

AGREEMENT

between

**voestalpine Nortrak Inc.
Pueblo, Colorado**

and

**UNITED STEELWORKERS OF AMERICA,
AFL-CIO-CLC
on behalf of its
LOCAL UNION NO. 2102-08**

**Effective
April 1, 2014
to midnight
March 31, 2019**



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PREAMBLE

The Parties have entered into this Agreement for the purpose of setting forth in writing the understandings they have reached with respect to wages, hours, and other terms and conditions of employment of the employees covered hereby, as well as to the rights of the Company and the Union, and to provide a peaceful means for the settlement of any disputes which may arise with respect to the interpretation or application of their understandings and agreements as set forth herein.

AGREEMENT

This Agreement made and entered into this 1st day of April, 2014, by and between VAE Nortrak North America Inc. (hereinafter also referred to as “Company” or “Nortrak”) and the United Steelworkers of America, AFL-CIO-CLC, on behalf of its Local Union No. 2102-08 (hereinafter jointly and severally referred to as the “Union”), witnesseth:

ARTICLE I

SEPARABILITY AND SAVINGS CLAUSE

If any of the specific provisions of this Agreement are rendered unlawful by changes in the law, the Company and the Union agree to discuss any changes that may be necessary to conform the terms of this Agreement to the requirements of law. Any provisions rendered unlawful shall not apply to either party. All other provisions not affected shall remain in full force and effect.

ARTICLE II

RECOGNITION

Section 1. The Company recognizes the Union as the exclusive bargaining representative with respect to wages, hours and other terms and conditions of employment, for all production and maintenance employees currently classified as Technicians, Machinists, Fitters, Welders, Assemblymen, Operators, Attendants, Handlers or Laborers at the Company's facility located at 2300 South Freeway, Pueblo, Colorado, excluding foremen, assistant foremen, professional employees, office clerical employees, inspectors, guards/watchmen, custodians, managers and supervisors as defined by the National Labor Relations Act.

Section 2. This recognition clause shall be construed to apply to employees, and it shall not in any way limit the Company's right to determine the assignment of work to employees in the above-described unit except as specifically restricted by this Agreement. The specific terms of this Agreement shall be the sole source of any rights which may be asserted by an employee or the Union against the Company except for those employee rights specifically covered by state or federal statute.

ARTICLE III

BARGAINING UNIT WORK

Supervisors and employees not covered by this Agreement shall not perform work normally performed by employees in this bargaining unit, except in cases of emergency, research work, experimental work, job instruction, cross training, systems and process evaluations and upgrades, work overloads and for security purposes. Super-

visors and employees not covered by this Agreement may also perform work normally performed by bargaining unit employees when performing that work is exploratory in nature or for the purpose of determining severity or existence of defect and effort required for repair. The term “emergency” is defined to mean an unforeseen combination of circumstances which call for immediate action. If work outside of the above-referenced exceptions must be performed when the employee who regularly performs that work is not present, the Company will call-in that employee unless the work is expected to last less than two (2) hours. If the employee(s) who regularly perform(s) the work has not volunteered for weekend work or cannot be reached, the Company may cover the work. This Article shall not be construed to prevent employees outside the bargaining unit from performing work normally within their regular duties. Work performed by supervisors and non-bargaining unit employees pursuant to this Article is not intended to reduce work or overtime hours. It is recognized that minor infractions of the restrictions provided in this Article are unavoidable.

ARTICLE IV

MANAGEMENT RIGHTS

Section 1. Except as specifically abridged, delegated, granted, or modified by this Agreement, or any supplementary agreements that may hereafter be made, all the rights, powers, and authority the Company possessed prior to the signing of this Agreement are retained by the Company and remain exclusively and without limitation within the rights of management. Such rights of management include, among other things, but are not necessarily limited to, the

right to plan, direct and control operations; to determine the location or relocation of the plant, or operations; to control the nature and specifications of all raw materials, semi-manufactured and finished goods; to determine the type of operation and products to be manufactured; to determine whether and to what extent the work required in its business shall be performed by employees covered by this Agreement; to cease operations wholly or partially; to transfer work elsewhere; to subcontract work; to determine when work is to be performed; to establish production, quality, safety and work standards; to determine, alter, revise, change or eliminate any or all means, methods, processes, materials and schedules of production; to determine the existence, number, composition and size of work groups; to assign work to its employees in accordance with requirements determined by management; to determine or change the duties of jobs; to transfer employees between jobs, shifts or departments based on production requirements; to hire, layoff, transfer, promote, demote, terminate or otherwise relieve employees from duty for lack of work or other business related reasons; to discipline, suspend or discharge for just cause including the violation of a rule; to make and enforce reasonable rules for the maintenance of discipline; to investigate misconduct by lawful means, including video or other forms of surveillance; to make and enforce reasonable rules, including those for alcohol and drugs; to establish or continue policies, practices and procedures for the conduct of business and from time to time change or abolish such policies, practices or procedures; and to determine the number of hours per day or per week such operations shall be carried on, including the starting and stopping times and rotation of shifts and jobs, and to select and determine the number and mix of employees re-

quired.

These rights are limited only to the extent that this Agreement specifically so provides and may be exercised without prior consultation or negotiation with the Union, except where it is contractually required.

If the Company fails to exercise any of its rights, or exercises them in a particular way, this shall not waive those rights or preclude the Company from exercising them in some other way.

The management rights as set out above are retained by the Company and shall not be impaired by an arbitration award or any other provision of this Agreement other than those provisions that specifically address the subject matter.

No rights or obligations created by or arising from this Agreement shall survive its termination.

ARTICLE V **SENIORITY**

Section 1. Company seniority is defined as an employee's length of continuous employment with the Company and, where applicable, with the previous owners of the Pueblo facility.

Section 2. Probationary employees shall have no seniority rights. However, upon successful completion of the ninety (90) calendar day probationary period the employee's seniority will be retroactive to the date of hire or rehire. During the probationary period the Company may, at its sole discretion, layoff or discharge any probationary employee and such action shall not be the basis for a grievance. In the event that the Company informs the Union prior to the end of an employee's probationary period that it desires to extend the employee's probationary period, the

employee's probationary period shall be extended an additional ninety (90) calendar days.

Section 3. Upon request the Company will provide the Union with a seniority list every six (6) months. The Union will have ten (10) calendar days to challenge the accuracy of the seniority listing. Thereafter, the listing will be considered accurate and not subject to the grievance procedure until it is again published.

Section 4. Reduction in Force. The Parties agree that should the Company find it necessary to permanently reduce its workforce because of economic or other reasons, any such reduction in force will be accomplished by the following method: the Company will determine how many employees within each job classification as identified in Appendix A will be reduced and then effectuate the reduction by laying off the needed number of employees in the affected classifications based on ability to perform available work and seniority. Ability to perform available work includes but is not limited to the employee's work performance, training and experience. This procedure shall only apply to permanent workforce reductions that the Company expects to exceed ten (10) consecutive workdays. Although the procedures applied to temporary workforce reductions shall be determined by the Company the junior employees in the affected area will normally be laid off unless there is a reasonable operating need to retain a junior employee. A general reduction in the number of work hours or work days shall not be considered a workforce reduction. Whenever circumstances permit the Company will discuss a general work week reduction with the Union prior to finalizing the posting of the reduced workweek schedule.

Temporary or probationary employees within the affected job classifications shall be laid off first based on

their date of hire or rehire, and will not retain any recall privileges. Those employees will be automatically terminated when they are laid off. Non-probationary employees laid off in the reduction in force will retain recall privileges for a period equal to their length of service up to a maximum of eighteen (18) months from the date of their being laid off. Employees on layoff status for more than their length of service up to eighteen (18) months will not retain any recall privileges and will be automatically terminated.

If the Company decides to restore any positions eliminated through layoffs it will do so by recalling employees in reverse order of layoff. Pay for those employees will be based on the rate for the job to which the employee is recalled.

Section 5. An employee will lose his seniority and his employment considered terminated by:

- A. Discharge for just cause;
- B. Failure to report for work within seven (7) calendar days after the Company mails a certified letter notifying the employee to return to work from a layoff;
- C. Failure to report for work upon the completion of an approved leave of absence or vacation;
- D. Voluntary resignation;
- E. Engaging in any gainful work, whether for self or another employer, without Company permission while on a leave of absence;
- F. Being absent from work for three (3) consecutive days without properly notifying the Company;
- G. Layoff for a period in excess of eighteen (18) months for a period equal to the employee's length of service, whichever is less;
- H. With the exception of absences that are legally

excused (such as military duty or accommodation of a disability), absence from work for any reason for a period in excess of eighteen (18) months.;

- I. When a job has been eliminated and the employee refuses to accept another job of equal pay in the same labor grade, or
- J. Retirement.

Section 6. Any bargaining unit employee transferred from the bargaining unit to any salaried position shall cease to accumulate seniority from the date of transfer and lose all accumulated seniority.

ARTICLE VI

GRIEVANCE PROCEDURE

Section 1. For purposes of this Agreement, a grievance is defined as a dispute between the Company and the Union or between the Company and any non-probationary employee covered hereby, with respect to the alleged violation of a specific provision of this Agreement. Grievances as herein defined shall be processed in keeping with the following procedure:

STEP ONE: Both parties encourage the verbal resolution of disputes as quickly as possible. An aggrieved employee shall discuss the dispute with his immediate supervisor with or without a grievance representative. However, to be considered under this Article the grievance must be submitted to the immediate supervisor in writing on a form mutually agreed to by the Company and the Union, containing in specific terms the information described in Section 3, within four (4) business days following the occurrence which caused the grievance. If the

grievance has not been satisfactorily resolved within four (4) business days following its presentation to the supervisor, then

STEPTWO: The written grievance may be submitted to the Production Manager within four (4) business days following the answer of the immediate supervisor. The Production Manager shall give his written answer to the grievance within four (4) business days after its submission to him. The Production Manager, the designated union grievance committee member, and the grievant may meet to discuss the details of the grievance and attempt to reach a resolution prior to the issuance of the Production Manager's written answer. In the event there is no satisfactory settlement of the grievance at this Step, then

STEP THREE: The written grievance may be numbered and submitted to the Human Resources Manager within four (4) business days following the answer of the Production Manager. The Human Resources Manager shall give his written answer to the grievance within five (5) business days after its submission to him. The Human Resources Manager, Local Union President, the designated union grievance committee member and the grievant may confer to discuss the details of the grievance and attempt to reach a resolution prior to the issuance of the Human Resources Manager's written answer. In the event there is no satisfactory settlement of the grievance at this Step, then

STEP FOUR: The written grievance may be submitted to the Plant Manager within four (4) business days following answer in Step Three. The Plant Manager may discuss the grievance with Union's designated representative within ten (10) business days following its submission to him. The Union's international repre-

sentative and the Local Union President will attend this meeting which may also include the grievant. The Plant Manager will give his answer within ten (10) business days following the meeting.

STEP FIVE: If there is no satisfactory settlement of the grievance in Step Four, then the Union or the Company may appeal the same to arbitration by making a written request for such action within not more than ten (10) business days following the Plant Manager's answer in Step Four.

No grievance will be considered under the grievance procedure unless it is presented in writing at Step One within four (4) business days following the occurrence of the event on which the grievance is based.

Section 2. The parties understand and agree that the time limits set forth in the various steps of the grievance procedure are essential to the prompt resolution of the grievances. Accordingly, if the time limits for submitting a grievance to Steps Two, Three and Four are not abided by, except in those instances where the parties mutually agree in writing to extend such time limits, then the grievance shall be automatically advanced to the next step of the grievance procedure. Provided, however, there must be a written request for arbitration as above set out. In cases involving suspension or discharge, Steps One and Two will be waived. In such cases, the grievance must be filed at the Third Step within four (4) business days of the suspension or discharge.

Section 3. The grievance form shall contain the following information:

1. Name(s) of the employee(s) involved;
2. Approximate date of alleged grievance;
3. Date of first discussion of grievance with the

- Supervisor;
4. Date of Supervisor's response, if any;
 5. Specific nature of grievance;
 6. Date of presentation of written grievance;
 7. Section or sections of the contract alleged to have been violated; and
 8. Proposed remedy.

Section 4. The Company will provide a reasonable amount of time for the handling of grievances as outlined in Steps One and Two. This will be paid time as long as the grievance is handled in a reasonable amount of time. The handling of grievances as outlined in Steps Three and Four will be on paid time if the grievance meeting is held at a time when the designated union grievance committee member and the grievant are scheduled to work. Any arbitrations shall be handled on unpaid time.

Section 5. Upon receipt of a notice of desire to take a grievance to arbitration, the parties shall jointly request the Federal Mediation and Conciliation Service ("FMCS") to furnish a panel of seven (7) arbitrators for the purpose of selecting an arbitrator. The FMCS charge for providing a panel shall be split equally. As an alternative the parties may mutually agree to the appointment of an arbitrator.

Section 6. Only the Union or the Company may request arbitration of the other.

Section 7. Upon receipt of the panel, the parties shall make mutually satisfactory arrangements for the purpose of selecting an arbitrator. The party requesting arbitration shall first strike one (1) name from the list, then the other party shall strike one (1) additional name. The parties shall continue to alternate striking names until only one (1) remains. The last remaining member shall serve as

arbitrator. Either party may reject one (1) panel. Upon such rejection, an additional panel shall be requested in writing from the Federal Mediation and Conciliation Service by the party rejecting such panel with a copy of such request to the other party. In such cases the party requesting an additional panel shall be responsible for the FMCS charge for providing the panel. The same arbitrator shall not consider two consecutive issues.

Section 8. The arbitrator's authority shall be limited to disposition of the grievance arising under this Agreement, and he may only interpret and apply the contract provisions to the facts of the particular grievance. The arbitrator shall have no power or authority to change, alter, modify, detract from or add to the terms of this Agreement. Any portion of an arbitrator's award that exceeds this limit on authority shall not be enforceable. No award shall have retroactive effect prior to the date of the occurrence which led to the filing of the grievance upon which the arbitrator's award is based. The arbitrator shall issue his award within thirty (30) days of the close of the arbitration hearing.

Section 9. The arbitrator's award shall be final and binding upon the Company, the Union, and the employee.

Section 10. The fees and costs of the arbitrator shall be shared equally by the parties. Each party shall otherwise pay its own cost and expenses. All arbitrations shall be held in or near Pueblo, Colorado.

ARTICLE VII
NO STRIKE/NO LOCKOUT
- UNION RESPONSIBILITY

Section 1. The Union agrees that during the term of

this agreement neither the Union nor its agents, nor its members, will authorize, instigate, aid, condone, or engage in a deliberate work slowdown, stoppage, picketing or strike of any kind directed at Nortrak Pueblo. The Company agrees that during the same period there shall be no lockouts. For the purpose of this agreement, a lock-out shall not be construed as a temporary or permanent closing of the Pueblo operation.

Section 2. In the event of any violation of Section 1 of participation during the term of this agreement in any strike, work stoppage, picketing, walkout or deliberate slowdown of work will be just cause for discharge of any or all employees participating therein. In any event of an alleged violation of Section 1 of this Article, it shall be the duty and obligation of the Union, its officers, agents, or representatives to immediately take reasonable steps required to bring about an end to such conduct.

Section 3. The Union shall not be liable for any monetary damages, court costs or attorney fees associated with any violation of this Article provided the union, its officers, agents and representatives, upon receipt of prompt written notice from the Company of the alleged violation of this Article, immediately take reasonable steps required to bring about an end to such conduct and further provided that such conduct is not authorized, ratified nor condoned by the Union.

Section 4. The parties recognize that violations of this Article may result in legal damages and/or the need for a court injunction. Accordingly, they agree that the grievance/arbitration procedures contained in Article VI shall not apply to alleged violations of this Article except as provided herein. Any non-probationary employee who is disciplined or discharged because of alleged violation

of the Article has the right to challenge the Company's disciplinary action or discharge under the terms of the grievance/arbitration procedures contained in Article VI. In the event said employee's grievance is submitted to arbitration, the only issue before the Arbitrator shall be whether the employee violated this Article as alleged by the Company. The Arbitrator shall have no authority to modify the level of discipline or discharge imposed by the Company if the Company establishes the employee's violation of this Article.

ARTICLE VIII

UNION MEMBERSHIP AND CHECK-OFF

Section 1. The Company will not interfere with, restrain or coerce employees because of membership or lawful and peaceful activity in the Union, or attempt to discourage membership in the Union. The Union agrees not to solicit membership on Company time or plant property, or to coerce employees at any time for not becoming members of the Union.

Section 2.

- (a) Each employee who is a member of the Union on the effective date of this Agreement, shall, as a condition of employment, maintain his membership in the Union. Any employee who is not a member of the Union on the effective date of this Agreement will not be required to join the Union or to pay dues or an agency fee to the Union.
- (b) Each employee who, subsequent to the effective date of this Agreement, becomes a member of the Union, shall, as a condition of employ-

ment, maintain his membership in the Union in good standing.

- (c) Each employee who is hired on or after the effective date of this Agreement shall, upon the completion of his probationary period, have the option to either become and remain a member of the Union or to not join the Union. Employees who choose to not join the Union will not be required to pay dues or an agency fee to the Union.
- (d) The term “good standing,” as used in this Article, shall mean that an employee has tendered the initiation fees and periodic dues uniformly required as a condition of acquiring and maintaining membership in the Union.
- (e) An employee who fails to comply with the above conditions shall be terminated from employment within the bargaining unit covered by this Agreement after receipt by the Company of written notice from the Union that the employee has failed to comply, and after having been given ten (10) days following notice to come into compliance. If an employee is expelled from the Union for any reason other than non-payment of initiation fees, dues or assessments, the Company shall be under no obligation to terminate such employee.

Section 3.

- (a) For employees who sign individual authorization cards, the Company will deduct Union dues from their pay checks each pay period, based on the previous pay period’s earnings. The payroll deduction shall be an amount equal to 1.3%

of an employee's total earnings, or as directed by the International Secretary/Treasurer.

- (b) The Company will also deduct an applicable initiation fee, provided that the affected employee executes a payroll authorization card.
- (c) All deductions made under these provisions will be timely remitted to the proper Union official designated on the authorization card.

Section 4. The Union shall indemnify and save the Company harmless against any and all claims, demands, suits, administrative changes or other forms of liability that are based on or 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 Article, including but not necessarily limited to attorney's fees, court costs and judgments of law.

ARTICLE IX

BULLETIN BOARD

The Company agrees to provide space for the Union to mount one (1) bulletin board for the exclusive use of the Union for the purpose of posting legitimate Union notices, which shall include:

1. Notices of meetings.
2. Notices of official Union elections and results.
3. Notices of official Union appointments.
4. Notices of Union recreational and social events.
5. Legitimate Union-related information that does not denigrate the Company or its employees, customers or products.

The Company may remove this bulletin board if it determines that it is being used for purposes other than

those defined in this article.

ARTICLE X

FILLING OF VACANCIES

Section 1. The Company will determine whether it is necessary to fill a new or vacant position.

Section 2. If the Company decides to fill a new or vacant full-time non-entry level position on a regular basis, it will post the notice of vacancy identified by classification for a period of three (3) business days. If the position is primarily assigned to a particular machine that fact will be included in the posting. This inclusion is not intended to restrict in any way the Company's right to assign work to employees as it deems appropriate. Employees desiring to bid on a posted vacancy will submit their request in writing to the Human Resources Department within the posting period on a form to be provided by the Company. The Company will select from eligible employees who have bid on the position, who have demonstrated sufficient ability in the Company's judgment to perform the responsibilities of the position, and who have a satisfactory work record based on Company documents. As between employees whose ability and work record are relatively equal, the most senior employee will prevail. Employees selected for a posted vacancy who then decline a position may not bid on another position for a period of twelve (12) months. Employees who accept a position may not bid on another vacancy for a period of twelve (12) months. If the Company determines during the first thirty (30) days that a selected employee is not adequately performing the new position he will be returned to his former job and will be eligible to bid on other

posted vacancies.

Section 3. For entry level positions and for positions where there are no bidders with sufficient skill and ability to perform the responsibilities of the position, the Company may fill the position at its sole discretion. If this results in the assignment of a current employee to an entry level position then the most junior qualified employee will be selected.

Section 4. The Union recognizes the right of the Company to temporarily reassign employees to other positions or shifts, including the right to temporarily fill vacancies without regard to seniority. The Company agrees that it will attempt to assign temporary jobs to less senior employees who are qualified to perform the duties of the position. Employees who refuse a temporary transfer to a different job or shift will be subject to disciplinary action which will normally be termination.

Section 5. Employees on an approved leave of absence who are scheduled to return to work within two (2) weeks of the date that a position is posted may bid on the vacancy by written notification or by signing the posting. If an employee on a leave of absence is awarded the position he must fill it no later than the date that he was scheduled to return to work.

Section 6. The Company will provide the Union with a copy of all awarded bids.

ARTICLE XI

DISCHARGE AND DISCIPLINE

Section 1. The Union recognizes the right of the Company to make, enforce and reasonably modify work rules and to take appropriate disciplinary action.

Section 2. Grievances relative to the discharge or discipline of employees will be handled in accordance with Article VI.

Section 3. The failure of the Company to invoke the strictest discipline for an infraction of a rule on one occasion shall not alter the right of the Company to invoke a different or stricter discipline for a later or different infraction of the rule based on changed circumstances or aggravating and mitigating factors.

Section 4. Upon request of the employee a union representative will be called to be present at any interview that may result in disciplinary action.

ARTICLE XII

SAFETY AND HEALTH

Section 1. The parties agree that all employees are entitled to a safe and healthful place to work, and they jointly pledge their individual and joint efforts to maintain this objective. Recognizing that the health and safety of employees is the highest priorities of the parties, the Company and the Union will cooperate to reach the objective of eliminating accidents and health hazards, and will encourage employees to follow and utilize the Company's policies and procedures on health and safety.

Section 2. The Company will continue to utilize professional resources and allocate its own resources of every kind to study, implement, train, evaluate, monitor and improve safe working practices, working conditions, tools, equipment, machinery and supplies wherever possible. Management will investigate safety issues where appropriate.

Section 3. The Company will continue to conduct

Safety Committee meetings usually on at least a monthly basis. The Joint Safety Committee will be made up of six (6) members and will include both management and staff personnel, and members of the bargaining unit. The Union will have the right to appoint two (2) bargaining unit members to serve on the Safety Committee. Employees will be paid for time spent in the meetings.

Section 4. Employees will immediately report to their supervisors any condition believed to present safety/health problems in the plant and the problems will be investigated and appropriate corrective action will be taken.

Section 5. The Company will provide appropriate personal protective equipment such as safety glasses, hard hats, hearing protection, respirators and gloves.

Section 6. The Company will reimburse employees \$75.00 annually for the purchase of safety boots and \$50.00 annually for the purchase of prescription safety glasses.

ARTICLE XIII

DRUG AND ALCOHOL FREE WORK PLACE

The Company will enforce and may from time-to-time modify its policy prohibiting the presence of drugs and alcohol in the work place. If the changes in the policy are under consideration the Company will first negotiate the matter with the Union and if no agreement is reached within thirty (30) days then the Company may implement the changes. The Union recognizes the serious safety and health problems associated with the presence of drugs and alcohol in the work place and agrees to support the Company in its enforcement of this policy.

ARTICLE XIV
ATTENDANCE

The Company will enforce and may from time-to-time modify its attendance control policy. If changes in the policy are under consideration the Company will first discuss the matter with the Union and give serious consideration to its points of view prior to implementing any changes. The Union recognizes the importance of regular attendance and agrees to support the Company in its effort to prevent unnecessary absenteeism.

ARTICLE XV
UNION LEAVE

Upon proper notice and with management approval, the Company will permit up to two (2) Union officials to be off from work without pay for authorized Union activity without incurring attendance violations. Management approval will not be unreasonably withheld. These absences will normally be limited to a maximum of five (5) days. The cumulative number of days allowed off for all Union officials shall not exceed twenty-five (25) in a calendar year.

ARTICLE XVI
WAGES

Wages are set out in Appendix A to this Agreement and shall become a part hereof as fully as if incorporated herein.

ARTICLE XVII

HOURS OF WORK

Section 1. The normal work week shall consist of forty (40) hours per week. Nothing in this Article shall be construed as a guarantee of any number of hours of work or pay or of any number of days of work per week, and the right to set starting and quitting times of various shifts is reserved to the Company.

Section 2.

- (a) The length of a normal work day will depend upon the shift that an employee works. Employees on first shift will work eight (8) hours plus a thirty (30) minute unpaid meal period which will normally occur near the middle of the shift. Employees on second or third shift will work eight (8) consecutive hours which will include a twenty (20) minute paid meal period. Employees on these schedules will normally receive two (2) ten (10) minute breaks.
- (b) The normal work week will consist of five (5) eight hour shifts although from time-to-time it may be shorter or longer.
- (c) Employees who work in areas that operate seven (7) days a week will normally work ten (10) hour days Monday-Thursday or twelve (12) hour days Friday-Sunday. The following meal and break schedules will apply:
 - (i) Employees assigned to the ten (10) hour first shift will receive a thirty (30) minute unpaid meal period and two (2) 10-minute breaks.
 - (ii) Employees assigned to ten (10) hour second shift will receive a twenty (20) minute

paid meal period and two (2) 10-minute breaks.

- (iii) Employees assigned to the twelve (12) hour shifts will receive a twenty (20) minute paid meal period and two (2) 10-minute breaks.

Employees on the Friday through Sunday twelve (12) hour schedule will be paid 13.33 hours for ever twelve (12) hours that they work.

- (d) The normal times for eight (8) hour shifts are as follows:

First Shift - 6:00 a.m.-2:30 p.m.

Second Shift - 2:30 p.m.-10:30 p.m.

Third Shift - 10:00 p.m.-6:00 a.m.

The normal times for ten (10) and twelve (12) hour shifts are as follows:

Ten (10) Hours - 6:00 a.m.-4:30 p.m.

- 6:00 p.m.-4:30 a.m.

Twelve (12) Hours - 6:00 a.m.-6:00 p.m .

- 6:00 p.m.-6:00 a.m .

Section 3. An employee will be at his workstation ready for work at the beginning of his shift and will continue working until the end of said shift.

Section 4. Employees will normally be paid on alternate Fridays for the two (2) workweeks ending the preceding pay period.

ARTICLE XVIII

OVERTIME/PREMIUM PAY

Section 1. After an employee has earned pay for forty (40) hours in a work week all additional work during that work week will be paid at 150% of the employee's normal pay rate.

Section 2. All employees must work overtime unless excused by their supervisor.

Section 3. For overtime calculation purposes, the normal workweek will begin at the start of an employee's first shift on Monday and end one hundred and sixty-eight (168) hours later. The work week for the third shift employees will begin at the start of the employee's Sunday evening shift and end one hundred and sixty-eight (168) hours later.

Section 4. With the exception of those employees who are normally scheduled to work on Sunday, work performed on Sunday will be paid at 200% of the employee's normal rate.

Section 5. Employees who work a seven (7) day schedule will be paid at 200% of their normal rate for all time worked on the seventh consecutive day in a work week.

Section 6. The Company will provide as much advance notice as possible whenever overtime work is required, and will first seek volunteers to work the overtime. If there are more volunteers than available work, the employees who normally perform the jobs will be given preference for the overtime work. If there are an insufficient number of volunteers, then the employees who normally perform the jobs will be required to work the overtime.

Section 7. There shall be no pyramiding or duplication of overtime or premium payments.

ARTICLE XIX

REPORTING PAY AND CALL-IN PAY

Section 1. Reporting Pay: An employee who reports to work on his regularly assigned shift and for whom

no work is made available will be paid two (2) hours at his normal pay rate. The employee must accept work assigned by the Company for this two-hour period or forfeit the right to the two hours' pay. Such reporting pay will not be paid if the employee has been notified not to report, or if the Company attempts to give notice at the last phone number appearing on the personnel records. Reporting pay is not payable if work is not available because of fire, flood, explosion, storm, utility failure or breakdown, work stoppage, labor dispute, or any condition beyond the control of the Company.

Section 2. Call-In Pay: An employee called in to work after his regular work hours will be afforded at least two (2) hours of work or pay at his normal pay rate. An employee shall be deemed to have been called in only when he receives notice of work to be done after he leaves the Company premises. If he receives such notice of work to be done before leaving the Company premises, but after the close of his preceding shift, he shall be deemed to have worked continuously. An employee called in for work before his regular starting time is not entitled to call-in pay if he continues to work over into his regular shift.

ARTICLE XX

TEMPORARY ASSIGNMENTS

An employee who is temporarily assigned to a job with a higher pay grade will continue to be paid at his regular rate of pay for the remainder of the day on which the temporary assignment begins. When an employee starts work in the higher pay grade job at the beginning of the shift he will begin to receive the pay rate for that

job on the first full day and on each consecutive day that he continues to work in the higher paying job. When temporarily assigned to perform work of a lower rated position, the employee's rate of pay shall not be reduced.

Management may temporarily assign employees to a different job for a period not to exceed sixty (60) calendar days. If there is a need to continue to fill the job beyond this time period, the assignment will be put up for bid for the remainder of the temporary assignment period. If there are no qualified bidders, management may temporarily fill the position at its discretion.

ARTICLE XXI **INSURANCE**

Effective April 1, 2014, full-time employees will be eligible for the following insurance benefits no later than ninety (90) days after beginning full-time employment. For purposes of health insurance coverage, full-time employment is defined as regularly working at least thirty (30) hours per week. Employees who have satisfied the qualification requirements will remain eligible for insurance coverage during periods of temporary work week reductions to the extent that the coverage is consistent with the terms and conditions of the insurance policies and/or summary plan documents.

Section 1. LIFE INSURANCE — Term life insurance will be provided to all full-time employees in the amount of twenty-five thousand dollars (\$25,000) as long as the eligibility requirements listed above are met. Additional life coverage, within the terms of the insurance policy, may be purchased at the employee's discretion through payroll deduction. The rate for this coverage will vary

depending on the employee's age.

Section 2. ACCIDENTAL DEATH and DISMEMBERMENT INSURANCE — Full-time, employees will be provided with a twenty-five thousand dollar (\$25,000) accidental death and dismemberment insurance policy as long as the eligibility requirements listed above are met. Additional accidental death and dismemberment coverage may be purchased at the employee's discretion through payroll deduction, within the terms of the insurance policy.

Section 3. SHORT TERM DISABILITY INSURANCE — Full-time, employees will be provided short term disability insurance, as long as the eligibility requirements listed above are met. This coverage will be based on 70% of the disabled employee's standard weekly wage, not to exceed \$500 per week. Coverage will run from day 1 to day 180 in cases involving an accident, and from day 8 to day 180 in cases involving an illness. Payments may be reduced by deductible sources of income and disability earnings as governed by the terms of the policy.

Section 4. LONG TERM DISABILITY INSURANCE — Full-time, employees will be provided with long term disability insurance, as long as the eligibility requirements listed above are met. This coverage will be based on 60% of the disabled employee's standard monthly earnings, which will be calculated by multiplying the employee's hourly pay rate times 2,080, and dividing by 12. The maximum monthly payment is \$5,000. Coverage will begin on day 181 and will continue until the employee is no longer disabled under the terms of the policy or reaches Social Security retirement age, whichever occurs first. Payments may be reduced by deductible sources of income and disability earnings as governed by the terms of the policy.

Section 5. HEALTH AND WELFARE PLANS (In-

cluding Medical, Dental and Vision Exam) — The Company will provide a program consistent with the Patient Protection and Affordable Health Care Act (“PPACA”) on a premium sharing basis. Effective April 1, 2015, or thereafter, the spouse by civil marriage, the spouse by civil union, or the domestic partner of the employee who is eligible for another employer’s group health plan is not eligible to participate in the Company’s group health plan unless the spouse or domestic partner shows that the other coverage is not affordable or lacks minimum value within the meaning of 26 U.S.C. §36B(c)(2)(C)(i) or (ii). Consistent with the exclusions herein, the employee may select either employee only coverage, employee and spouse (by civil union or by civil marriage)/domestic partner coverage, employee and child(ren) coverage or family coverage. The employee will pay 25% of the premium cost for the plan that the employee selects. The Company retains the right, as a part of the Health and Welfare Plans, to provide additional plans and coverage that include a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA) and/or programs that include healthy lifestyle incentives, as recognized by Healthcare Reform.

Section 6. The Company retains the right to change insurance carriers or administrators for any of the above described coverages, and to modify the coverage in order to reduce costs to itself and to participating employees. To the extent possible, the Company will discuss potential changes with the employees in the bargaining unit prior to their implementation. However, the Company retains the right to determine benefit levels, providers, and associated coverage of the plans.

The Company retains the right to include healthy

lifestyle incentives as a part of insurance coverage.

ARTICLE XXII

401(k) PLAN

Section 1. A newly hired employee will be automatically enrolled in the 401(k) Savings Plan (Option 1) at a contribution rate of 3% unless the employee requests not to participate or chooses to contribute at a higher rate. For an employee automatically enrolled in the 401(k) Savings Plan, every year on the first payroll following January 1, the contribution will increase 1% until the employee's contribution rate is 6%.

Section 2. After six (6) months of employment, the Company will match the employee's contribution equal to \$0.50 for every \$1.00 the employee contributes up to a maximum match that is equivalent to 3% of the employee's pre-tax earnings.

Section 3. Employees must be at least eighteen (18) years of age to participate in the 401(k) Plan. Contributions will be through payroll deduction. The provisions of the voestalpine Nortrak Inc. 401(k) Retirement Plan and IRS regulations will control all transactions.

Section 4. The parties recognize that the 401(k) plan covers voestalpine Nortrak Inc. employees throughout the United States and agree that from time to time that plan may be modified. These modifications will not apply to the Section 2 match unless the match is frozen or modified for all participants.

ARTICLE XXIII
VACATIONS

Section 1. The Company will grant annual paid vacations to all full-time, non-probationary employees in accordance with the following provisions:

Section 2. On January 1 of each year employees who have worked the entire previous year (all twelve (12) months and at least 1600 hours) will be entitled to vacation based on the following schedule:

<u>YEARS OF SERVICE</u>	<u>VACATION ENTITLEMENT</u>
One through Four	Two Weeks (80 hours)
Five or more	Three Weeks (120 hours)

Section 3. Employees who have been hired during the preceding year or who have worked less than twelve (12) months during the preceding year will be eligible for vacation on a pro-rata basis.

Section 4. Vacations may not be accumulated from year to year.

Section 5. At least one week (40 hours) of available vacation must be taken as a block. The remaining vacation may be taken as a week or in whole days as approved by management. Except as provided for in Section 6, vacation may not be taken for less than a full day.

Section 6. Employees with vacation balances of less than one day may take a full day off if their vacation balance will cover at least 50% of the work day. In such cases the portion of the day not covered by vacation will be unpaid. Employees who choose not to take partial day vacations or whose vacation balances will not cover at least 50% of the work day will be paid for unused vacation on the last pay-

check of the year.

Section 7. During the spring and fall seasons vacations may be scheduled so that no more than 5% of the employees in the same area are on vacation. During the summer season vacations may be scheduled so that no more than 10% of the employees in the same area are on vacation. If a supervisor is unable to grant all vacation requests for the same time period then priority will be given based on the length of service with Nortrak and, where applicable, the length of service in the job classification.

ARTICLE XXIV **HOLIDAYS**

Section 1. The following days are recognized as paid holidays:

- New Year's Day
- Good Friday
- Memorial Day
- Fourth of July
- Labor Day
- Thanksgiving Day
- Day After Thanksgiving
- Christmas Eve
- Christmas Day

One floating holiday scheduled by the Company, which will normally occur between Christmas Eve and New Year's Day.

The Company reserves the right to determine the day on which any of the listed holidays will be observed.

Section 2. To be eligible for holiday pay, an employee must (1) have completed his probationary period, (2) normally be scheduled to work on a full-time basis, and (3) have worked the work day(s) immediately preceding and following the holiday. In cases where an employee takes vacation on the work day(s) immediately preceding or following the holiday, he must work his last and next scheduled day in order to be eligible for holiday pay. Emergency vacation days and adjusted shifts will not be granted on work days immediately preceding or following a holiday.

Section 3. Employees who are absent due to a Workers' Compensation covered illness or injury will be eligible for holiday pay for the first two (2) holidays that occur during their period of absence.

Section 4. Employees who are required to work on a scheduled paid holiday will receive holiday pay in addition to 150% of their normal rate for the time that they work. Employees scheduled to work on a paid holiday who fail to work will not be entitled to holiday pay unless their failure to work is approved by the Company.

Section 5. Holidays that fall on a weekend will be observed on the Friday preceding or the Monday following the holiday, as determined by the Company.

Section 6. Holiday pay for an unworked holiday shall be at the rate of eight (8) times the employee's normal pay rate. For employees who are regularly scheduled to work Friday through Sunday, holiday pay will be based on 9 1/3 times the employee's normal pay rate for holidays that are celebrated on Fridays, and eight (8) times the employee's normal pay rate for holidays celebrated Monday through Thursday.

ARTICLE XXV
JURY DUTY

Section 1. Any employee who has completed his probationary period and who loses actual worktime from a scheduled shift because of jury duty shall be compensated by the Company for the difference between the amount of pay he receives for such jury service and that which he would have normally earned on his regular job, exclusive of overtime, subject to the following conditions:

- A. That the Company was notified in advance of the employee's absence from work.
- B. That his jury service is certified in writing by the Clerk of the Court.
- C. That the employee reports for work within one hour after he is released from jury service, if such release occurs at least four hours prior to the end of his scheduled shift.
- D. That no employee shall receive jury compensation for more than eight (8) hours in any day or more than ten (10) days in any twelve months, or for any days other than his regular work days.
- E. That the employee otherwise would have had work on his job.

Section 2. Employees selected for jury duty who are on other than the day shift shall be assigned to the day shift on the days they are required to serve as jurors.

ARTICLE XXVI
FUNERAL LEAVE

The Company agrees to pay each non-probationary employee who has a death in his immediate family up to

three (3) days pay for time lost from work for attendance at the funeral in accordance with the following qualifications:

Section 1. Immediate family is defined as a current spouse, parent, child, brother, sister, grandparent, grandchild, mother-in-law, father-in-law, brother-in-law or sister-in-law.

Section 2. A day's pay is to be based on the employee's base rate times eight (8) hours.

Section 3. Such days shall be up to any three (3) consecutive days with the last day normally being the day of the funeral unless it is held more than two hundred (200) miles from Pueblo.

Section 4. Employees must complete a funeral leave form, including a copy of the death certificate, obituary, funeral program or a letter from the funeral home.

Section 5. Upon demonstrating a compelling need for additional time an employee may request additional unpaid days of leave related to the death of an immediate family member. Leave will not be granted until the employee has exhausted all vacation hours available to him. If vacation is available the employee may request days of vacation. If no vacation is available, the additional days, if granted, will be unpaid, but will be excused for purposes of the No-Fault Attendance Policy and will result in no points being issued. Examples of situations in which a request for additional time would be considered "compelling" could be: if the funeral occurs in excess of 500 miles from Pueblo or the employee demonstrates special circumstances such as being the sole heir or sole guardian of surviving children of a deceased family member.

Section 6. Non-probationary employees will be granted one (1) day of pay to attend the funeral of a spouse's child

from a previous marriage who is living in common domicile with the employee, or to attend the funeral of a spouse's biological grandparent. These employees must satisfy the requirements of Section 4.

ARTICLE XXVII

GENERAL PROVISIONS

Section 1. An employee who sustains an on-the-job injury and is subsequently determined by competent medical authority to be unable to complete the remainder of his shift shall be paid for the time missed on the day of the injury (exclusive of overtime) at his normal pay rate.

Section 2. The Company will maintain a supply of rain-coats for employees to use whenever they must work in the rain.

Section 3. Pay will be by direct deposit into an account(s) designated by the employee. Currently the payroll administration contract allows for up to two (2) designated locations, including one or more credit unions.

Section 4. In the event of a plant closing or operational relocation the Company agrees to provide notice consistent with the requirements of the WARN Act.

Section 5. Time spent by employees in mandatory meetings scheduled by management will be paid at the employee's regular rate of pay.

Section 6. In the event of a permanent closing of the Pueblo facility, the Company agrees to negotiate with the Union over the effects of the closing.

Section 7. If required to do so by federal or state regulation or law, or by a presidential executive order, the Company will provide safety shoes to those employees who are covered by the applicable regulation, law or order.

ARTICLE XXVIII

COMPLETE AGREEMENT

Section 1. The parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining. They, therefore, each voluntarily and unqualifiedly waive the right for the life of this Agreement to bargain collectively with respect to any matter referred to or covered in this Agreement, or with respect to any other subject or matter relating to rates of pay or working conditions, except as provided for in other Articles of this Agreement.

Section 2. This Agreement represents the entire agreement between the parties, and no other agreement or practice concerning rates of pay, hours or other terms and conditions of employment are binding upon either party.

Section 3. The provisions of this Agreement may be amended, supplemented, rescinded or otherwise altered only by mutual agreement, in writing, between the Company and the Union with the same formality as the original agreement.

Section 4. No rights or obligations created by or arising from this Agreement shall survive the date of its termination. As such, only grievances whose underlying facts arise before the expiration of the Agreement will be subject to arbitration.

ARTICLE XXIX
MODIFICATION, EXTENSION OR
TERMINATION OF AGREEMENT

Section 1. Modification or Extension of Agreement.

If either party wishes to change any provision of this Agreement, it shall give written notice of this intention to the other party at least sixty (60) days prior to the expiration date of this Agreement.

The giving of the above referenced notice shall constitute an obligation upon both parties to negotiate in good faith all questions at issue, with the intent of reaching a written agreement prior to the expiration date of this Agreement.

If the parties have not reached an agreement on or before the expiration date, all the provisions of the Agreement shall remain in effect unless specifically terminated in accordance with the provisions of Section 2 below.

If neither party gives the above referenced notice, then this Agreement shall automatically renew itself from year to year thereafter.

Section 2. Cancellation of Agreement. At any time after the expiration date of this Agreement, if the parties have given the above referenced notice but failed to reach agreement on the questions at issue, either party may give written notice to the other party of intent to terminate the Agreement in not less than ten (10) days. All the provisions of the Agreement shall remain in full force and effect until the time set forth has elapsed. During this period, attempts to reach an agreement shall be continued.

If the parties have failed to resolve their differences before the expiration of the ten day notice period, all obligations under this Agreement are automatically cancelled.

ARTICLE XXX
Duration of Agreement

This Agreement shall be in full force and effect from April 1, 2014 through March 31, 2019, and shall automatically be renewed from year to year thereafter unless either party serves notice in writing on the other party as provided for in Article XXIX above.

IN WITNESS WHEREOF the said parties have caused duplicate copies hereof to be executed by their duly authorized officers this _____ day of _____, 2014.

FOR THE COMPANY
voestalpine NORTRAK Inc.

FOR THE UNION
United Steel, Paper and Forestry,
Rubber, Manufacturing, Energy,
Allied Industrial and Service
Workers International Union

Brian Abbott
Exec. Vice Pres. Engineering

Leo Gerard
International President

Clay Johnston
Human Resources Manager

Thomas M. Conway
Int'l. Vice Pres., Administration

Fred Redmond
Int'l. Vice Pres., Human Affairs

Stanley W. Johnson
Int'l Secretary/Treasurer

Robert LaVenture
Director, District 12

Manual Armenta
Sub-District Director

Douglas P. Fennell
Staff Representative

Mike Rodriguez
President - USW Local 2102

Sam Pantello
Vice Pres. - USW Local 2102

Xavier Sapeda
Unit Pres. - USW Local 2102

Alonzo Archuleta
Main Griever - USW Local 2102

APPENDIX A
WAGE SCHEDULE / WAGE ADJUSTMENTS¹

<u>GRADE A</u>	<u>4/1/14</u>	<u>4/1/15</u>	<u>4/1/16</u>	<u>4/1/17</u>	<u>4/1/18</u>
- Frog Fitter A	\$16.14	\$16.62	\$17.04	\$17.55	\$18.08
- Machinist A	\$17.33	\$17.85	\$18.30	\$18.85	\$19.42
- Maintenance Technician	\$17.92	\$18.46	\$18.92	\$19.49	\$20.07
- Flashbutt Welder	\$18.52	\$19.08	\$19.56	\$20.15	\$20.75
First 90 days					
Next 12 Months					
Next 12 Months					
Top Rate					
<u>GRADE B</u>					
- Assemblyman A					
- Frog Fitter B					
- Machinist B					
- Welder					
- Rail Bender Operator					
First 90 Days	\$14.82	\$15.27	\$15.65	\$16.12	\$16.60
Next 12 Months	\$16.01	\$16.49	\$16.90	\$17.40	\$17.92
Next 12 Months	\$16.61	\$17.11	\$17.54	\$18.07	\$18.61
Top Rate	\$17.22	\$17.74	\$18.18	\$18.73	\$19.29

GRADE C

- Material Handler A
 - Tool Room Attendant
 - Machine Operator
 - Rail Finisher
- First 90 days
Next 6 Months
Next 6 Months
Top Rate

<u>4/1/14</u>	<u>4/1/15</u>	<u>4/1/16</u>	<u>4/1/17</u>	<u>4/1/18</u>
\$13.38	\$13.78	\$14.13	\$14.55	\$14.99
\$14.59	\$15.02	\$15.40	\$15.86	\$16.34
\$15.18	\$15.64	\$16.03	\$16.51	\$17.01
\$15.78	\$16.25	\$16.66	\$17.16	\$17.67

GRADE D

- Material Handler B
- First 90 Days
Next 90 Days
Next 90 Days
Top Rate

\$11.94	\$12.30	\$12.61	\$12.99	\$13.38
\$13.14	\$13.53	\$13.87	\$14.29	\$14.72
\$13.74	\$14.15	\$14.50	\$14.94	\$15.39
\$14.35	\$14.78	\$15.15	\$15.61	\$16.07

¹ All wage adjustments take effect on the first day of the first full payroll period following the dates shown.

GRADEE

- Laborer	<u>4/1/14</u>	<u>4/1/15</u>	<u>4/1/16</u>	<u>4/1/17</u>	<u>4/1/18</u>
First 90 Days	\$10.52	\$10.84	\$11.11	\$11.44	\$11.78
Next 90 Days	\$11.71	\$12.06	\$12.36	\$12.73	\$13.11
Next 90 Days	\$12.31	\$12.68	\$13.00	\$13.39	\$13.79
Top Rate	\$12.90	\$13.29	\$13.62	\$14.03	\$14.45

GRADEF

- Temporary Laborer Rate	<u>4/1/14</u>	<u>4/1/15</u>	<u>4/1/16</u>	<u>4/1/17</u>	<u>4/1/18</u>
	\$9.57	\$9.86	\$10.11	\$10.41	\$10.72

- Progress through the pay ranges in based on satisfactory work performance.

MBAND

M1	<u>4/1/14</u>	<u>4/1/15</u>	<u>4/1/16</u>	<u>4/1/17</u>	<u>4/1/18</u>
M2	\$20.00	\$20.60	\$21.12	\$21.75	\$22.40
M3	\$21.00	\$21.63	\$22.17	\$22.84	\$23.53
M4	\$22.00	\$22.66	\$23.23	\$23.92	\$24.64
	\$23.00	\$23.69	\$24.28	\$25.01	\$25.76

- Progress through the maintenance pay levels will depend upon the employee's increase in performance, skill and knowledge; as determined by management.