work on any such holiday but fails to report and perform his scheduled or assigned work, he shall become ineligible to be paid for the unworked holiday, unless he has failed to perform such work because of sickness or because of death in the immediate family or because of similar good cause.

2. As used in this Section, an eligible employee is one who: 227

a. has worked 30 working days since his last hire;

b. performs work in the pay period in which the holiday is observed (or the next preceding pay period), except where he has not performed work in the pay period because of sickness, disability or layoff, but has worked or is on vacation in both the pay period preceding and the pay period following the holiday pay period; and 228

c. works as scheduled or assigned both on his last scheduled workday prior to and his first scheduled workday following the day on which the holiday is observed, unless he has failed to work because of sickness or because of death in the immediate family or because of similar good cause. 229

3. a. An eligible employee who would otherwise be entitled to pay for an unworked holiday and who shall be scheduled pursuant to the provisions of Section VI to take a vacation during a period when a holiday occurs, shall be paid for the unworked holiday in addition to his vacation pay. 230

b. The provisions of Section XII-B-3-a shall apply to (1) an employee whose vacation has been scheduled prior to his layoff and who thereafter is laid off and takes his vacation as scheduled, or (2) an employee who is not at work at the time his vacation is scheduled, but who thereafter returns to work and then is absent from work during a holiday week because of his scheduled vacation. An employee who is not at work at the time of scheduling his vacation and is not working at the time his vacation commences is not eligible for holiday pay for a holiday occurring during his vacation within the meaning of Section XII-B-2-b or Section XII-B-3-a. 231

C. In determining whether an employee has worked on more than five days in any week for the purposes of Section D, a holiday occurring in such week shall be considered as a day worked by him whether or not he shall have worked on such holiday and regardless of whether it was scheduled as a day of work or a day of rest; provided, however, that if he shall have been scheduled to work on such holiday and shall have failed to perform the work to which he was assigned on such day, such holiday shall not be considered as a day worked by him. 232

D. If an eligible employee performs work on a holiday, but works less than 8 hours, he shall be entitled to the benefits of this section to the extent that the number of hours worked by him on the holiday is less than 8. This section applies in addition to the provisions of Section E of Section IV where applicable. 233

SECTION XIII—SAFETY AND HEALTH

A. Objective and Obligation of the Parties

The Company and the Union will cooperate in the continuing objective to eliminate accidents and health hazards. The Company shall continue 234

to make reasonable provisions for the safety and health of its employees at the plant during the hours of their employment.

B. Protective Devices, Wearing Apparel and Equipment

Protective devices, wearing apparel and other 235
equipment necessary to protect properly the employees from injury shall be provided by the Company in accordance with practices now prevailing in each separate department or as such practices may be improved from time to time by the Company. Goggles; gas masks; face shields; safety glasses; respirators; special purpose gloves; fire-proof, water-proof or acid-proof protective clothing, when necessary and required shall be provided by the Company without cost, except that the Company may assess a fair charge to cover loss or willful destruction thereof by the employee. Where any such equipment or clothing is now provided, the present practice concerning charge for loss or willful destruction by the employee shall continue. Proper heating and ventilating systems shall be installed where needed.

C. Joint Safety Committee

1. A safety committee consisting of three 236
employees designated by the Union and three Management members designated by the Company shall be established in the plant. The safety committee shall hold monthly meetings at times determined by the committee, preferably outside of regular working hours. Time consumed on committee work by committee members designated by the Union shall not be considered hours worked to be compensated by the Company. The function of the safety committee shall be to advise with plant Management concerning safety and health matters but not to handle grievances. In the discharge of its function, the safety committee shall: consider existing practices and rules relating to safety and health, formulate suggested changes in existing practices and rules and recommend adoption of new practices and rules. When the Company introduces new personal protective apparel or extends the use of protective apparel to new areas or issues new rules relating to the use of protective apparel, the matter will be discussed with the members of the safety committee in advance with the objective of increasing cooperation. Advice of the safety committee, together with supporting suggestions, recommendations and reasons, shall be submitted to the Plant General Superintendent for his consideration and for such action as he may consider consistent with the Company's responsibility to provide for the safety and health of its employees during the hours of their employment and the mutual objectives set forth in Subsection A.

2. In the event the Company requires an em- 237
ployee to testify at the formal investigation into the causes of a disabling injury, the employee may arrange to have the Union Co-chairman of the safety committee or the Union member of such committee designated by the Union Co-chairman to act in his absence, present as an observer at the proceedings for the period of time required to take the employee's testimony. The Union Co-chairman will be furnished with a copy of such record as is made of the employee's testimony.

SECTION XIV—SEVERANCE ALLOWANCE

A. Conditions of Allowance

When in the sole judgment of the Company, it 238
decides to close the plant permanently or discontinue permanently a department of the plant or a substantial portion thereof and terminate the employment of individuals, an employee whose

employment is terminated either directly or indirectly as a result thereof because he was not entitled to other employment with the Company under the provisions of Section VII—Seniority, of this Agreement and Paragraph B-2 below, shall be entitled to a severance allowance in accordance with and subject to the following provisions.

B. Eligibility

1. a. Such an employee to be eligible for a 239
severance allowance shall have accumulated 3 or more years of continuous Company service as computed in accordance with Section VII—Seniority, of this Agreement.

b. In lieu of severance allowance, the Company 240
may offer an eligible employee a job in at least the same job class for which he is qualified in the same general locality. The employee shall have the option of either accepting such new employment or requesting his severance allowance. If an employee accepts such other employment, his continuous service record in the new department shall be deemed to have commenced as of the date of the transfer, except that for the purposes of severance pay under this Section and for the purposes of Section VI —Vacation, his previous continuous service record shall be maintained and not be deemed to have been broken by the transfer.

2. As an exception to Paragraph 1 above, an 241
employee otherwise eligible for severance pay who is entitled under Section VII—Seniority, to a job in at least the same job class shall not be entitled to severance pay whether he accepts or rejects the transfer. If such transfer results directly in the permanent displacement of some other employee, the latter shall be eligible for severance pay provided he otherwise qualifies under the terms of this Section.

C. Scale of Allowance

An eligible individual shall receive severance 242
allowance based upon the following weeks for the corresponding continuous Company service:

Continuous Company Service	Weeks of Severance Allowance
3 years but less than 5 years	4
5 years but less than 7 years	6
7 years but less than 10 years	7
10 years or more	8

D. Calculation of Allowance

A week's severance allowance shall be deter- 243
mined in accordance with the provisions for calculation of vaction pay as set forth in Subsection C of Section VI—Vacations.

E. Non-Duplication of Allowance

Severance allowance shall not be duplicated 244
for the same severance whether the other obligation arises by reason of contract, law or otherwise. If an individual is or shall become entitled to any discharge, liquidation, severance or dismissal allowance or payment of similar kind by reason of any law of the United States of America or any of the states, districts, or territories thereof subject to its jurisdiction, the total amount of such payments shall be deducted from the severance allowance to which the individual may be entitled under this Section, or any payment made by the Company under this Section may be offset against such payments. Statutory unemployment compensation payments shall be excluded from the nonduplication provisions of this paragraph.

F. Election Concerning Layoff Status

Notwithstanding any other provision of this 245
Agreement, an employee who would otherwise

have been terminated in accordance with the applicable provisions of this Agreement and under the circumstances specified in Section XIV-A may, at such time elect to be placed upon layoff status for 30 days or to continue on layoff status for an additional thirty days if he had already been on layoff status. At the end of such 30-day period, he may elect to continue on layoff status or to be terminated and receive severance allowance if he is eligible to any such allowance under the provisions of Section XIV; provided, however, if he elects to continue on layoff status after the 30-day period specified above, and is unable to secure employment with the Company within an additional 60-day period, at the conclusion of such additional 60-day period, he may elect to be terminated and receive severance allowance if he is eligible for such allowance. Any Supplemental Unemployment Benefit payment received by him for any period after the beginning of such 30-day period shall be deducted from any such severance allowance to which he would have been otherwise eligible at the beginning of such 30-day period.

G. Payment of Allowance

Payment shall be made in a lump sum at the 246
time of termination. Acceptance of severance allowance shall terminate employment and continuous service for all purposes under this agreement.

SECTION XV—SAVINGS AND VACATION PLAN

A. Purpose

The purpose of this plan is to provide em- 247
ployees with savings and supplemental vacation and retirement benefits, to the extent funds are available as set forth herein.

B. Financing

1. The Company will establish a Financial 248
Availability Account to be used in determining the amount of monies to be applied to provide benefits under this plan. The Financial Availability Account will accrue at the rate of three cents for each hour worked for the Company after June 30, 1962, by each employee.

2. There shall be an added accrual to the Fi- 249
nancial Availability Account of amounts made available in the following manner:

a. For the month of July 1962 and each 250
month thereafter, if under the SUB Plan the amount required to raise total finances to maximum financing is less than the Company's maximum monthly obligation under that plan, there shall be available for accrual an amount calculated by multiplying the total hours worked by employees covered by this Savings and Vacation Plan in such month by the lesser of (1) 4.5 cents and (2) the difference between 9.5 cents and the amount per contributory hour required to raise total finances of the SUB Plan to maximum financing.

b. The accrued amount determined in a. above 251
shall in no event be in excess of the amount required to provide (1) benefits to individuals then entitled because of retirement to benefits based on their retirement units and vacation units and (2) vacation benefits to employees having at least one full vacation unit as of the current or next preceding calculation date.

c. Any amounts which would have been ac- 252
crued to the Financial Availability Account pursuant to a. above except for the provision of b. above, and which were therefore added to the total finances of the SUB Plan, and which have not been used for payment of benefits under that plan, shall be accrued to

the Financial Availability Account and deducted from the total finances of the SUB Plan to the extent then needed for the provision of retirement and vacation benefits.

3. There will also be accrued to the Financial 253
Availability Account any interest or other income that may be earned on any funds that may be established under the plan except fund earnings accruing to savings benefits in accordance with Subsection H-3.

4. The Financial Availability Account will be 254
the sole determinant of the amount of monies to be applied to provide benefits to which employees become entitled hereunder. The Company shall deposit in a fund or funds established under this plan the amounts of all benefits elected by employees under options 1-b and 1-c of Subsection H and the amounts payable under Subsection E hereof. The Company will determine its method of financing all other benefits provided under this plan. The monies in funds established under this plan shall be used exclusively for the purpose of paying benefits hereunder.

C. Retirement Units

Each employee who has or shall have continuous service for pension purposes (hereinafter referred to as continuous service) as of March 1, 1962, shall be credited with retirement units at the rate of one for each 5 years of continuous service prior to January 1, 1961. 255

D. Vacation Units

1. Each employee having two or more years of 256
continuous service as of December 31, 1962, shall be credited with one vacation unit.

2. Each employee having less than two years 257
of continuous service as of December 31, 1962,

shall be credited with one-quarter of a vacation unit for each full six months of continuous service up to that date.

3. Each employee retiring in the period March 258
1, 1962, through December 31, 1962, shall have one-quarter vacation unit for each full six months of continuous service between December 31, 1960, and the date of retirement.

4. During each two-calendar-year period be- 259
ginning January 1, 1963, (i.e., 1963-1964, 1965-1966, etc.) each employee shall be credited with one-quarter of a vacation unit for each full 15 weeks in each of which he has one or more credited hours as defined in the SUB Plan, up to a maximum of 60 such weeks in each such period. Subsequent to December 31, 1962, no vacation units shall be credited to any employee for any week after he has attained age 65 and is eligible to retire on pension.

E. Benefits on Retirement

1. Each employee (other than an employee re- 260
tiring on a deferred vested pension) who, after March 1, 1962, a. retires at or after age 65 or b. retires on immediate pension or elects a deferred regular pension prior to age 65 shall become entitled as of the date of retirement to a single lump sum payment based on the following:*

*(When the status of the Financial Availability Account for any period is insufficient to allow for the payment of all benefits for retirement, such payments shall be made to retirees in the order of retirement dates (and continuous service if necessary). The retirement benefits carried over to a later period shall be paid as soon as the status of the Financial Availability Account permits, using the retirement dates (and continuous

service if necessary) to determine the order of payment. In case the Company has unpaid retirement benefits as of January 31, 1963, this provision shall be modified to provide a three-month delay on the 10% reduction provision. The application of the 10% reduction provision will continue to be delayed until the end of such period in which amounts are available to pay all retirement benefits then payable.)

a. For each retirement unit, an amount equal to a week of vacation pay as calculated for his 1960 vacation and for a fraction of a unit, that fraction of such pay. (If the employee was not entitled to a 1960 vacation, the vacation pay as calculated for his vacation in the next year before 1960 in which he was entitled to a vacation, adjusted by any intervening general wage changes prior to 1960, shall be used.) Such amount shall be reduced by 10% for each full 3 months after the latest of: 261

(1) December 31, 1962, 262

(2) The end of the month in which the employee reaches age 65, or 263

(3) The end of the month in which the employee becomes eligible to retire on pension. 264

b. For each uncancelled vacation unit (or fraction thereof) an amount calculated at the rate of vacation pay he would receive if then entitled to use such units for vacation benefits under this program. 265

c. The balance of any unused vacation benefits as provided in Subsection H hereof. 266

2. The employee may, prior to retirement, in writing on a form to be made available to him by the Company, elect to delay the withdrawal of his retirement benefits hereunder to the year following his retirement. Such election shall be irrevocable. 267

F. Entitlement to Vacation Benefits

1. As of January 31, 1963, and as of the last day of every third month thereafter (the calculation date), the Company shall, as soon as practicable thereafter, determine the status of the Financial Availability Account after provision for all retirement benefits for retirements on or before that day. Employees shall then become entitled, in the order of their continuous service (or such service as at the point of a break in service for pension purposes), to vacation benefits aggregating the total of the amount of such account. No employee shall be entitled to a vacation benefit unless he has a full vacation unit. One vacation unit shall be cancelled for each week of vacation benefit to which an employee shall become entitled. 268

2. A vacation benefit cycle will start February 1, 1963. During this cycle, each employee having one or more vacation units shall be entitled to only one week of vacation benefit hereunder. After all employees having one or more vacation units have become entitled to one week of vacation, that cycle will end and a second cycle will start. In the second and any succeeding cycle, each employee shall be entitled to weeks of vacation benefits equal to the number of weeks of vacation benefits to which the employees under age 65 having the greatest continuous service are entitled at the beginning of that cycle or such fewer weeks as his vacation units then entitle him to. Each cycle will end when the employee with the least continuous service having one or more vacation units becomes entitled to a vacation benefit in that cycle. 269

G. Amount of Vacation Benefits

The amount payable for each week of vacation benefit shall be equal to the amount of vacation pay the employee was entitled to for each week 270

of his last regular vacation (the vacation under the vacation section of this agreement) prior to the date he becomes entitled to such vacation benefit. If an employee was not entitled to a regular vacation in the calendar year in which he becomes entitled to a vacation benefit under this plan or the prior calendar year, the amount payable shall be adjusted by any intervening general wage changes. An employee who is entitled to more than one vacation benefit will receive each benefit on a last-in, first-out basis.

H. Vacation Option

1. An employee who has been notified that he has become entitled to any vacation benefit shall have 90 days in which to elect in writing, on a form to be made available to him by the Company, one of the following options with respect to each week of such benefit 271

a. The employee may elect to take any week or weeks of vacation benefit as current vacation. Such current vacation shall be scheduled by management in the Calendar year in which he becomes entitled to the benefit or the succeeding calendar year in accordance with Subsection I. 272

b. (1) The employee may elect to take any week or weeks of vacation benefit as delayed vacation to be taken no earlier than twenty-four months from the date upon which he became entitled to such vacation benefit. 273

(2) In order to take a delayed vacation in a particular year thereafter, he must notify the Company in writing on a form to be made available to him by the Company, of his intent to take such vacation, not less than one month prior to the date established by the Company for scheduling regular annual vacations for that year. Such vacation shall be scheduled by 274

Management in the calendar year requested by the employee or in the succeeding calendar year in accordance with Subsection I.

c. (1) The employee may elect to defer receipt of any week or weeks of vacation benefit until retirement, at which time payment will be made in a lump sum. The benefit will be increased (from date of election of this option up to the earliest of retirement, attainment of age 65 or withdrawal as provided below) by 3% per annum compounded annually or such lower rate as may be earned by the fund established to provide such benefits. As an alternative, the Company may invest the amount of such benefit in Government E Bonds, or their equivalent, for the account of the individual as funds are available to purchase such bonds in individual units ($18.75 in the case of E Bonds). At date of payment, such bonds will be turned over to the individual together with any uninvested cash held for his account. 275

(2) If the employee makes no election within 90 days from the date of the notification to him, he is deemed to have elected option a. above. An employee who elects option b. can at a later date, but not after such vacation has been scheduled, change his election to option c. All elections of option c. are irrevocable. 276

(3) Any unused vacation benefits under options a., b., or c. shall be payable in whole or in part, upon application, in the event of unemployment after exhaustion of SUB or in the event of illness or other major hardship (benefits to be spread over weeks on some reasonable basis) or in a single lump sum in the event of a break in continuous service, including death. 277

I. Timing of Vacation Benefits

Vacations provided in Subsection H may be scheduled by Management at any time during a 278

calendar year. Vacations provided in Subsection H will be scheduled with preference to the desires of the employees having greatest continuous service. Not more than two weeks of vacation arising under this plan may be taken in any one calendar year. An employee may, upon request and if operations permit, take any full weeks of his regular annual vacation in conjunction with vacation scheduled under this Plan.

J. No Effect on Pension Calculations

Benefits paid on retirement as provided in 279
Subsection E shall not be included in calculating average earnings for the purpose of the Pension Program.

K. Government Rulings

Continuation of this Plan beyond February 1, 280
1963, shall be subject to securing, prior to that date, appropriate rulings with respect to tax laws and the Fair Labor Standards Act.

L. Reports

The Union shall be furnished, on forms and 281
at times to be agreed upon, such information as may be reasonably required to enable the Union to be properly informed concerning the operation of the Plan.

SECTION XVI—SUPPLEMENTAL UNEMPLOYMENT BENEFITS PROGRAM

A. Description of Plan

The Supplemental Unemployment Benefit 282
Plan effective July 1, 1962, (the Plan) is contained in a booklet entitled "Supplemental Unemployment Benefit Plan, as revised July 1, 1962", a copy of which will be provided each

employee. The booklet constitutes a part of this Section as though incorporated herein.

B. Coverage

1. The Plan shall, for the period specified 283
in the termination provisions of this Agreement, be applicable to the employees represented by the Union.

2. The Plan, without change, may be appli- 284
cable to such other groups of employees of the Company who are entitled to overtime compensation on the basis of law, contract or custom as were covered on June 30, 1962 by the Prior Plan (the Supplemental Unemployment Benefit Plan in effect prior to July 1, 1962) and to any other such group, and under such conditions, as the Company and the Union may agree. Any modification of the Plan necessitated by the requirements of federal or state law shall also apply to such other groups to which it is applicable.

3. There shall be one trust fund under the 285
Plan applicable to all employees covered by the Plan, and any determinations under the Plan will be based on the experience with respect to everyone covered thereby.

C. SUB Grievances

1. The following procedure shall apply only 286
to disputes concerning the Supplemental Unemployment Benefit Plan.

2. If any difference shall arise between the 287
Company and any employee as to the benefits payable to him pursuant to this Section or between the Company and the Union as to the interpretation or application of or compliance with the provisions of this Section, and such difference is not resolved by discussion with a

representative of the Company, it shall if presented in writing under the following provisions, become a SUB grievance and it shall be disposed of in the manner described below:

a. Any SUB grievance (hereinafter referred to as grievance) must, in order to be considered, be presented in writing within 30 days after the action giving rise to such difference on a form to be furnished by the Company which shall be dated and signed by the employee involved and the representative designated by the Local Union to handle such grievances and presented to a representative of the Company designated to receive and handle such grievances. The grievance shall be discussed by such representatives within 10 days after it has been presented to the representative of the Company. The representative of the Company shall note in the appropriate place on the form his disposition of the grievance, his reasons therefor and the date thereof and shall return two copies of the form to the local representative of the Union within 10 days after the date on which it was last discussed by them unless he and the local representative of the Union agree otherwise. If the answer given by the Company representative is not satisfactory, the grievance will be presented at the next regular monthly Step 2 grievance meeting and will be processed in accordance with the grievance procedure outlined in Section VIII of this Agreement. 288

2. The Arbitrator to whom an SUB grievance is submitted in accordance with the foregoing procedure shall be the Arbitrator appointed by the so-called "coordinating companies" and the Union to decide all SUB grievances. 289

3. The Arbitrator shall, insofar as it is necessary to the determination of the matter, have authority to interpret and apply the provisions of this Section, but he shall not have authority to alter in any way any of those provisions. 290

4. The decision of the Arbitrator on any grievance which has properly been referred to him shall be final and binding upon the Company, the Union and all employees involved in the grievance. 291

5. The fees and expenses of the Arbitrator shall be shared equally by the Company and the Union. 292

D. Reports to the Union

The Company will provide the Union with information on the forms agreed to by the parties and at the times indicated thereon, and such additional information as will reasonably be required for the purpose of enabling the Union to be properly informed concerning operations of the Plan. 293

E. Possible Additions to and Transfer from Total Finances

Notwithstanding the provisions of Paragraph 8.3 of the booklet, there shall be added to total finances of the Plan as contingent liability (in addition to the contingent liability referred to in such Paragraph 8.3, for benefit purposes only, and not for contributions purposes) and subsequent transfer as required to the Financial Availability Account provided in Section XV—Savings and Vacation Plan, the excess of 1. the difference between the Company's maximum monthly obligation under the Plan and the amount required to raise total finances of the Plan to maximum financing (but such difference shall be limited to 4.5 cents per hour worked by employees covered by the Savings and Vacation Plan) over 2. the amount 294

of such difference then transferred to the Financial Availability Account under the Savings and Vacation Plan.

SECTION XVII—HUMAN RELATIONS COMMITTEE

A. The Company and the Union agree to establish as a separate Company-Union committee, the Union members to be appointed by the District Director of District 19, a new committee under the name Human Relations Committee. In so doing the parties are mindful of the Human Relations Committee existing among the Union and the so-called coordinating companies and the parties hereby confirm their intention, through the Human Relations Committee hereby agreed to be established by the parties, to review and where applicable to adopt and adapt by appropriate transposition the solutions reached by such other Human Relations Committee with respect to the areas to be covered by such other committee. 295

B. With specific reference to the CWS Manual study, the parties confirm their intention, through their Human Relations Committee and the Plant Union Committee on Job Classifications to review and where applicable to adopt and adapt by appropriate transposition the updated manual agreed to as the result of the studies of the other committee and the same will be currently applicable (without retroactivity) to the description and classification of jobs newly established or changed after the date of agreement on the new Manual. The new Manual shall also be applied to other jobs to the same extent as it is applied pursuant to the studies of the other Committee. 296

C. In the event the studies provided by the other Human Relations Committee concerning 297

1. wage incentives, 2. medical care, 3. statistical materials necessary or appropriate for effective collective bargaining, 4. training, 5. up-dating of the CWS manual, 6. contracting out, 7. scheduling, 8. performance of work by supervisory employees, 9. assignment of work outside the bargaining unit, 10. scheduling of vacation, 11. creation of employment opportunities through longer vacation and 12. such other overall problems as may by mutual agreement from time to time be referred to such Committee, have not been completed and mutually satisfactory solutions to such problems have not been reached by the so-called coordinating companies by May 1, 1963 and any of such matters are made the subject for collective bargaining by the said so-called coordinating companies in accordance with the reopening provisions of their Basic Agreements, such matters may also be made the subject for collective bargaining between the parties hereto, if either party so elects in accordance with the reopening provisions of this Basic Agreement.

SECTION XVIII—OTHER AGREEMENTS

A. Pensions

Pension benefits are provided for pursuant to a separate agreement between the Company and the Union and the same shall be amended as is provided in said Pension Agreement between the parties bearing even date herewith. 298

B. Insurance

Insurance benefits are provided for pursuant to a separate agreement between the Company and the Union and as set forth on the attached supplemental insurance agreement between the parties bearing even date herewith. 299

C. Prior Agreements

1. The terms and conditions established by this Agreement replace those established by the Agreement of May 10, 1960, effective as of July 1, 1962 except as otherwise expressly provided in this Agreement. 300

2. Any grievance which as of the effective date of this Agreement has been presented in writing and is in the process of adjustment under the grievance procedure of the May 10, 1960 Agreement may be continued to be processed under the grievance and arbitration procedures of this Agreement and settled in accordance with the applicable provisions of the applicable prior Agreement for the period prior to the effective date of this Agreement and for any period thereafter in accordance with the applicable provisions of this Agreement. 301

3. Any grievance filed on or after the effective date of this Agreement which is based on the occurrence or nonoccurrence of an event which arose prior to the effective date of this Agreement must be a proper subject for a grievance under this Agreement and processed in accordance with the grievance and arbitration procedures of this Agreement. Such grievance shall be settled in accordance with the applicable provisions of the May 10, 1960 Agreement for the period prior to the effective date of this Agreement, and for any period thereafter in accordance with the applicable provisions of this Agreement. 302

SECTION XIX—TERMINATION DATE

A. Except as otherwise provided below, this Agreement shall terminate 90 days after either party shall give written notice of termination to the other party, but in any event shall not 303

terminate earlier than June 30, 1964. Promptly after such notice is given, the parties shall meet to discuss the terms and conditions of a new Basic Agreement.

B. Notwithstanding the provisions of this or any other Agreements in effect between the parties, either party may, not earlier than May 1, 1963, give 90 days' prior written notice to the other party of its desire to negotiate with respect to 1. wage rates, 2. insurance, 3. pensions, 4. the matters referred to in Section XVII of this Agreement; provided, however, that any such notice served prior to May 1, 1963 will be deemed to have been given on May 1, 1963. Promptly after such notice is given, the parties shall meet to discuss such matters, and if the parties shall not reach agreement thereon by the 90th day following the giving of such notice, they shall be free to strike or lockout in support of their position with respect to such matters (and no others) notwithstanding the provisions of any other agreements in effect between the parties. 304

C. Notwithstanding any other provisions of this Agreement, or the termination of any or all other portions hereof, Section XV—Savings and Vacation Plan, and Section XVI—Supplemental Unemployment Benefits Program, shall remain in effect until midnight of December 31, 1965, and thereafter, subject to termination on 90 days' prior written notice by either party served on or after April 1, 1965, provided that any notice given prior to April 1, 1965 shall be deemed to have been given on that date. If such notice is given, the parties shall meet within 30 days after the date thereof to negotiate with respect to such matter and, if the parties shall not agree with respect to such matter by midnight of the 90th day after the date of such notice, either party may thereafter 305

...t to strike or lockout, as the case may be, ...support of its position with respect to such ...natter, the provisions of any other agreement between the parties notwithstanding.

D. Notwithstanding the foregoing paragraphs A, B, and C, it is agreed that if the United States Steel Corporation has not reached agreement with the Union by 30 days prior to any of the strike or lockout dates of its collective bargaining agreement dated April 6, 1962, the corresponding strike or lockout date of this Agreement shall be extended to a date 30 days following the date upon which the United States Steel Corporation and the Union reach agreement. The effective date of any new contract terms or conditions between the Company and the Union shall, wherever appropriate, be the same as the effective date of such agreement reached by the United States Steel Corporation and the Union. 306

E. Any notice to be given under this Agreement shall be given by registered mail; be completed by and at the time of mailing; and, if by the Company, be addressed to the United Steelworkers of America, Commonwealth Building, Pittsburgh, Pennsylvania, and if by the Union, to the Company at 2626 Ligonier Street, Latrobe, Pennsylvania. Either party may, by like written notice change the address to which registered mail notice to it shall be given. 307

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

UNITED STEELWORKERS OF AMERICA

David J. McDonald, President
I. W. Abel, Secretary-Treasurer
Howard Hague, Vice-President
Wm. J. Hart, Director, District 19
Raymond Hearn, Staff Representative
John J. Kish
Joseph A. DeFail
Clyde L. Noel
Lyle Lowman
George Smetak
William J. Angus

LATROBE STEEL COMPANY

J. E. Workman, President
W. C. Stonehouse, Jr., Director of Industrial Relations

PENSION

AND

INSURANCE AGREEMENTS

BETWEEN

LATROBE STEEL COMPANY

AND THE

UNITED STEELWORKERS
OF AMERICA

1962

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PENSION AGREEMENT

AGREEMENT dated July 26, 1962 (hereafter referred to as the 1962 Pension Agreement) between Latrobe Steel Company of Latrobe, Pennsylvania, or its successor, (hereinafter referred to as the "Company") and The United Steelworkers of America, or its successor, (hereinafter referred to as the "Union").

The parties agree as follows:

1. Wherever used herein, the term

(a) "Basic Agreement" means the labor agreement between the Company and the Union (applicable to the hourly rated production and maintenance employees at the Latrobe Steel Company at its plant at Latrobe, Pennsylvania), or any successor agreement between the Company and the Union which is, during the life of this Pension Agreement, applicable to such employees.

(b) "Employee" means any employee of the Company who from time to time during the term of this Agreement shall be in the bargaining unit covered by the Basic Agreement and shall include an employee whose continuous service as of the effective date of the pension benefits of this Agreement shall not have been broken within the meaning of Section III of this Agreement.

(c) "Pensioner" means a person who is retired and is receiving or is entitled to receive pension benefits described in this Agreement.

(d) "Company" means the Latrobe Steel Company and covers its plant located at Latrobe, Pennsylvania.

2. For purposes of this Agreement, retirement shall be considered to occur:

(a) In the case of an Employee who applies for pension prior to a break in continuous service, on the date he specifies as the date he wishes to retire which shall be a date on or after the latest of

(1) the date of his request for retirement,

(2) the date of his attainment of eligibility for pension under this Agreement, or

(3) the last day for which he earned wages from the Company, but not later than the last day of his continuous service;

(b) In the case of a person who applies for pension after a break in continuous service, on the last day of his continuous service, provided that on such last day he was eligible for an immediate or deferred pension under this Agreement.

3. Subject to the corporate action required to provide the pension benefits and to the Company's obtaining and/or retaining approval by the Commissioner of Internal Revenue of the trust or trusts heretofore or hereafter established under the pension plan of the Company as changed to provide the pension benefits set forth in this Agreement, as exempt under the applicable provisions of the Internal Revenue Code or successors to them, the following pension benefits shall be provided by the Company or caused to be provided by the Company for the Employees.

SECTION I—Eligibility

1. Any Employee who, at the time of his retirement on or after June 30, 1962, shall have had at least 15 years continuous service and shall have attained the age of 65 years shall be

entitled to receive a pension upon his retirement.

2. Any Employee who shall have had at least 15 years continuous service and shall have attained the age of 60 shall be eligible to retire on or after June 30, 1962, at his sole option and shall upon his retirement be entitled to receive a special payment as provided for in paragraph 2 of Section II and

(a) a deferred regular pension commencing after attainment of age 65, or

(b) an immediate reduced regular pension as provided for in paragraph 4 of Section II.

3. Any Employee who shall have had at least 15 years continuous service and who shall have become through some unavoidable cause permanently incapacitated shall be entitled to a pension upon his retirement on or after June 30, 1962. An Employee shall be deemed to be permanently incapacitated (as the term "permanently incapacitated" is used herein) and shall be retired only (a) if he has been totally disabled by bodily injury or disease so as to be prevented thereby from engaging in any occupation or employment for remuneration or profit and (b) after such total disability shall have continued for a period of six consecutive months and, in the opinion of a qualified physician, it will be permanent and continuous during the remainder of his life. Incapacity shall be deemed to have resulted from an unavoidable cause unless it (1) was contracted, suffered or incurred while the Employee was engaged in, or resulted from his having engaged in, a criminal enterprise, or (2) resulted from his habitual drunkenness or addiction to narcotics, or (3) resulted from an intentionally self-inflicted injury. Permanent incapacity resulting from any of such enumerated causes,

or from future service in the armed forces and which prevents him from returning to employment with the Company and for which he receives a military pension, shall not entitle an Employee to a pension under this paragraph. Such pension for permanent incapacity shall continue only so long as such pensioner shall be permanently incapacitated. The permanency of incapacity may be verified by medical examination prior to age 65 at any reasonable time.

4. Any Employee who on or after June 30, 1962, shall have had at least 15 years of continuous service and (i) shall have attained the age of 55 years and whose combined age and years of continuous service shall equal 75 or more, or (ii) whose combined age and years of continuous service shall equal 80 or more, and

(a) whose continuous service is broken on or after June 30, 1962, by reason of a permanent shutdown of the plant, department or subdivision thereof or by reason of a layoff or physical disability, or

(b) whose continuous service is not broken and who on or after June 30, 1962, is absent from work by reason of

(1) a layoff resulting from his election to be placed on layoff status pursuant to the provisions of the Basic Agreement applicable to employees affected by a permanent shutdown, or

(2) a physical disability or a layoff other than a layoff resulting from an election referred to above and whose return to active employment is declared unlikely by the Company, or

(c) who considers that it would be in his interest to retire and the Company considers

that such retirement would likewise be in its interest and it approves an application for retirement under mutually satisfactory conditions,

shall be eligible to retire on or after June 30, 1962, and receive a pension. Notwithstanding anything to the contrary contained in this Agreement, no pension (including any special payment) granted pursuant to this paragraph 4 or paragraph 5 below shall be payable for any month earlier than the month following the month in which the pensioner was last eligible to receive sickness or accident benefits provided under a Company program or nonoccupational disability benefits provided under law.

5. Anything in paragraph 4 of this Section I contained to the contrary notwithstanding, any Employee granted a pension pursuant to paragraph 4 of this Section I or similar provisions of a prior agreement between the parties and subsequently reemployed by the Company

(a) shall upon ceasing work after reemployment and prior to age 65 by reason of a permanent shutdown of a plant, department or subdivision thereof or by reason of a layoff or physical disability be eligible to retire on or after June 30, 1962, and receive a pension; provided, however, that such Employee shall not be eligible under the provision of this paragraph 5(a) to retire and receive a pension during a period of absence from work due to a physical disability until such disability shall have continued for a period of six consecutive full calendar months, or

(b) whose continuous service is broken after reemployment and at the time of the break is not eligible for a pension under subparagraph (a) of this paragraph 5 or under any other provision of this Section I which pre-

cedes this paragraph 5, notwithstanding anything to the contrary contained in this Agreement, shall thereupon be considered to be eligible for a deferred vested retirement pension pursuant to the provisions relating to a deferred vested retirement pension of the Pension Agreement which was applicable to the Employee at the date of his last retirement prior to such reemployment and upon application for pension the date of his retirement shall be considered to be the date of such last retirement.

6. (a) Any Employee not eligible to receive a pension under any of the foregoing provisions of this Section I who shall be laid off and not recalled within two years, or whose employment shall be terminated as a result of a permanent shutdown of the plant, department or subdivision thereof, and who at the end of such two years or at the date of his termination (if either of such dates shall have occurred on or after June 30, 1962, shall have reached his fortieth birthday and at such time shall have 15 or more years of continuous service, shall be eligible upon making application therefor in accordance with paragraph 10(c) of Section II of this Agreement, to receive a deferred vested retirement pension. At such termination or the end of two years, the Company shall furnish such an Employee an appropriate written notice of the eligibility requirements and his relevant employment data; provided, however, that in the case of an Employee eligible for a deferred vested retirement pension pursuant to paragraph 5(b) of this Section I, the Company shall furnish him such a notice at the time of the break in his continuous service after reemployment.

(b) Any Employee reemployed by the Company after attainment of eligibility for a deferred vested retirement pension whose continuous service is broken after such reemployment and who at the time of the break is not eligible for a pension under subparagraph (a) of this paragraph 6 or under any other provision of this Section I, notwithstanding anything to the contrary contained in this Agreement, shall be considered to be eligible for the deferred vested retirement pension for which he was eligible prior to such reemployment and upon application for pension the date of his retirement shall be considered to be the date of retirement which would upon application for pension have been applicable to the deferred vested retirement pension for which he was eligible prior to such reemployment.

7. Each application for a pension shall be in writing on a form provided by the Board referred to in Section IV and shall be made to such Board or to such representative as may be designated by it for the purpose. The Board may require any applicant for a pension to furnish to it such information as may reasonably be required.

Except as provided in paragraph 10(c) of Section II, an Employee may make application for pension within 90 days prior to his retirement or at any time subsequent thereto.

SECTION II—Amount of Pensions

1. Pensions granted pursuant to Section I shall consist of

(a) A special initial pension amount (herein called "special payment"), except in the case of any Employee eligible to a pension pursuant to paragraphs 3, 5 and 6 of Section I, and any other Employee who shall have received a special payment with respect to a prior retirement, and

(b) A regular pension amount (herein called "regular pension"), payable in monthly installments except as otherwise provided in paragraph 10 of this Section II,

provided in accordance with the provisions of this Section II.

2. The special payment shall be an amount equivalent to 13 weeks of vacation pay computed

(a) In the case of an Employee entitled to a vacation in the year of retirement, at the rate of pay for such vacation, reduced by the amount of vacation pay received for the year of retirement;

(b) In the case of an Employee who would have been entitled to a vacation in the year of retirement except for such retirement, at the rate which would have been applicable if he had taken a vacation which terminated on the date of retirement;

(c) In the case of an Employee not in any event entitled to a vacation in the year of retirement, at the rate of pay applicable to the last vacation to which he was entitled, reduced by the amount of vacation pay received for the year for which he was last entitled to a vacation.

Such special payment shall be payable for the first three full calendar months following the month in which retirement occurs if application for pension is made not later than the close of the first month of such three month period, otherwise, it shall be payable for the first three full calendar months commencing with the first day of any subsequent calendar month in which application for pension is made. Such special payment shall be made in a lump sum within the first full calendar month following the

month in which retirement occurs, or within the month following the month in which application for pension is made, whichever is later.

With respect to any Employee referred to in subparagraph (iv) of the proviso following paragraph 3(b) of this Section II, if any such Employee makes application for pension in a year in which he is not in any event entitled to vacation, for the purpose of determining the amount of his special payment the vacation pay to which he would have been entitled had he not been on leave of absence shall be used for determination of the rate to be used in calculating the special payment and the amount deductible therefrom for vacation.

As used in this Agreement, the words "vacation" and "vacation pay" mean vacation and vacation pay provided under the vacation section of the applicable basic labor agreement.

3. The amount of any regular pension granted pursuant to paragraphs 1, 4, 5(a), or 6(a) of Section I shall be calculated in accordance with (a) or (b) below whichever, after being reduced by the deductions applicable to each as provided for under paragraphs 6, 7 and 8 of this Section II, is greater;

(a) A monthly amount equal to one per cent of the average monthly earnings of the applicant paid by the Company for services rendered during the last one hundred and twenty full calendar months of continuous service prior to retirement, multiplied by the number of years (and fractions thereof calculated to the nearest month) of his continuous service, or

(b) A monthly amount, based on the Employee's continuous service immediately preceding

retirement up to a maximum of 35 years, calculated as follows:

(1) $2.60 multiplied by such years (and fractions thereof calculated to the nearest month) of continuous service after November 30, 1959, plus

(2) $2.50 multiplied by such years (and fractions thereof calculated to the nearest month) of continuous service prior to November 30, 1959;

provided, however, that in the application of above paragraph 3(a) of this Section II,

(i) If, during such one hundred and twenty calendar months, the Employee shall have been absent from work because of disability or layoff for one or more periods of more than three consecutive calendar months each, there shall be deducted from the total number of months which shall be used in so computing the average monthly earnings of such Employee the aggregate of the calendar months in excess of three in each such period of absence;

(ii) If, during such one hundred and twenty calendar months, such Employee shall have failed to work in more than twelve entire calendar months because of disability or layoff there shall be deducted from the total number of months which shall be used in so computing the average monthly earnings of such Employee the number of such entire calendar months in excess of twelve;

(iii) If both of the foregoing rules shall be applicable to any Employee, only the rule which shall yield the higher average monthly earnings for such Employee shall be used; provided, however, in the use of this formula for the purpose of paragraph 5 of this Section

II, before applying the rules set out in (i) and (ii) above, there shall be deducted from the total number of calendar months which shall be so used in computing the average monthly earnings of such Employee each full calendar month that he shall have been absent without pay because of total disability during the last six calendar months of such one hundred and twenty calendar month period; months deducted under this proviso shall not be counted as months of absence in making the computation under either (i) or (ii) above;

(iv) In computing the amount of regular pension of an Employee who during such one hundred and twenty calendar month period shall have served as a member of the Grievance Committee (not to exceed the number specified in the Basic Agreement at any time at the plant) or as a President, Vice President, Recording Secretary, Financial Secretary and/or Treasurer of a local of the Union, or any Employee who shall have been absent from work because of leave of absence granted upon the request of the Union to any Employee who shall be appointed or elected to any other office in the Union at the plant or works at which he shall then have been employed, and for that reason shall have been absent from work in accordance with the terms of the Basic Agreement during that period, his average monthly earnings for each month in which he shall have thus served shall, for the purposes of computing his pension only, be adjusted so as to be fairly representative of his normal earnings had he not been so absent.

4. The amount of any regular pension granted pursuant to paragraph 2 of Section I shall be either of the following as the Employee may elect at the time of his retirement:

(a) A deferred regular pension, commencing after attainment of age 65, computed under the provisions of paragraph 3 of this Section II but based only on continuous service to the date of early retirement and, with respect to paragraph 3(a) of this Section II, on average monthly earnings during the last 120 full calendar months of continuous service prior to early retirement;

(b) An immediate regular pension commencing at the time of early retirement equal to the deferred regular pension to which he would have been eligible under paragraph (a) above had he so elected, reduced to its equivalent actuarial value based on mortality tables and interest rates as adopted from time to time by the Board.

5. The amount of any regular pension granted pursuant to paragraph 3 of Section I shall be determined as follows:

(a) Prior to attainment of age 65 such amount shall be the greater of

(1) $100 per month, subject to all deductions provided for under paragraphs 6, 7 and 8 of this Section II, or

(2) An amount computed under the provisions of paragraph 3 of this Section II but based only on continuous service to the date of retirement for disability and with respect to paragraph 3(a) of this Section II, on average monthly earnings during the last 120 full calendar months of continuous service prior to such retirement.

(b) After attainment of age 65, such amount shall be the amount computed under the provisions of paragraph 3 of this Section II but based only on continuous service to the date of retirement for disability and with respect to paragraph 3(a) of this Section II, on average monthly earnings during the last 120 full calendar months of continuous service prior to such retirement.

6. If any pensioner entitled to be granted pension benefits pursuant to this Agreement is or shall become, or upon application would become, entitled to any annuity, pension or payment of similar kind by reason of any law of the United States of America or of any foreign country, or of any state, district, territory or subdivision of or subject to the jurisdiction of any one of the foregoing (hereinafter called a Public Pension), or to any other pension or payment in the nature of a pension from any source or fund (other than the special payment referred to in paragraph 1(a) of this Section II) to which source or fund the Company shall have directly or indirectly contributed (any such other pension or payment in the nature of pension being hereinafter referred to as Other Pension), then the amount of the regular pension payable to such pensioner for any period shall be reduced by the amount of any such Public Pension and/or any such Other Pension paid or payable to him or that would upon application become payable to him for the corresponding period; provided, however, that if such pensioner shall have contributed to the source or fund out of which such Other Pension shall be paid or become payable or would become payable upon application, then the amount by which the regular pension payable pursuant to this Agreement for any period shall be reduced in accordance with the foregoing provisions of this paragraph 6 shall be decreased by the amount of that part of such Other Pension for the corresponding period which shall be attributable to the contributions which such person shall have made to such source or fund; provided further, however, that the amount of any regular pension payable shall not be reduced on account of eligibility for or receipt of an actu-

arially reduced Public Pension until the attainment of the statutory age at which the Public Pension would otherwise be provided without actuarial reduction and on and after such age any regular pension payable shall be reduced in an amount equal to the amount of the Public Pension prior to any actuarial reduction. As used herein, the term "Public Pension" does not include a pension granted for or on account of military service or payments under a state law pursuant to Title I (Old Age Assistance) of the Social Security Act, as amended. The adjustment for Public Pension shall be made not only in the case of one actually receiving a Public Pension, but also in the case of one who would be entitled to receive a Public Pension but is not actually receiving it in that he does not make application therefor or is engaged in work for which he is compensated in an amount which is in excess of the limit of earnings under which he is eligible to receive a Public Pension, and the adjustment shall be in an amount equal to the amount of Public Pension which he would have received were such application made or were he not compensated in excess of said limit. Such adjustment (as herein defined and applicable) shall not be increased to reflect any increase in the Public Pension attributable to employment after retirement.

Notwithstanding the foregoing, any amount of regular pension payable to a pensioner which is computed on the basis of paragraph 3(b) of this Section II shall not be reduced for any Public Pension related to Title II of the Social Security Act, and the amount by which any regular pension payable to a pensioner which is computed on the basis of the formula set forth in paragraph 3(a) of this Section II is to be reduced for any month under the provisions of this paragraph 6 with respect to benefits related to Title II of the Social Security Act, shall be $80.

7. If any pensioner is or shall become entitled to or shall be paid any discharge, liquidation or dismissal or severance allowance or payment of similar kind by reason of any plan of the Company, or in respect of which any of them shall have directly or indirectly contributed, or by reason of any law of the United States of America or of any foreign country, or of any state, district, territory or subdivision of, or subject to the jurisdiction of any of the foregoing, then the total amount paid or payable to him in respect of any such allowance or payment may, in the discretion of the Board, be deducted from the amount of any regular pension to which such pensioner would otherwise be entitled under this agreement upon retirement; provided, however, that if such pensioner shall have contributed to the source or fund out of which such allowance or payment shall be paid or become payable, then the amount which may, in the discretion of the Board, be deducted from or charged against the amount of any such pension in accordance with the foregoing provisions of this paragraph 7 shall be decreased by the amount of that part of such allowance or payment which shall be attributable to the contributions which such person shall have made to such source or fund.

8. Any amount paid to or on behalf of any Employee or pensioner on account of injury or occupational disease causing disability in the nature of a permanent disability for which the Company is liable, whether pursuant to Workmen's Compensation or Occupational Disease laws, or arising otherwise from the statutory or common law (except fixed statutory payments for the loss of any bodily member), and any such payments on account of employment by an employer other than the Company, and any disability payment in the nature of a pension under any federal or state law (subject to the provisions of paragraph 6 of this Section II concern-

ing the deduction of Public Pension related to Title II of the Social Security Act), shall be deducted from or charged against any regular pension payable under this Agreement; provided, however, there shall not be deducted from any regular pension payable prior to age 65 because of eligibility arising under paragraph 3 of Section I any payments which shall be received by the pensioner under Workmen's Compensation or Occupational Disease laws for any disability in the nature of a permanent disability.

9. Upon authorization by an Employee retiring on or after June 30, 1962, on a form approved by the Board, the amount of premium payable by him, arising from the exercise of his conversion rights for Blue Cross and Blue Shield coverage upon retirement, as provided under the Insurance Agreement, shall be deducted from any pension payable under this Agreement.

10. The first installment of any regular pension payable shall be for the first full calendar month following the three months for which the special payment is made; provided, however, that notwithstanding the foregoing:

(a) the first installment of any deferred regular pension, as provided for under paragraph 4(a) of this Section II, shall be payable for the fourth calendar month following the month in which the pensioner attains age 65;

(b) the first installment of any regular pension

(1) as provided for under paragraph 5 of this Section II, or

(2) granted pursuant to paragraph 5(a) of Section I and as provided for under paragraph 3 of this Section II,

shall be payable for the first full calendar month following the month in which retire-

ment occurs, if application for pension is made not later than the close of such full calendar month, otherwise the pension shall commence with the first day of any subsequent calendar month in which application for pension is made;

(c) the first installment of any regular pension granted pursuant to paragraph 6 of Section I of this Agreement and as provided for under paragraph 3 of this Section II shall be payable commencing with the later of (i) the month following the month in which the pensioner attains age 65 (providing application therefor is made not earlier than 90 days prior to such date) or (ii) the month in which he makes application for such pension. Application for such pension must be made not later than his 70th birthday; otherwise, no pension under paragraph 6 of such Section I shall be payable at any time.

The last installment of any regular pension shall be payable for the month in which the death of the pensioner shall occur. The Board may adopt such procedures as it shall find convenient with respect to the payment of pensions; where any regular pension payable, after deductions, is less than six hundred dollars ($600.00) per year, it may pay such pensions quarterly or annually; where such amount, after deductions, is less than one hundred fifty dollars ($150.00) per year, it may make a lump sum payment which shall be the equivalent actuarial value of the regular pension otherwise payable based on such tables and interest rates as may be adopted from time to time by the Board.

11. (a) Any Employee may prior to a break in continuous service:

(1) at a time five or more years prior to age 65 or at a time five or more years prior to the

first day of the month for which the first installment of any regular pension is payable, whichever is earlier, or

(2) at a later date upon submission to the Board of satisfactory evidence of good health, or

(3) prior to October 1, 1957,

elect to convert the net regular pension otherwise payable to him under this Agreement upon retirement, or upon attainment of age 65, whichever is later, into a reduced net regular pension, in accordance with one of the options named below, having an actuarial value as of the date of his retirement or his 65th birthday, whichever shall be later, equal to the actuarial value at that date of such net amount otherwise payable.

OPTION 1

A reduced net regular pension payable during his life, with the provision that after his death such reduced net amount shall continue during the life of and shall be paid to such beneficiary, to be known as his "co-pensioner", as he shall have nominated by written designation duly filed with the Board or its designated representative.

OPTION 2

A reduced net regular pension payable during his life, with the provision that after his death one-half of such reduced net amount shall be continued during the life of and shall be paid to such beneficiary, to be known as his "co-pensioner", as he shall have nominated by written designation duly filed with the Board or its designated representative.

(b) The first installment of reduced net regular pension that shall be payable to an Employee who shall have elected one of the options specified above shall be payable for the

month for which he is first eligible under paragraph 10 of this Section II to receive a regular pension or the month following the month in which his 65th birthday occurs, whichever is later; and the last installment of such reduced net pension that shall be payable to the Employee shall be payable for the month in which his death shall occur. The first monthly payment that shall be payable to his co-pensioner shall be payable for the month following the month in which such Employee's death shall occur, but not for any month prior to the month for which the Employee was first entitled to receive a reduced net regular pension, and the last monthly payment that shall be payable to such co-pensioner shall be payable for the month in which such co-pensioner shall die; provided, however, that any monthly installments payable to such Employee and remaining unpaid at the time of his death may be paid to his co-pensioner, if then surviving.

(c) An election of an option pursuant to this paragraph 11 shall be on a form prescribed for the purpose by the Board, shall be signed by the Employee, shall specify which option he thereby elects, and shall name the co-pensioner of such Employee. Such election shall be deemed to be made when it shall have been received by the Board or its designated representative. Satisfactory proof of age of the named co-pensioner will be required prior to the payment of reduced net regular pension installments under an elected option.

(d) Any Employee prior to a break in continuous service may (i) at a time five or more years prior to age 65 or at a time five or more years prior to the first day of the month for which the first installment of any regular pension is payable, whichever is earlier, or (ii) thereafter with the consent of the Board,

(1) revoke an election previously made under either Option 1 or 2 by written notice duly filed with Board or its designated representative in which event the Employee shall be treated the same as though his optional election had not been filed, or

(2) change his election from one to the other of such options and/or change the beneficiary previously named as his co-pensioner by written notice and designation duly filed with the Board or its designated representative.

(e) No consent shall be required of the person designated as co-pensioner in any election under Options 1 or 2 in order to revoke such election or to change the co-pensioner and/or the option elected.

(f) If any Employee shall have elected an option under this paragraph 11 and shall die (i) prior to his retirement or (ii) after his retirement and prior to attaining the age of 65 years, such election shall cease to be of any effect, and the co-pensioner shall not be entitled to any payments by reason of the election of such option.

(g) If any Employee shall have elected an option under this paragraph 11 and his co-pensioner shall die after such Employee shall have retired and attained the age of 65 years, but prior to the death of such Employee, such Employee shall continue to receive reduced net regular pension installments in accordance with such option.

(h) If any Employee shall have elected an option under this paragraph 11 and his co-pensioner shall die before such Employee shall have retired or attained the age of 65 years, whichever is later, then the Employee shall be treated the same as though his optional election had not been filed.

(i) Anything in this paragraph 11 contained to the contrary notwithstanding, if after the retirement of an Employee, who shall have elected either Option 1 or 2, the amount of regular pension which would have been payable to him under this Pension Agreement had he not elected an option, is subject to any further deduction, change, offset or correction, then the amount payable under an elected option to such Employee and/or his co-pensioner shall be adjusted to reflect any such further deduction, change, offset or correction.

(j) The Board shall determine from time to time the mortality tables and interest rates to be used in the actuarial computations to be made for the purposes of this paragraph 11.

SECTION III—Determination of Continuous Service

1. The term "continuous service" as used in this Agreement means service prior to retirement calculated from the Employee's last hiring date (this means in the case of a break in continuous service, continuous service shall be calculated from the date of reemployment following the last unremoved break in continuous service) in accordance with the following provisions; provided, however, that the last hiring date prior to the date of this Agreement shall be based on the practices in effect at the time the break occurred:

(a) There shall be no deduction for any time lost which does not constitute a break in continuous service, except that in determining length of continuous service for pension purposes that portion of any absence which continues beyond two years from commencement of any absence due to a layoff or physical disability, shall not be creditable as continuous

service; provided, however, that absence in excess of two years due to a compensable disability incurred during course of employment shall be creditable as continuous service, if the Employee is returned to work within 30 days after final payment of statutory compensation for such disability or after the end of the period used in calculating lump sum payment.

(b) Continuous service shall be broken by:

(1) quit;

(2) discharge, provided that if the Employee is rehired within 6 months the break in continuous service shall be removed;

(3) an unrenewed leave of absence for 30 days; any extension of 30 days leave of absence must be approved by Management and the Grievance Committee;

(4) termination due to absence from work for 10 days or more without reasonable cause or because the employee shall have failed without such cause promptly to return to work after a leave of absence or when recalled to work after a layoff;

(5) termination (if and when termination occurs pursuant to the Basic Agreement) due to permanent shutdown of a plant, department or subdivision thereof;

(6) absence due to a layoff or a physical disability which continues for more than 2 years, except that (i) absence in excess of 2 years due to a compensable disability incurred during course of employment shall not break continuous service, provided the Employee is returned to work within 30 days after final payment of statutory compensation for such disability or after the end of the period used in calculating a lump sum payment, and (ii) if a person absent on

account of layoff or disability in excess of 2 years (including any such person whose service was broken after August 28, 1958, and restored in accordance with the seniority provisions of the Basic Agreement dated May 10, 1960), returns to work within the period during which he retains his accumulated continuous service in accordance with such seniority provisions, the break in continuous service shall be removed;

provided, however, that continuous service shall not be considered to be broken by absence of any Employee who subsequent to May 1, 1940, entered the military, naval or merchant marine service of the United States, and who has reemployment rights under the law and complies with requirements of the law as to reemployment and is reemployed.

2. An Employee who has been retired and receiving a pension and who shall be reemployed, shall have his pension discontinued and shall be credited with his continuous service as at the date of his prior retirement plus his continuous service accruing after reemployment for the purposes of calculating any subsequent pension benefits to which he may become entitled; provided, however, nothing in this paragraph shall affect the calculation of continuous service as provided in paragraph 1(b)(4) of this Section III, provided, further, however, that in the case of an Employee granted a deferred vested retirement pension pursuant to paragraph 5(b) of Section I of this Agreement, continuous service accrued after such reemployment shall not be credited for the purpose of calculating the amount of such pension.

3. If a person who is eligible or considered to be eligible for a deferred vested retirement pension under the provisions of paragraph 6 of Section I or similar provisions of a prior Agreement

between the parties shall be reemployed by the Company prior to his application for a deferred vested retirement pension, his eligibility and benefits under this Agreement shall be determined on the basis of his continuous service applicable to such deferred vested retirement pension plus his continuous service accruing after reemployment; provided, however, that in the case of an employee granted a deferred vested retirement pension pursuant to paragraph 6(b) of Section I, continuous service accrued after such reemployment shall not be credited for the purpose of calculating the amount of such pension.

SECTION IV—Administration

The administration of the pension benefits shall be in charge of a Board which shall consist of such members from Management, have such authority and perform such duties, as may be determined from time to time by the Company.

SECTION V—Appeals Procedure

1. If any difference shall arise between the Company or the Board and any Employee who shall be an applicant for a pension as to such Employee's right to a pension or the amount of his pension and agreement cannot be reached between the Board and a representative of the International Union, such question shall be referred to an impartial arbitrator to be selected by the Board and by the Union. The impartial arbitrator shall have authority only to decide the question pursuant to the provisions of this Agreement applicable to the question but he shall not have authority in any way to alter, add to or subtract from any of such provisions. The decision of the impartial arbitrator on any such question shall be binding on the Company, the Board, the Union and the Employee.

2. If any difference shall arise between the Company and any Employee as to whether such Employee is or continues permanently incapacitated within the meaning of Section I, paragraph 3, such difference shall be resolved as follows:

The Employee shall be examined by a physician appointed for the purpose by the Company and by a physician appointed for the purpose by a duly authorized representative of the International Union. If they shall disagree concerning whether the Employee is permanently incapacitated, that question shall be submitted to a third physician selected by such two physicians. The medical opinion of the third physician, after examination of the Employee and consultation with the other two physicians, shall decide such question. The fees and expenses of the third physician shall be shared equally by the Company and the Union.

SECTION VI—Pension Trust

The Company is free to determine the manner and means of making provisions for paying the pension benefits set forth in this Agreement. The Company may utilize any pension trust or trusts, deposit administration or annuity fund or funds heretofore or hereafter established for such purpose, provided, however, that the aggregate of the amount of moneys that shall have been paid into any pension trust or trusts, deposit administration or annuity fund or funds established in accordance with the provisions of the Pension Agreement for any year and of the moneys that were paid into such trust or trusts, deposit administration or annuity fund or funds for previous years, plus any earnings from the investment thereof and less any disbursements therefrom, shall not be less than an amount which on a sound actuarial basis shall be estimated to be sufficient to pay the pensions which

shall have been granted thereunder during such year and during such previous years.

SECTION VII—Pension Committee

The Company and the Union shall establish a joint committee on pensions consisting of not more than six members, one-half of whom shall be designated by the Company and one-half of whom shall be designated by the Union. Such committee will be composed of the same members as may be designated for any similar joint committee on insurance; such committee shall be furnished annually a report regarding the operation of the pension benefits insofar as it affects Employees as provided in this Agreement. From time to time during the term of this Agreement, such committee shall be furnished such additional information as shall be reasonably required for the purpose of enabling it to be properly informed concerning the operation of the pension benefits insofar as they affect the Employees.

SECTION VIII—General Provisions

1. No pension properly payable pursuant to this Agreement shall be discontinued or reduced except as provided in paragraph 3 of Section I and in Sections II and III hereof.

2. No pension payable under this Agreement shall be subject in any way to alienation, sale, transfer, assignment, pledge, attachment, garnishment, execution, or encumbrance of any kind, and any attempt to accomplish the same shall be void.

If the Company shall find that such an attempt has been made with respect to any pension payment due or to become due to any pensioner or co-pensioner, the Company in its sole discretion may terminate the interest of such pensioner or co-pensioner in such pension payment, and in such case shall apply the amount of such pension

payment to or for the benefit of such pensioner or co-pensioner, his spouse, children, or other relatives or dependents, as the Company may determine, and any such application shall be a complete discharge of all liability with respect to such pension payment.

3. No Employee prior to his retirement under conditions of eligibility for pension benefits shall have any right or interest in or to any portion of any funds which may be paid into any pension trust or trusts heretofore or hereafter established for the purpose of paying pensions and no Employee, pensioner or co-pensioner shall have any right to pension benefits except to the extent provided in this Agreement. Employment rights shall not be affected by reason of the foregoing pension provisions.

4. The Company will distribute this Agreement to Employees who are actively at work, to Employees not actively at work as they return to work, and to new Employees; the Company will furnish each Employee who retires, at the time of delivery of his first pension check, a notice to the effect that his pension is pursuant to this Agreement between the Company and the Union.

5. From and after the date of this Agreement, neither the Union nor any of its officers or representatives nor any of the Employees shall:

(a) make any request that the Company increase the rates of pay of the Employees on account of or for use in paying the cost, in whole or in part, of any program of pension benefits of the Employees; or

(b) make any request that the pension benefits or provisions of this Agreement be changed in any respect or terminated or that new pension or similar benefits be established or that the amount which the Company is required by the provisions of this Agreement to pay or cause

to be paid or provided for pension benefits for the Employees be increased; or

(c) engage or continue to engage in or in any manner encourage or sanction any strike, work stoppage, interruption or impeding of work (at any of the plants of the Company) for the purpose of securing any such increase or any such change or any other action with respect to pensions; and during the term of this Agreement, the Company shall not have any obligation to negotiate or bargain with the Union with respect to any of the matters covered by or relating to clauses (a), (b), or (c) of this paragraph 5 of Section VIII.

6. From and after the date of this Agreement, the Company shall not change or request any change in this Agreement or engage in or sanction any lockout for the purpose of securing any such change.

7. This Agreement shall become effective as of July 1, 1962 and shall remain in effect until December 31, 1964 subject to the provisions of Section XIX—Termination Date, of the 1962 Basic Agreement.

UNITED STEELWORKERS OF AMERICA

David J. McDonald
I. W. Abel
Howard Hague
William J. Hart
Raymond Hearn
John J. Kish
Joseph A. DeFail
Clyde L. Noel
Lyle Lowman
George Smetak
William J. Angus

LATROBE STEEL COMPANY

J. E. Workman
W. C. Stonehouse, Jr.

United Steelworkers of America
1500 Commonwealth Building
Pittsburgh, Pennsylvania

July 26, 1962

Dear Sirs:

Contemporaneously herewith we have entered into a Pension Agreement with you. This will confirm our agreement with you that, in the event of absence of or loss of approval of the Commissioner of Internal Revenue as described in the Pension Agreement, or if all corporate approvals required to make such Pension Agreement effective have not been made prior to October 1, 1962, then in either of such events and upon failure of the parties to reach mutually satisfactory alternate arrangements within thirty days thereafter, or such subsequent date to which they may agree, all arrangements and agreements between the parties with respect to pensions shall cease and the Union shall thereafter be free to strike with respect to matters relating to pensions only notwithstanding the provisions of any other agreements between the parties.

Please confirm that the foregoing correctly sets forth our understanding by signing the form of confirmation on the attached copy of this letter and returning it to us.

Very truly yours,

LATROBE STEEL COMPANY

W. C. Stonehouse, Jr.
Director of Industrial Relations

Confirmed:
UNITED STEELWORKERS OF AMERICA
David J. McDonald

United Steelworkers of America
1500 Commonwealth Building
Pittsburgh, Pennsylvania

July 26, 1962

Gentlemen:

The following percentages will be used during the term of the Pension Agreement dated July 26, 1962, to determine the amount of immediate regular pension payable on early retirement on or after June 30, 1962, as provided in Section II-4-(b) of said Agreement:

Age of Retirement	Percentage
60	67.18%
61	72.36%
62	78.14%
63	84.60%
64	91.84%
65	100.00%

Attached are tables of the percentages which will be used during the term of such Agreement to calculate the reduced net regular pension payable under options as specified in Section II-11.

Very truly yours,

LATROBE STEEL COMPANY

W. C. Stonehouse, Jr.
Director of Industrial Relations

JOINT AND SURVIVOR OPTION

If a Co-Pensioner shall have been elected in accordance with Paragraph 11 of Section II of the Agreement, the amount of reduced monthly benefit commencing at retirement date payable to the Employee and continuing, in whole or in part, to the Co-Pensioner upon death of the Employee, is indicated below.

Co-Pensioner Option expressed as a percentage of the normal retirement benefit.

Male Employee—Age 65

Joint Annuitant		(1) 100% of Benefit Continued to The Survivor	(2) 50% of Benefit Continued to The Survivor
Male	Female		
45	50	57.4	72.9
46	51	58.3	73.6
47	52	59.2	74.3
48	53	60.1	75.1
49	54	61.0	75.8
50	55	61.9	76.5
51	56	62.9	77.2
52	57	63.9	78.0
53	58	64.9	78.7
54	59	65.9	79.5
55	60	66.9	80.2
56	61	68.0	80.9
57	62	69.1	81.7
58	63	70.1	82.4
59	64	71.2	83.2
60	65	72.3	83.9
61	66	73.4	84.6
62	67	74.5	85.4
63	68	75.7	86.1
64	69	76.8	86.9

Male Employee—Age 65

Joint Annuitant		(1) 100% of Benefit Continued to The Survivor	(2) 50% of Benefit Continued to The Survivor
Male	Female		
65	70	77.9	87.6
66	71	79.0	88.2
67	72	80.0	88.9
68	73	81.1	89.5
69	74	82.1	90.2
70	75	83.2	90.8
71	76	84.2	91.4
72	77	85.1	91.9
73	78	86.1	92.5
74	79	87.0	93.0
75	80	88.0	93.6

Female Employee—Age 65

Joint Annuitant		(1) 100% of Benefit Continued to The Survivor	(2) 50% of Benefit Continued to The Survivor
Male	Female		
40	45	61.5	76.2
41	46	62.3	76.8
42	47	63.1	77.4
43	48	63.9	78.0
44	49	64.7	78.6
45	50	65.5	79.2
46	51	66.4	79.8
47	52	67.3	80.4
48	53	68.2	81.1
49	54	69.1	81.7
50	55	70.0	82.3
51	56	70.9	82.9
52	57	71.9	83.6
53	58	72.8	84.2
54	59	73.8	84.9

Female Employee—Age 65

Joint Annuitant		(1) 100% of Benefit Continued to The Survivor	(2) 50% of Benefit Continued to The Survivor
Male	Female		
55	60	74.7	85.5
56	61	75.7	86.1
57	62	76.7	86.8
58	63	77.6	87.4
59	64	78.6	88.1
60	65	79.6	88.7
61	66	80.5	89.3
62	67	81.5	89.8
63	68	82.4	90.4
64	69	83.4	90.9
65	70	84.3	91.5
66	71	85.1	92.0
67	72	86.0	92.5
68	73	86.8	92.9
69	74	87.7	93.4
70	75	88.5	93.9
71	76	89.2	94.3
72	77	89.9	94.7
73	78	90.7	95.1
74	79	91.4	95.5
75	80	92.1	95.9

INSURANCE AGREEMENT

Agreement dated July 26, 1962, between LATROBE STEEL COMPANY, or its successor and UNITED STEELWORKERS OF AMERICA or its successor.

The Parties agree that Section 16 of the Insurance Agreement dated May 10, 1960, between Latrobe Steel Company and the United Steelworkers of America is amended in its entirety to read as follows:

"Section 16. This Agreement, which became effective as of January 1, 1960, shall remain in effect until December 31, 1964, subject to the provisions of Section 19, Termination Date, of the 1962 Basic Agreement."

UNITED STEELWORKERS OF AMERICA

David J. McDonald
Howard R. Hague
I. W. Abel
Wm. J. Hart
Raymond Hearn
John J. Kish
Joseph A. DeFail
Clyde L. Noel
Lyle Lowman
George Smetak
William J. Angus

LATROBE STEEL COMPANY

J. E. Workman
W. C. Stonehouse, Jr.

EXHIBIT "A"

Grade	Rate Per Hour
1	$2.10
2	2.10
3	2.17
4	2.24
5	2.31
6	2.38
7	2.45
8	2.52
9	2.59
10	2.66
11	2.73
12	2.80
13	2.87
14	2.94
15	3.01
16	3.08
17	3.15
18	3.22
19	3.29
20	3.36
21	3.43
22	3.50
23	3.57
24	3.64
25	3.71
26	3.78
27	3.85
28	3.92
29	3.99
30	4.06
31	4.13
32 and over	4.20