

COLLECTIVE BARGAINING
AGREEMENT

BETWEEN

**UNITED STEEL, PAPER AND FORESTRY, RUBBER,
MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND
SERVICE WORKERS INTERNATIONAL UNION, AFL-CIO, CLC
LOCAL 12-369**

And

**SANDVIK SPECIAL METALS LLC
FINLEY PLANT
KENNEWICK, WASHINGTON**

Effective March 16, 2020

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AGREEMENT

This Agreement is entered into this 16TH day of March 2020, between Sandvik Special Metals LLC with respect to its Finley plant, which is located in Finley, Washington, hereinafter referred to as the "Employer" or the "Company", and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC for and on behalf of its Local 12-369 hereinafter referred to as "United Steelworkers" or "Union".

The Union and the Company recognize that it is in the best interests of both parties, the employees, and the public that all dealings between them continue to be characterized by mutual responsibility and respect and to cooperate fully to promote the welfare of the business and the efficiency of the operations of the Company at its plant in Finley.

ARTICLE 1

1.0 **RECOGNITION**

1.1 In accordance with the certification issued by the National Labor Relations Board on December 10, 1975, in Case 19-RM-1267 and 19-RC-7701, and the agreement between the parties dated July 5, 1978 (NLRB Case 19-RC-8924), the Company recognizes the Union as the exclusive bargaining agent for the following bargaining unit:

1.1.1 Included: All permanent Maintenance and Operations employees classified as Operators II, I, Master; Mechanics II, I, Master; Calibrationists; Machinists, Millwrights, Instrument Technicians, Electricians, Working Leaders employed by Sandvik Special Metals LLC at 235407 E. SR 397, Kennewick, Washington. In the event that the Company needs to restore a previously deleted job classification, USW and the Company would negotiate the rate of pay, job classification and any other work conditions in the same manner of any other Union employee job classification.

1.1.2 Excluded: Flow Managers, technicians, office clerical employees, plant clerical employees, secretaries, guards and those specifically excluded by the Act.

1.2 It is agreed and understood that the above certification acknowledges and satisfies the representation rights of the Union as the sole and exclusive bargaining agent for the above-defined employees. The recognition granted conveys no rights, express or implied, to the Union or any employee, other than the right of such of Company's employees as may be from time to time within the above-defined bargaining unit to be represented by the Union as and to the extent specifically provided by

Article 1 – Recognition (cont.)

the National Labor Relations Act, as amended; the recognition herein granted to the Union refers only to its right to represent the defined group of Company's employees who may be engaged in production and maintenance work in the Finley plant at Finley, Washington. It is further understood that the Company recognizes the Union as the bargaining representative for the above-defined unit of its employees engaged in production and maintenance work at the Finley plant, provided such work is available at said location.

1.3 A training committee will be formed using members of the Company and Union with the purpose of overseeing training programs to insure that the Company's goals and objectives are met by improving employee qualifications, maintaining consistency and fairness, and increasing the flexibility of a trained workforce. The Union will select their representatives and have at least an equal number of representatives as the Company.

1.3.1 Training programs will be established, or existing plans augmented, to keep the work force in step with technological advances. The object of such training will be to insure that the Company continues to maintain a competent and safe work force. It is understood that, with the exception of apprentices, all mandatory training will be accomplished on the Company's time.

1.4 Operations classification assignments include all routine maintenance.

ARTICLE 2

2.0 UNION SECURITY AND CHECK-OFF

- 2.1** All present employees shall as a condition of employment beginning not later than the 31st calendar day following the execution of this Agreement, acquire and maintain membership in good standing in the Union. The Employer may hire new employees from whatever source it desires, but all employees hired for jobs in the bargaining unit on or after the effective date of this Agreement, shall as a condition of employment, beginning on the 31st calendar day following the beginning of such employment, acquire and maintain membership in good standing in the Union.
- 2.2** For the purpose of this paragraph an employee shall not be deemed to have lost his / her membership in good standing in the Union until he / she has withdrawn from membership or until his / her membership has been terminated or suspended by the Union for nonpayment of the periodic dues or the initiation fees uniformly required of all members of the Local Union as a condition of maintaining membership and until the Secretary of the Local Union shall have given the Company written notice of that fact. Subsequent to receipt of such notice, the Company shall have ten days in which to make such investigation, as it may deem proper.
- 2.3** The Company will deduct from employee wages and remit to the Secretary-Treasurer of the International Union the regular and uniform union dues of such members of the Union as individually and voluntarily certify the authorization of such deductions. Such remittance shall be submitted with an itemized listing of each employee and the dues owed by them with a copy to the Local Union.

Article 2 – Union Security and Check-off (cont.)

- 2.4** Any change in Union Dues shall take effect in the first full pay period of the month following the receipt of written notice to the Company, provided said notice is received at least ten days prior to said first of the month. The dues shall be deducted from wages earned including vacation pay each pay period and transmitted monthly. In the event of a substantial change in the dues structure, the Company will make best efforts to meet the above time frame. The Company shall notify the Union of any delays that arise and meet to discuss those delays and make best efforts to resolve those delays.
- 2.5** 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 in reliance upon documents or cards or other information furnished to the Company by the Union in complying with any of the provisions of this article.

ARTICLE 3

3.0 STRIKES AND LOCKOUTS

3.1 There will be no strikes, work stoppages, picket lines, slow downs, boycotts or concerted failure or refusal to perform assigned work by the employees or the Union and there will be no lockouts by the Company for the duration of the Agreement.

3.2 Any employee who participates in or promotes a strike, work stoppage, picket line, slowdown, boycott or concerted failure or refusal to perform assigned work may be discharged or otherwise disciplined by the Company and only the question of whether he / she did in fact participate in or promote such action shall be subject to grievance and arbitration procedure.

3.3 It is recognized by the parties that the Company is engaged in a business which is of importance to the national welfare and that any violation of this Article could give rise to irreparable damage to the Company and to the public at large. Accordingly, it is understood and agreed that in the event of any violation of this Article, the Company shall be entitled to seek and obtain immediate injunctive relief, together with such other relief as it may be entitled to or can make available to itself. Provided, however, it is agreed that the Union shall not be responsible for any act alleged to constitute a breach of this Article unless it can be shown that the Union or any of its officers, or agents instigated, authorized, condoned, sanctioned or ratified such action, and further that the Union and its officers have not used every reasonable means to prevent or terminate such action.

ARTICLE 4

4.0 MANAGEMENT FUNCTIONS

- 4.1** The parties agreed that the efficiency of any industrial enterprise requires clear management authority and freedom to make decisions.
- 4.2** It is further understood and agreed that this Agreement constitutes the whole agreement of the parties concerning wages, hours and working conditions and that all decisions on matters not expressly provided for in this Agreement are reserved to the Company.
- 4.3** By way of illustration, the Company retains the right to manage the plant and to determine and from time-to-time re-determine the number, location and types of its plants and operations and the methods, processes and materials to be employed; to change, alter, substitute, replace, add to, or eliminate equipment, processes or procedures; to discontinue, temporarily or permanently, and in whole or in part, the conduct of its business or operations; to determine the disposition of the Company's products and the sources of materials and supplies; to select and direct the working force in accordance with the requirements determined by management; to subcontract work; provided no employee is on layoff that is qualified to perform such work; to establish and maintain the standards of production and inspection; to determine the size and constitution of the working force, and to make reasonable Company rules governing the conduct of the working forces provided said rules are not inconsistent with the express terms of the Agreement.

ARTICLE 5

5.0 UNION REPRESENTATION

5.1 The Company shall recognize those Stewards (including one Chief Steward) selected by the Union from employees of the Company within the bargaining unit. The Union shall give the Company five (5) days written notice of any change of steward.

5.2 The stewards' names and seniority groups shall be furnished to the Manager, Human Resources or his / her representative by the Union.

For adequate representation, stewards will be allowed to sustain 20 to 1 steward to BU employee ratio with an addition of one (1) chief steward for all BU employees.

The Union is responsible for determining representation by department in a seniority group.

The Chief Steward may elect to be assigned to day shift on a priority basis.

5.3 All stewards or employees must obtain permission from their immediate Flow Manager / Working Leader before engaging in Union business during working hours.

Permission which is granted shall be given without unreasonable delay to conduct such Union business. The steward involved in processing a grievance that is in the first step of the grievance procedure during his / her regular working hours shall not lose pay for the time spent in such discussion. When the Union Grievance Subcommittee, defined in Section 5.4 of this Article, is involved in Step 2 meetings with the Company, any member of the Subcommittee who is scheduled to work at the time of the Step 2 meeting will receive his / her straight-time pay rate. Otherwise, time spent in handling grievances shall be the Union's responsibility.

5.4 The Company will recognize a Union Grievance Subcommittee at Step 2 meetings, which shall consist of the Chief Steward and the authoring steward of the grievance. Additional employees may attend Step 2 meetings with prior consent of the other party, such consent will not be unreasonably denied. International Union representatives may participate as deemed necessary and appropriate by the Union.

ARTICLE 6

6.0 GRIEVANCE PROCEDURE

6.1 Definition of Grievance

The term "grievance" as used in this Agreement shall mean any asserted violation of the specific terms or provisions of this Agreement.

6.1.1 It is recognized by the Company and the Union that not every complaint constitutes a grievance, as defined in this section, entitled to be handled under the provisions of this Article.

6.1.2 Processing of grievances or complaints shall not unduly interfere with the continuity and efficiency of operations. In no case shall the processing of grievances or complaints interfere with employee safety.

6.2 Flow Manager is First Contact

Employees are encouraged to promptly present to their Flow Manager any complaint relative to the provisions of this Agreement. If the Flow Manager's response is unacceptable, and the complaint meets the definition of a grievance pursuant to Section 6.1 of this Article, it may become a formal grievance and be processed pursuant to the provisions of this Article.

6.3 Step 1

The complaint shall be reduced to writing specifying:

- 1) the nature of the grievance
- 2) the precise Article(s) of this Agreement alleged to have been violated
- 3) the remedy sought
- 4) the name(s) of the employee(s) aggrieved and their seniority group

Article 6 – Grievance Procedure (cont.)

- 6.3.1** The written grievance shall be presented to the Flow Manager. Any grievance not presented to the Flow Manager within fifteen (15) regularly scheduled working days (excludes holidays and week-ends) after the date of the occurrence giving rise to the employee's complaint shall be considered conclusively abandoned. Thereafter, such grievance may not be presented for consideration or be made the basis for any action under this Agreement or otherwise.
- 6.3.2** The Company shall respond in writing within fifteen (15) regularly scheduled working days from the date that the grievance is received by the Flow Manager.
- 6.3.3** If the written response of the Company is found to be unacceptable, the grievance may be considered at Step 2, provided that a written request is delivered to the employee's Flow Manager not later than fifteen (15) regularly scheduled working days from the date that the Company's written response is delivered to the Union.

6.4 Step 2

Within fifteen (15) regularly scheduled working days of the date of the receipt of the written request provided for in Section 6.3.3 of this Article, representatives of the Company and the Union Grievance Subcommittee shall meet to consider the grievance. In the event a meeting is not convened within the specified time period, the regularly scheduled working day time limit shall be extended until such meeting is convened. Either party may initiate at any time a regularly scheduled working day time limit by written notification to the other party.

- 6.4.1** Within fifteen (15) regularly scheduled working days of the date of such meeting, the Company shall respond in writing, setting forth its position relative to the grievance.

Article 6 – Grievance Procedure (cont.)

6.5 Arbitration

A written demand for arbitration may be presented to the Human Resources Manager not later than sixty (60) calendar days after the date of receipt of the Company's written response pursuant to Section 6.4.1 of this Article.

6.5.1 Within ten regularly scheduled working days of the date of receipt by the Company of the demand for arbitration, the moving party will request the Federal Mediation and Conciliation Service to furnish a list of five (5) arbiters living within a radius of 300 miles from the city limits of Kennewick, and the Union and Company representatives shall then select the arbiter from such list. If the representatives are unable to agree upon an arbiter from such list, they shall request the Federal Mediation and Conciliation Service to submit a second list of five (5) names. If they are still unable to agree upon an arbiter, a third list of five (5) names shall be requested from the Federal Mediation and Conciliation Service. Thereafter, if no agreement is reached as to the arbiter, the Federal Mediation and Conciliation Service shall name him.

6.5.2 The arbitration shall be conducted under the rules set forth in this Agreement, and not under the rules of the Federal Mediation and Conciliation Service, the sole function of the Service being to furnish names of arbiters as herein provided.

6.5.3 The arbiter shall have jurisdiction and authority to adjudicate a grievance as defined in Section 6.1 of this Article, subject to the following provisions:

6.5.3.1 The arbiter shall have no authority to change, amend, add to, subtract from, or otherwise alter or supplement this Agreement or any part thereof or any amendment thereto.

Article 6 – Grievance Procedure (cont.)

6.5.3.2 The arbiter shall have no authority to consider or rule upon any matter which is stated in this Agreement not to be subject to arbitration, or which is not a grievance as defined above, or which is within the Company's or Management's discretion or control, or which is not specifically covered by this Agreement.

6.5.3.2.1 The arbiter shall specifically not have the authority to consider or rule in the case of an employee who has been terminated during his or her probationary period.

6.5.3.3 The arbiter may not issue declaratory or advisory opinions and shall confine himself exclusively to the question which is presented to him, which question must be actual and existing.

6.5.4 The decision of the arbitrator shall be final and binding on the parties.

6.5.5 It is contemplated that the Company and the Union shall mutually agree in writing as to the statement of the matter to be arbitrated prior to any hearing. In the event of failure of the parties to so agree on a statement of the issue to be submitted, the arbiter will determine the matter to be arbitrated. The arbiter's decision will be confined to the question thus specified.

Article 6 – Grievance Procedure (cont.)

- 6.5.6** Unless expressly agreed to by the parties to this Agreement, the arbiter shall not be given the authority to consider more than one grievance at a time.
- 6.5.7** Each party shall bear the expense of its own witnesses and the presentation of its case. The parties shall bear equally the expense of the arbiter. The proceedings of the arbitration may be recorded by either party.
- 6.6** If the arbitration hearing is not scheduled within 180 calendar days from the date of the receipt of the demand for arbitration because of failure of the moving party to timely proceed, the grievance shall be considered conclusively abandoned.
- 6.7** Nothing in this Article shall be construed as preventing the Union or the Company from acting as the moving party in filing and processing a grievance through arbitration pursuant to the provisions of this Article.
- 6.8** Any monetary reward shall not cover any period prior to thirty (30) calendar days before the date the grievance was filed pursuant to Section 6.3 of this Article.
- 6.9** All grievances must be processed within the time limits specified in this Article unless extended by mutual agreement in writing. If the time limits as specified herein or as extended by mutual agreement are not met by either party, then the matter in question shall be settled in favor of the timely party.

ARTICLE 7

7.0 SENIORITY

7.1 Definition

7.1.1 Seniority shall be defined as length of continuous service dating from the last date of hire; seniority shall be applicable within the seniority group to which an employee is permanently assigned. There shall be two seniority groups, which shall be called Operations and Maintenance.

7.1.1.1 Employees with the same hiring date shall be placed on the seniority list in order of age (oldest employee being most senior).

Employees with the same hire date shall be placed on the seniority list based on previous Company seniority when rehiring employees laid off beyond the expiration of their seniority rights.

7.1.2 Where an employee is permanently transferred from one seniority group to another, he / she will retain his / her seniority.

7.1.3 An employee transferred out of the bargaining unit after the effective date of this Agreement will:

7.1.3.1 If transferred to an exempt salaried position, continue to accumulate bargaining unit seniority for six (6) months after the effective date of the transfer. If, in the Company's discretion, the transferred employee is continued with the Company out of the bargaining unit for more than six (6) months, his / her bargaining unit seniority shall be forfeited.

Article 7 - Seniority (cont.)

7.1.3.2 If transferred to a nonexempt salaried position, continue to accumulate bargaining unit seniority for up to two (2) years after the effective date of the transfer. If, in the Company's discretion, the transferred employee is continued with the Company out of the bargaining unit for more than two (2) years, the bargaining unit seniority which has been accumulated will be frozen, for possible use in the event the employee is subsequently reassigned by the Company to a bargaining unit position. Only one such two-year period of accumulation will be permitted any employee during their bargaining or nonbargaining unit employment.

7.1.3.3 Create one seniority group from the two Production and Inspection Groups, which shall be called Operations. All existing employees will be grandfathered in their respective posted positions. New positions will be bid in accordance with the new operations seniority with the Company.

7.1.4 All bargaining unit job openings shall be posted for ten (10) working days. Employees may request consideration for job openings which occur, and which the Company intends to fill (and which are not filled through recall) by submitting a written request within ten (10) working days from and including the day posted.

7.2 **Layoff**

7.2.1 When a curtailment of the work force in whole or in part is decided upon by the Employer, the Employer may lay off employees within each seniority group and to such extent as it deems proper. Within the job classifications affected, order of layoff will be determined upon the basis of seniority as defined above, provided the employees remaining are qualified to perform the work available. The Company will not contract work normally performed by Operators or Mechanics, which will result in the layoff or demotion of qualified employees.

Article 7 - Seniority (cont.)

7.2.2 An employee who is laid off from a job classification will be given the opportunity to: (1) bump an employee with less seniority in the same seniority group, provided the employee bumped is the least senior in their job classification, the job classification is the same or a lower pay grade, and the bumping employee is qualified to perform the work available; or (2) they may bump an employee with less plant seniority in another seniority group who is the least senior employee in a job classification in which the laid off employee previously performed work satisfactorily for a period of six months; or (3) they may bump an employee with less plant seniority in any seniority group provided the employee is the least senior in their job classification, the job classification is in Level II or lower, and equal to or lower than the grade level of the bumping employee, and the bumping employee is qualified to perform the work available. In the case of (2) and (3) above a six-month period is not required to establish seniority in a new seniority group, full seniority being applicable to the new group immediately.

7.2.3 In any event the lowest senior employee in the Operations seniority group will be laid off.

7.2.4 There shall be no right to bump in the event of a temporary layoff. Temporary layoff is defined to be a layoff which does not exceed five work days.

7.2.5 Seniority shall not be a factor in a case of layoffs which extend for less than one full shift.

7.3 Recall

7.3.1 When the work force in a job classification in a seniority group is to be restored, employees laid off from the job classification shall be recalled in the reverse order of their layoff provided they are qualified to do the work available. An employee who has been laid off from the job classification shall be offered recall to it before another employee is promoted or a new employee hired. Employees who are laid off out of

Article 7 - Seniority (cont.)

the plant will be given fourteen (14) calendar days from the date of receiving notice of recall to report to work. Notice of recall given by registered or certified mail, return receipt requested, or by telegram sent to the address last furnished by the employee shall be conclusively considered to have been received in due course. It is the responsibility of each employee to advise the Company in writing of his / her address and of any change in such address.

7.4 Temporary Assignments

7.4.1 When necessitated by operational requirements which the Company believes to be temporary in nature, the Company shall have the right to temporarily transfer or assign employees within job classifications or to other job classifications within the seniority group. The Company will make such temporary assignments to provide current and future operational flexibility and provide opportunities for immediately available senior qualified employees to gain experience in work of the same or higher classifications. Seniority status of employees shall not be affected by temporary transfers. Such temporary assignments that exceed forty-five (45) calendar days in duration will be posted.

7.5 Promotions

7.5.1 A promotion is defined as the permanent transfer of an employee to a job classification carrying a higher maximum rate of pay than the one from which he / she is transferring. Job openings available for which promotional consideration is in order will be posted for ten (10) working days. An employee may request a transfer to a job carrying an equal or a lower rate with permission of the Company, however, if an employee requests and receives a downgraded position, the employee will not be eligible for promotions for one year from the effective date of the downgrade. Downgrades for medical reasons acceptable to the Company and the Union will not have a time limit on promotion eligibility.

Article 7 - Seniority (cont.)

- 7.5.2** Employees may request consideration for job openings which occur, and which the Company intends to fill (and which are not filled through recall) by submitting a written request within ten (10) working days from and including the day posted.
- 7.5.3** The Company will look first to employees within the seniority group where the job opening exists and will select the most qualified candidate, provided he / she is qualified to do the work; where two or more candidates are equally qualified, the senior candidate will be selected. If there is no qualified candidate from within the seniority group, candidates from other seniority groups may submit requests to be considered as above.
- 7.5.3.1** Mechanic II vacancies will be filled with the senior qualified employee who applies for the position. The Company will post the qualifications required for the position with the posting of the vacancy. Qualifications may include work experience, aptitude tests, employee commitment to enroll within 6 months in accredited technical programs (i.e. apprenticeship, trade school in related field – Ref. Article 10.1 Tuition Refund).
- 7.5.4** In the Maintenance Seniority group, if there are no qualified candidates, the Company may fill the job at its discretion.

Article 7 - Seniority (cont.)

7.5.5 In addition to the employee's written request, other factors which may be considered by the Company in determining qualifications in addition to job related experience and education, disciplinary record (have not had a disciplinary action that resulted in suspension in the last 12 months), and demonstration of knowledge, skills and abilities to perform the essential function of the job through practical and aptitude testing.

7.5.5.1 Employee must be trained and qualified to be eligible for promotion. Training opportunity will be offered to employees based on seniority. Should an employee not qualify for a position after completing the training, employee may retest within 30 days. If employee fails the second time the employee will have to wait a minimum of six (6) months before having the opportunity to retest again unless approved by the Company.

7.5.5.2 Once a job classification is attained an employee must maintain the qualification necessary for the job classification or be transferred to a lower classification.

7.5.6 **Working Leader** - This bargaining unit position directs the workforce for a period of time that is anticipated to extend longer than two (2) months in duration and performs the duties of the Flow Manager except that this position shall not be allowed or required to discipline or effectively recommend discipline.

For future Working Leader openings, the Company will post a notice asking those bargaining unit employees that have been employed with SSM for a minimum of 5 years who are interested to contact

Article 7 – Seniority (cont.)

the Company representative(s). Selection is at the discretion of the Company. However, the Working Leader shall be selected with consideration for qualifications and seniority, and shall not necessarily be the senior employee(s) in the department from which they are selected.

In the event, the Company cannot identify a qualified candidate for the position of Working Leader, the Company at its discretion can rescind the opening for Working Leader. In the event that there are no employees interested with a minimum of 5 years employment with the Company, the Company can repost the opening for employees with less than 5 years employment that are interested in the Working Leader position. The selection process would follow the same criteria from above (selection is at the discretion of the Company. However, the Working Leader shall be selected with consideration for qualifications and seniority, and shall not necessarily be the senior employee(s) in the department from which they are selected).

The bargaining unit employee(s) selected and assigned to the Working Leader position shall be paid ten (10) percent above the Master Operator rate in the wage progression scale in Attachment A. The Working Leader rate is specifically excluded from the wage retention provision of Article 19, Paragraph 19.1.4.

Working Leader will be subject to the same application of the Company's rules and policies, including overtime distribution, as are applicable to other bargaining unit members. If requested by the Union, the Company will meet to discuss disputes regarding this provision prior to a formal grievance being filed.

Article 7 – Seniority (cont.)

Paragraph 7.5.6 only addresses the newly created position of Working Leader. It specifically excludes and does not change the historical procedures for assignments to the Lead, Temporary Lead or any other bargaining unit positions.

7.6 Transfer Procedure

7.6.1 Employees who desire to transfer from one department (Processing, Pilgering or Finishing) to another can do so under the following conditions:

7.6.1.1 A job opening must exist before a transfer can be made.

7.6.1.2 Employee must submit a transfer request in writing to his / her Supervisor.

7.6.1.3 Employee must be capable of satisfactorily performing the required work.

7.6.1.4 Employee requesting transfer must have seniority over employees who are in the other department and are eligible for promotion.

7.6.1.5 An employee can transfer only once in a two-year period without approval of the Company.

7.7 Termination of Seniority

7.7.1 An employee's seniority shall be broken for the following reasons:

7.7.1.1 When an employee quits or retires.

7.7.1.2 When an employee is terminated or discharged and the termination or discharge is not reversed through the Grievance Procedure.

Article 7 – Seniority (cont.)

- 7.7.1.3** When an employee on layoff does not report to work after having been recalled, as provided in the recall procedure, and within the time limits therein provided.
- 7.7.1.4** When an employee has been absent from work for whatever reason for a period of more than twelve (12) months. This period shall be twenty-four (24) months when the reason for the absence is injury in the course of employment.
- 7.7.1.5** When an employee on leave of absence or medical leave is found to be working elsewhere without prior permission of the Company.
- 7.7.1.6** When a leave of absence has expired and the employee has not returned to active employment.
- 7.7.1.7** When an employee fails to call or report for work for three (3) consecutive scheduled work shifts.

7.7.2 Termination of seniority as used in this Agreement shall mean termination of employment.

7.8 Job Preference

7.8.1 Selection of job preference by seniority at the beginning of each year will occur only within the production classifications provided the employee is trained and qualified for that job. If not trained and qualified the employee must notify the Flow Manager in writing that he/she has an interest in selecting that job by August 1st of the previous year to exercise this right.

Article 7 – Seniority (cont.)

The purpose will be to give the Company the time to train that employee before year end. However, if the written notification has been given and the training not done, the employee can still select that job at the beginning of the year.

All classifications will be required to train, become qualified and re-qualify on other jobs within the classification on a routine temporary basis.

12 hour shift – When the 12-hour weekend shifts overlap with J, K or H shifts, the job preference will be based on seniority during the overlap periods.

ARTICLE 8

8.0 PROBATIONARY PERIOD AND DISCIPLINE

8.1 An employee hired in any job level shall be regarded as probationary for 8 calendar months from their date of hire, including 10-hour and 12-hour shifts. During this period, all such probationary employees may be terminated or laid off at the discretion of the Employer and there will be no responsibility for their rehire. Permanent employees who terminate their employment and are subsequently rehired within one year from the date of their termination shall not be required to serve an additional probationary period. This applies to personnel hired after December 19, 2005.

8.2 Any employee who has served his / her probationary period may be discharged, or disciplined for proper cause. If it is asserted that an employee has been discharged, or disciplined without proper cause, the matter may be taken up for settlement under the grievance and arbitration procedures.

8.3 The Articles of the Agreement do not apply to probationary employees except as follows:

8.3.1 Shift differential, Article 20, shall apply to probationary employees.

8.3.2 Probationary employees will be allowed to work overtime in accordance with Article 12.

8.3.3 Union Security and Check-Off, Article 2 applies to probationary employees.

8.3.4 Jury Pay, Article 25, shall apply to probationary employees.

8.3.5 Holiday Pay, Article 21, shall apply to probationary employees.

8.3.6 Employees that are on probation are eligible to participate in the "*Sandvik Medical Benefits Plan*" after 30 days of employment with the Company and are eligible for PT after 90 calendar days of employment with the Company.

8.3.7 Military Service, Article 23, shall apply to probationary employees.

ARTICLE 9

9.0 NEW OR ALTERED JOBS

- 9.1** When and if new or altered jobs are created because of circumstances, including equipment, dictating skill levels different from those being currently employed, it is understood that the Company will announce the such creation by notice posted on the bulletin board.
- 9.2** The Company will initiate any wage or rate changes which to it appears to be necessary and will assign the job to the seniority group which the Company deems appropriate.
- 9.3** Such rates and such seniority group assignments may not be questioned by the Union for a test period of thirty days; thereafter, the Union may object to the new rate or assignment if it feels that such rate is lower than it should be in relation to the existing rate structure in the plant, or that the seniority group assignment is in error.
- 9.4** Notice of desire to discuss either the rate or the seniority group assignment must be given by the Union within ten (10) days after the expiration of a thirty-day trial period or the Union will be deemed to have accepted the seniority group assignment and rates set. Any adjustment of the rate agreed to shall be retroactive to the date of institution of such rate, but under no circumstances shall the subject of the new or altered job content or the seniority group assignment be subject to arbitration.
- 9.5** The wage rate of new jobs or altered jobs will be subject to the grievance and arbitration procedure provided that such grievances are presented within the time limits established in Article 6 and further provided that job content and seniority group assignment will not be subject to arbitration; the only question to be arbitrated being the wage rate assigned to the new or altered job.
- 9.6** A new or altered job will have assigned to it a wage rate which gives consideration, but is not limited, to the Wage Progression Scale (Attachment A).

ARTICLE 10

10.0 TUITION REFUND

10.1 SSM employees are eligible to be reimbursed for continued education as governed by Sandvik Inc. Tuition Assistance Policy.

ARTICLE 11

11.0 MANUAL WORK BY NONBARGAINING PERSONNEL

11.1 Supervisory and salaried employees shall not perform work on hourly-rated jobs covered in Attachment A except in the following situations:

- 11.1.1** In the event of an emergency;
- 11.1.2** In instructing and training employees;
- 11.1.3** In the performance of necessary work when difficulties are encountered on the job;
- 11.1.4** Where such work is incidental and related to the inspection of equipment or in checking operating efficiency;
- 11.1.5** In the procurement or gathering of supplies and equipment for rush jobs;
- 11.1.6** To perform experiments on new or improved techniques of operation and to conduct research of new methods, products or design;
- 11.1.7** To relieve an employee at the employee's request for periods of short duration.
- 11.1.8** In the performance of any of the above exceptions (11.1.1 through 11.1.7) it is agreed that such performance will not result in demotion or loss of overtime in the basic work force.

ARTICLE 12

12.0 HOURS OF WORK AND OVERTIME

12.1 Work Day and Work Week Defined - A work day starts with the beginning of the employee's assigned shift schedule and ends twenty-four (24) hours later. A work week commences with the beginning of the employee's assigned shift schedule and ends 168 hours later.

12.1.1 All overtime, voluntary or mandatory on the first and second day of rest is treated as scheduled work days.

12.2 Definition of Regular Rate of Pay - Regular rate of pay, regular hourly rate, regular rate, or regular straight-time hourly rate, as used in this Agreement, shall be deemed to be the rate of pay set forth in the attachments received by the employee; shift differential shall be added to such rate only to the extent applicable to the actual working time of an employee.

For those working on the 12-hour shift schedule, the regular shift is defined as twelve (12) hours per day.

For those working on the 10-hour shift schedule, the regular shift is defined as ten (10) hours per day.

12.3 Work in Excess of Eight Hours in a Work Day - Time and one-half will be paid for hours worked in excess of eight (8) hours in a single work day. However, no employee shall receive daily overtime in any work day resulting from a shift change for the employee's convenience. Vacation days will be considered as days worked for overtime pay purposes.

10-hour shift – Work in Excess of Ten Hours in a Workday

Time and one-half will be paid for hours worked in excess of ten (10) in a single work day. However, no employee shall receive daily overtime in any work day resulting from a shift change for the employee's convenience. Vacation days will be considered as days worked for overtime pay purposes.

Article 12 – Hours of Work and Overtime (cont.)

12-hour shift – Work in Excess of Twelve Hours in a Work Day

Double time will be paid for hours worked in excess of twelve (12) hours in a single work day. However, no employee shall receive daily overtime in any work day resulting from a shift change for the employee's convenience. Holidays, jury duty, bereavement leave, e-time, short-term union business days and vacations will be considered as days worked (i.e., if an employee schedules vacation for a full 36 hours, scheduled work week, he / she will be paid 42 hours vacation pay {24 hours straight-time and 12 hours at 1-1/2 time}, even though he / she did not perform work during that week. If an employee schedules one day {12 hours} of vacation, holiday, jury duty, bereavement leave, e-time, or short-term union business he / she will be paid 8 hours straight-time and 4 hours at 1-1/2 times). A partial day of vacation will not result in reduction of pay.

- 12.4** **Work in Excess of Twelve Hours in a Work Day** - Double the regular rate of pay shall be paid for all hours worked over twelve (12) in a work day.

12-hour shifts – All hours worked outside of the employee's regularly assigned schedule shift will be paid at double the regular rate of pay except that one and one-half (1-1/2) times the regular rate of pay will be paid for the first day of rest.

- 12.5** **Work During First Scheduled Day of Rest** - Time and one-half will be paid for hours worked on the employee's first scheduled day of rest within his / her regular work week. Double time will be paid for all hours worked over eight (8) on the employee's first scheduled day of rest.

Article 12 – Hours of Work and Overtime (cont.)

12.6 **Work During Second Scheduled Day of Rest** - Double time will be paid for hours worked on the employee's second scheduled day of rest within his / her regular work week.

10-hour shift – Double Time will be paid for hours worked on the employee’s second and third scheduled day of rest within his / her regular work week.

12-hour shift – Double Time will be paid for hours worked on the employee’s second, third, and fourth scheduled day of rest within his / her regular work week.

12.7 **Work During Holidays**

12.7.1 In addition to any holiday allowance to which he / she may be entitled for the holiday, an employee who works on the day he / she would otherwise have observed one of the holidays listed in Article 21 will be paid two (2) times his / her regular rate of pay (Attachment A - Wage Progression Scale) for the hours actually worked.

12.7.2 If an employee is excused from work on a holiday, the hours will be counted as hours worked in computing overtime.

12.8 **Duplicating and Pyramiding** - In no event shall overtime and/or premium pay be pyramided or duplicated. Thus, if two or more overtime or premium pay provisions are applicable to the same hours of work, only the applicable provisions yielding the largest premium shall be applied and such payment shall satisfy the requirements of all other applicable pay provisions. Overtime or premium pay as used throughout this Agreement include the daily and overtime premiums of this Article, call-in premium and premium pay for holidays worked.

Article 12 – Hours of Work and Overtime (cont.)

12.9 **Lunch Periods** - The Company shall schedule a lunch period of 20 minutes on swing and graveyard shifts and a lunch period of 30 minutes on day shift. The lunch period shall commence no less than two hours nor more than five hours from the beginning of the scheduled shift.

10-hour shift – The Company shall schedule one 30-minute unpaid lunch period at 11:00 a.m. during the day ten hour-hour shift and a paid 20 minute lunch at 9:00 p.m. on the swing shift.

12-hour shift – The Company shall schedule two (2) lunch periods during each 12-hour shift. The first lunch period of 30 minutes shall commence no less than two hours nor more than five hours from the beginning of the shift. The second lunch period of 30 minutes shall commence no less than three hours nor more than five hours from the end of the first lunch period.

No employee shall be required to work more than five (5) consecutive hours without a lunch period. Employees held over or called in three (3) hours or more beyond their regularly assigned shift shall be allowed a 30-minute paid lunch period during the overtime period and will be paid a \$4.50 meal allowance which will be included on their pay check for that pay period.

12.10 **Distribution of Overtime**

12.10.1 Due to the nature of the company’s business, overtime may be required. Operational needs and efficiency will determine the amount of overtime to be worked.

Company will post a sign-up sheet to request volunteers to work overtime (such as weekends, holdovers, early starts, and any other overtime needs as determined by the Company) by shift for that week on the Friday before the scheduled work week. Employees interested in working weekend overtime will have until Thursday morning at 9:00 a.m. to sign up to work. Employees interested in holding over or starting early will have until one hour prior to the end of their shift to sign up.

Article 12 – Hours of Work and Overtime (cont.)

Overtime assignments for the weekend, for the days, swing and the graveyard shift, will first be offered to those who signed up in the following order.

1. Job classification and shift to those employees who are qualified to perform such work.
2. Overtime will be allocated to employees based on the least amount of weighted number of overtime hours worked in seniority order.
3. Rest of the shift to those employees who are qualified to perform such work, including probationary employees.

In the event there is not an adequate number of employees to fulfill overtime needs, then employees who are qualified to perform such work will be mandatoried by job classification and shift in reverse seniority.

If an employee does not work 40 straight hours in the previous week due to an unapproved absence(s) per Article 35.3.1, with the exception of any absence due to discipline, the employee will not be eligible to work regular overtime until all other employees have been asked.

The list of overtime will then be posted by 3:00 p.m. on Thursday with the names of those employees who are scheduled to work.

When all available employees in all classifications within the department, shift and seniority group have been asked, or mandatoried, and operational needs require additional overtime assignments, additional overtime assignments will be next offered, to the overtime scheduling list to available employees within the other seniority groups and shift.

Article 12 – Hours of Work and Overtime (cont.)

A separate sign-up sheet for holdovers and early starts will be posted for those interested in working overtime during the week. The 8-hour shift will be asked to start early or holdover before the 10-hour shifts are offered and both the 8-hour and 10-hour shift personnel will be asked prior to the 12-hour shifts are offered overtime during the weekdays.

The day shift 12-hour employees would be offered an 8-hour (8:00 a.m. - 4:30 p.m.) shift. The night shift 12-hour employees would be offered an 8-hour (12:30 a.m. – 8:00 a.m.) shift. The 4:30 p.m. – 12:30 a.m. shift would be offered to the 12-hour employees (night or day shift), according to the overtime scheduling list.

12.10.2 Overtime will be allocated to employees based on the number of weighted overtime hours actually worked. Overtime will be weighted as follows:

- Employees receiving time and one-half hours of pay will be weighted 1.5 hours and
- Employees receiving double-time will be weighted 2 hours.

Overtime allocation resets after the last payroll of the calendar year.

12.10.3 If the overtime worked is of such a nature as to prohibit the placing of certain employees on overtime because of physical limitations or other qualifications or because the work must be performed by specialized skills or operators, the Company shall use its discretion in awarding the overtime.

12.10.4 With Company approval, a qualified employee in the job classification on another shift may volunteer for an overtime assignment. Premium pay for the hours worked will be that which the employee substituted for would have received.

Article 12 – Hours of Work and Overtime (cont.)

- 12.10.5** An employee on vacation, leave of absence, or who is absent for the full work day on the day overtime scheduling takes place, will not be considered available for mandatory overtime scheduling. If the employee has signed up for voluntary overtime, it is the employee's responsibility to verify if they are scheduled to work.
- 12.10.6** The Company will make a reasonable effort to notify employees working the Day and Swing shifts no less than 40 hours in advance of overtime work on first, second, third, and fourth days of rest or holidays. The Company will notify Employees working the Graveyard shift by the start of their shift on Friday for voluntary overtime, however, for any mandatory overtime the Company will make a reasonable effort to notify the Graveyard shift employees no less than 40 hours' notice. The Company will pay an extra premium of one-half the employee's straight-time hourly pay rate in addition to the normal first, second, third, or fourth day of rest overtime or holiday premium, to the employee on Day or Swing shift who works overtime with less than 40 hours' notice, and any Graveyard employees that are not notified at the start of their shift on the Friday before the weekend work is requested or when there is less than 40 hrs notice for mandatory overtime.

In case of an emergency, equipment breakdown or circumstance beyond the Company's control or if an employee scheduled to work during the overtime period fails to give adequate notice of absence to the Company, then reasonable effort by the Company to give prior notice is not required, nor is the extra half time premium pay applicable.

- 12.10.7** In addition, Maintenance Apprentices may be assigned overtime by the Company provided the overtime will be assigned on a reasonably equal basis among the apprentices and no apprentice will be given overtime which exceeds the highest grade "H" overtime by more than fifty (50) hours.

Article 12 – Hours of Work and Overtime (cont.)

12.10.8 Employees shall not be required to work mandatory overtime on their regular scheduled days of rest immediately prior to a scheduled vacation day, nor shall employees be required to work mandatory overtime on their regular scheduled days of rest that immediately follow a scheduled vacation day.

12.10.9 Employees who work any hours during their last two sets of consecutive days of rest will not generally be mandatoried to work any hours during their next set of days of rest. Should the Company need to mandatorily an employee(s) to work during a third consecutive set of days of rest, the least senior qualified employee(s) who has not worked during both their last two sets of days of rest will be mandatoried before any employee(s) who has worked the last two consecutive days of rest.

In the event there are no qualified employees who have not worked the last 2 sets of consecutive days of rest, the Company may mandatorily the least senior qualified operator and pay the appropriate overtime rate, plus one-half (1/2) time premium for all hours worked on any third consecutive set of days of rest. Sundays shall not be subject to the one-half (1/2) time premium specified in this provision; however, employees will not be mandatoried to work Sunday in-lieu of Saturday. The premium pay of plus one half (1/2) times does not apply when an employee voluntarily works the 3rd consecutive days of rest.

12.11 **Rest Periods** - The Company shall schedule a ten-minute paid rest period, for each four (4) hours of working time. Rest periods shall be scheduled as near as possible to midpoint of the work period. No employee shall be required to work more than three (3) hours without a rest period.

10-hour shift – The day shift ten hour shift employee will have a 10-minute rest period at 8:30 a.m. and 2:00 p.m. The swing shift ten hour shift employee will have a 10-minute rest period at 7:00 p.m. and midnight. No employee shall be required to work more than three (3) hours without a rest period.

Article 12 – Hours of Work and Overtime (cont.)

12-hour shift – The Company shall schedule three (3) ten-minute paid rest periods during each twelve-hour shift. The first rest period shall be scheduled near the midpoint between the start of the shift and the first lunch period. The second rest period shall be scheduled near the midpoint between the first lunch period and the second lunch period. The third rest period shall be scheduled near the midpoint between the second lunch period and the end of the shift. No employee shall be required to work more than three hours without either a rest period or lunch period.

12.12 First Aid Training - Employees may be required to complete the State of Washington Industrial First Aid Course. The Company will arrange shift schedules to provide the employees involved time to complete the course at no cost to the employees.

ARTICLE 13

13.0 LEAVES OF ABSENCE

13.1 General - Leave of absence without pay not to exceed one (1) year may be granted in the Company's discretion to an employee without loss of his / her seniority, it being recognized that leave of absence shall only be granted depending upon the circumstances of each case.

13.1.1 An employee absent from work on approved leave of absence will not accrue service credit for wage progression during such absence. Further, no right to overtime opportunities lost during the leave of absence will accrue; the returning employee will be given credit for the average accumulated hours of employees in the job classification on the shift.

13.1.2 A leave of absence without pay and without loss of seniority will be granted to an employee selected by the Union to act as a Union officer or business agent, provided the Company determines that such leave does not impair or disrupt the normal operations of the plant. Such leave for Union business will not exceed one year and in no case will be for a greater period than the employee's length of service with the Company at the time the leave begins. Only one such employee may be on leave at a time.

ARTICLE14

14.0 HEALTH AND SAFETY

14.1 General Obligations

14.1.1 The Company will provide safe and healthful conditions of work for its employees, and will comply with all applicable laws and regulations concerning the health and safety of employees at work, and the protection of the environment. The Company will make every effort to install and maintain any equipment necessary to protect employees from hazards.

The Union agrees that each employee will cooperate in the promotion and practice of a positive safety culture, safe work habits, good housekeeping and organization throughout the plant, comply with safety rules and regulations, and work towards continuous improvement for a safer work environment.

The Company and the Union will cooperate in the continuing objective of eliminating health, safety and environmental hazards, thereby preventing occupational injuries and illness.”

14.1.2 The Company will keep all equipment maintained in safe working condition. The Employer’s inspection and maintenance program will give top priority to equipment that is critical to employee safety and health. Any equipment that is not operating as designed is deemed to be faulty, and the Company will take any necessary steps to remediate any safety risks associated with faulty equipment. Equipment posing an immediate safety danger to life or limbs will be taken out of service until repaired or remedied, unless doing so would create a greater risk to the health or safety of the workforce. “Equipment” in the meaning of this article includes fixed and mobile equipment, structures, and surfaces on which employees travel or work.

Article 14 – Health and Safety (cont.)

14.2 A minimum of five (5) bargaining unit employees and a maximum of seven (7) bargaining unit employees, designated by the Union as Safety Committee Members (CSC Members), will meet with Company Representatives to form the Central Safety Committee (CSC). The CSC will meet and fulfill the Department of Occupational Safety and Health (DOSH) code requirements regarding safety committees, including: reviewing safety inspections, evaluating accident investigations, and evaluating the Accident Prevention Program. All matters considered and handled by the CSC shall be reduced to writing and all meeting minutes shall be maintained. The date, hour, duration and place of the meeting shall be determined by and with agreement between the Company and the Union CSC members. Union CSC members shall be compensated for CSC activities as time worked.

14.2.1 The CSC will ensure that an annual safety evaluation of the entire workplace has been conducted and reviewed. The annual safety evaluation will include: area safety inspections, review of Job Hazard Analysis, review of Risk Assessments, review of accident and incident investigations, review of any exterior safety audits or inspections, appropriate industrial hygiene sampling and review of safety hazards reported. The CSC is to ensure that each work area has been evaluated and reviewed for health and safety concerns. This annual safety evaluation may be done in stages throughout the year to cover the entire workplace.

14.2.2 The CSC will prepare a presentation for the Company outlining findings and recommendations for improvement. The presentation will be given at minimum once per year, but may be given as often as once per calendar quarter as the evaluation of different work areas are completed. Findings from the annual evaluation will be recorded into the appropriate safety hazard log with an assigned priority to allow for tracking of action items and progress within one system for the workplace. The priority will be assigned based on their impact to safety and health.

Article 14 – Health and Safety (cont.)

- 14.3** The term of each Union CSC member shall be one (1) year, the maximum allowed by State and Federal guidelines. There is no limit to the number of terms an employee can serve. Each year, between January 1 and January 31, the Union will elect or appoint at minimum five (5) members and at maximum seven (7) members to serve on the CSC. In the event a Union CSC member elects to resign or is unable to complete their term, the Union will elect or appoint a replacement to complete the remainder of the term within one (1) month of the member's resignation.
- 14.4** Any employee who becomes aware of a condition that is outside the safety requirements as defined by Department of Occupational Safety and Health (DOSH) shall notify the shift Flow Manager. If the condition has not been corrected in a reasonable time the employee has the right to request the CSC to evaluate the situation and make a recommendation.
- 14.5** At the request of the CSC, subject to a written mutual agreement between the Company and the Union, the Union will provide, at no cost to the Company, qualified industrial health consultants, subject to the approval of the International President or his/her designee, to undertake industrial safety and health surveys of the workplace and to make recommendations to improve the industrial safety practices of both the Company and the employees.
- 14.6** Each individual training course or program to upgrade the competency of the CSC Representatives, including the frequency of such training, shall be subject to a written mutual agreement between the Company and the Union. The Company will allow one (1) period each year of unpaid educational leave for safety and health training for three (3) bargaining unit CSC Representatives, and the Union will pay all costs of their training including: tuition and registration fees, wages including any shift differential, round trip travel, hotel and per diem.

Article 14 – Health and Safety (cont.)

14.7 Drug and Alcohol Policy

14.7.1 Purpose

USW and SSM are committed to achieving and maintaining a safe and productive workplace free from persons impaired in their ability to do their jobs. We are also committed to producing a quality product and providing optimum service to our customers. We recognize that employees impaired in their ability to perform their jobs safely and productively, or inappropriate use or abuse of alcohol and other drug substances, jeopardize the achievement of our objectives.

Employees have the primary individual responsibility for managing their own behavior and, if an impairment issue related to substance abuse exists, to successfully resolve the issue. Job misconduct or unsafe work due to drug or alcohol use related impairment will not be tolerated, and an employee engaging in such misconduct may be disciplined or terminated.

14.7.2 Objective

14.7.2.1 Create an environment where all employees share in the responsibility to achieve a workplace free from the effects of employees impaired by substance abuse.

14.7.2.2 Increase employee and family awareness of the dangers of substance abuse.

14.7.2.3 Eliminate the use, abuse, possession, sale or distribution of alcohol and unauthorized drugs on Company premises.

14.7.2.4 Eliminate the accident, property damage, and production consequences caused by substance abuse.

Article 14 – Health and Safety (cont.)

14.7.2.5 Encourage and facilitate the use of the Employee Assistance Program for employees and their families.

14.7.2.6 Return successfully recovered employees to the workforce.

14.7.3 Application

14.7.3.1 Company Employees

This Policy applies to all Union Employees while on Company owned or leased property, or while off the premises conducting Company business. This includes off-premises during lunch break periods where the employee is scheduled to return to work. Conducting Company business means being in a situation where decisions are made that commit the Company to some action, or being in a position where actions could injure or adversely affect fellow employees or the Company.

14.7.3.2 Contractors, Vendors, Employees, and Visitors

Visitors and contractor/vendor employees are expected to be impairment free while on Company property. As a consequence, contractor or vendor employees or visitors found to be violating this policy will not be allowed to continue to conduct business, and their Flow Manager, if appropriate, will be notified.

Article 14 – Health and Safety (cont.)

14.7.4 Covered Substances – Defined

14.7.4.1 Legal Drugs

Legally obtained drugs (prescription and non-prescription remedies) used according to directions to alleviate a specific condition.

14.7.4.2 Illegal Drugs

- Drugs which are not legally obtainable, and;
- Drugs which are legally obtainable, but have not been obtained legally, and
- Drugs which are legally obtained, but are knowingly used for abuse purposes, and:
- So-called “designer drugs” or other substances that can be abused.

14.7.5 Unauthorized Substances and Alcohol

Unauthorized substances, including alcohol, means any substance that can cause impairment of physical and/or mental functioning.

14.7.6 Prohibited Conduct

14.7.6.1 Sales, Transfer, Possession with Intent to Deliver

Any employee engaging in the sale or attempted sale, purchase, transfer, or possession with intent to deliver illegal drugs on Company premises or while on Company business will be terminated. Law enforcement shall be notified.

Article 14 – Health and Safety (cont.)

14.7.6.2 Simple Possession or Use

Any employee found in simple possession (simple possession means an amount normally considered as a single dose) or using illegal drug, unauthorized substances or alcohol on Company premises or on Company business is subject to disciplinary action, up to and including termination. Law enforcement may be notified.

14.7.6.3 Under the Influence

Any employee reasonably believed to be under the influence of any illegal drug, alcohol, or unauthorized substance shall not be allowed to perform their job while in that condition, and shall be subject to chemical testing. Employees found in such condition shall be subject to corrective action, up to and including termination. Refusal to submit a sample for chemical testing will result in termination.

14.7.7 Use Of Legally Obtained Drugs

Employees adversely affected in their use of any legally obtained drug (prescription or non-prescription) cannot be allowed to perform their regular job in such a condition. It is the responsibility of the employee to advise his/her Flow Manager of the necessity to take any medication containing a cautionary label regarding the operation of machinery or vehicles, and any resulting impairment. If necessary a medical resource will be consulted.

Article 14 – Health and Safety (cont.)

14.7.8 Chemical Testing: Return To Work And For Cause

Any chemical testing procedure shall be conducted in such a manner to assure a high degree of accuracy and reliability. We uphold a high regard for privacy and dignity in the sampling, testing, and notification process. The sample collection will not be observed directly.

14.7.8.1 Return to Work

Employees who have been on layoff, leave of absence, or workplace injury for six (6) months or longer will be scheduled for chemical testing. Employees testing positive will not be scheduled to work until they have been tested and results are negative. Such employees will be re-tested within fifteen (15) days. Such employees will be required to submit to random chemical testing for up to twelve (12) months from the date they are returned to work.

14.7.8.2 For Cause Evaluation

Employees may be subject to an evaluation, including chemical testing if appropriate, if there is reason to believe that drug/substance use is adversely affecting job performance or endangering the safety of employees.

Reasonable cause means documented facts, circumstances, physical evidence, physical signs and symptoms or pattern of performance, and/or behavior that would cause a Flow Manager to reasonably conclude an employee may have engaged in on-the-job use, or may be impaired and/or under the influence of some drug/substance, including alcohol.

Article 14 – Health and Safety (cont.)

Examples of reasonable cause include:

- Documented unsatisfactory work performance, for which no apparent non-impairment relating reasoning exists; or, a change in the employee's prior patterns of work performance and where some drug/alcohol documentation indicates a linkage.
- Evidence of illegal substance use, possession, sale or delivery.
- Occurrence of serious or potentially serious significant incident that may have been caused by human error or flagrant violations of established safety or operating procedures.
- Fights (to mean physical contact) and assaults, or erratic or violent behavior

The decision for chemical testing will be made by Flow Manager, Manager and/or Safety Manager and communication will be made to Human Resources.

Sample tampering during chemical testing will result in termination.

Employees believed to be under the influence or impaired for any reason will be provided transportation and assistance. If an employee insists on driving, law enforcement will be notified.

14.7.9 **Flow Manager / Manager Responsibility**

Flow Managers / Managers who knowingly disregard the requirements of this policy with respect to fit for work concerns will be regarded as neglecting their responsibilities.

Article 14 – Health and Safety (cont.)

14.7.10 Employee Assistance

Employees who voluntarily seek assistance in dealing with emotional distress, personal health problems relating to alcohol or drug abuse will be immediately referred to the employee assistance program. Employees or members of their immediate family may also self-refer to the employee assistance program.

Any employee voluntarily seeking help to refrain from drug and alcohol abuse is assured the matter will be held confidential.

In the case of mandatory referral, confidentiality means only those on the chain of responsibility (Union and/or Management) will be aware of the treatment request. If any employee is experiencing performance problems or is pending a disciplinary action, a request for help will be treated as a separate but related issue. In no case will disciplinary amnesty be granted to employees asking for assistance and referral. However, disciplinary action may be deferred by the discretion of the Company pending successful completion of a treatment process.

A direct request by the employee for assistance will not be made a part of the employee's personnel file. However, any related performance issues or disciplinary action cannot be held confidential. Employees will not have job security or promotional opportunities jeopardized solely because of a request for help.

14.7.11 Re-Entry To Work

14.7.11.1 After Mandatory Referral

Employees re-entering the workforce after a mandatory referral for a fit-for-work issue will agree to a re-entry contract. The contract may include but is not limited to:

Article 14 – Health and Safety (cont.)

- A release to work statement from an approved certified treatment specialist.
- A plan setting out after care and follow-up treatment procedures with the Employee Assistance Counselor or a treatment specialist for a minimum of six (6) months. Longer periods of follow-up may be specified by the Employee Assistance Counselor.
- A review and release to work by the Medical Department or Company physician.
- A negative test for illegal drugs, unauthorized substances, and alcohol.
- An agreement to random and reasonable cause chemical testing.
- Specific agreement by the employee and Union that violation of the agreement will be grounds for termination.

Failure to successfully complete a treatment process, or to comply with a re-entry contract, or a second violation of this policy shall be grounds for termination.

Sandvik Special Metals indemnifies the United Steelworkers and holds it harmless against any and all suits, claims, demands and liabilities that arise out of, or by reason of, the Company requiring employees to submit to any drug or alcohol testing procedure.

This agreement in no way limits United Steelworker members from exercising their rights under the grievance procedure or Collective Bargaining Agreement.

Article 14 – Health and Safety (cont.)

RETURN TO WORK AGREEMENT

REINSTATEMENT CONDITIONS

I, [Emp Full Name] was suspended after a substance abuse test disclosed a positive result. I understand and agree that my continued employment is contingent upon my compliance with these commitments and conditions:

- A. I will seek an evaluation for substance abuse from a doctor or certified substance abuse professional of my own choosing, and I will follow any treatment and rehabilitation recommendations which my care provider may make and enroll in any inpatient and/or outpatient treatment program which my care provider recommends. I also agree that I will allow the release of information to [Human Resource Name] at the Company of (1) the results of my care provider's evaluation and treatment recommendations, and (2) the rehabilitation program in which I enroll. I understand that this evaluation, treatment, and rehabilitation will be at my own expense, except for any costs which may be covered by any group health plan or private insurance benefits which are available to me. I agree to comply with ALL the requirements of my rehabilitation and treatment program to their successful conclusion.
- B. I authorize Company officials to communicate with my treatment counselor, therapist, and/or treating physician(s) to obtain information concerning my compliance with the treatment program and my return-to-work status. I authorize them to similarly communicate with Company officials as they deem necessary.
- C. I understand that my previous job conduct and/or performance will warrant close supervision for an extended period of time upon my return to work and I will accept such supervision as a constructive part of my recovery.
- D. I understand that I must meet all established standards of conduct, attendance, job performance, and be subject to disciplinary action in accordance with the Collective Bargaining Agreement.
- E. I consent to any drug/alcohol testing that the Company or anyone connected with my rehabilitation requests, regardless of the circumstances. I understand and agree that any positive test for drug/alcohol will automatically terminate my employment and/or any reinstatement rights under this Agreement.
- F. I understand that I will be subject to these conditions of employment until I have actually worked at least 12 months from the date this agreement is signed. I also understand that should I miss more than 10 scheduled workdays or shifts during this period that are excused absences, the probationary period will be extended by the number of additional workdays missed. My job performance and progress toward recovery will then be evaluated to determine whether these conditions will be removed, modified or continued.
- G. **I UNDERSTAND AND AGREE THAT MY CONTINUED EMPLOYMENT IS CONTINGENT UPON MY MEETING THESE CONDITIONS. I ALSO UNDERSTAND AND AGREE THAT ANY FAILURE TO DO SO WILL RESULT IN THE IMMEDIATE TERMINATION OF MY EMPLOYMENT AND/OR REINSTATEMENT RIGHTS. I VOLUNTARILY AGREE TO ALL OF THESE CONDITIONS.**

[Employee Full Name]

Date: _____

Company Representative

Date: _____

ARTICLE 15

15.0 BULLETIN BOARDS

15.1 Materials authorized for posting on Union bulletin boards:

15.1.1 The following material may be posted on the Union bulletin boards if dated and signed by an authorized Union representative:

15.1.1.1 Union meetings

15.1.1.2 Union elections and results

15.1.1.3 Union appointment and organizational information

15.1.1.4 Union recreational and social affairs

15.1.1.5 Rulings or policies of the International or the Local Union

15.1.1.6 Overtime and seniority lists

15.1.1.7 Other material mutually agreeable to the Union and the Company, signed or initialed and dated by an authorized representative of both parties

ARTICLE 16

16.0 CONTRACTED LABOR FORCE

- 16.1** At no time will the number of the contracted work force exceed 10% of the bargaining unit employees.
- 16.2** An employee hired under the terms of this understanding shall not work overtime hours as outlined under the terms of this Agreement.
- 16.3** Contract employees hired under the terms of this provision shall not be covered under the provisions of this Agreement unless specifically identified and agreed to by the Parties. The Union shall require the payment of working dues after seven (7) days of employment for contract employees hired under the terms of this provision.
- 16.4** Contract employees shall be released prior to the reduction in force (RIF) of regular employees.
- 16.5** The Company will not use contract employees to fill regular employee positions. Contract employees may be used to fill temporary vacancies and cover peak work periods, but may not exceed 90 work days in a 12-month period.

ARTICLE 17

17.0 ACCESS TO PLANT

17.1 An authorized Union representative shall have access to the plant area where production and maintenance work is being performed (except the area of the rockers) for the purpose of investigating grievances. However, such visits must be prearranged with a representative of Management available to accompany the representative, and the access permitted will not be in conflict with Company rules, safety regulations, or the Company's proprietary interests.

ARTICLE 18

18.0 TOOLS AND EQUIPMENT

18.1 The Employer shall supply all tools, work gloves, eye protection (not including cost of prescriptions in the case of prescription safety glasses), equipment and supplies needed in the performance of work as deemed necessary by the Employer. The employees recognize the need to utilize supplied tools and equipment in a cost-effective manner and eliminate waste.

ARTICLE 19

19.0 WAGES AND CLASSIFICATION SYSTEM

19.1 Rates of Pay

- 19.1.1** Employees will be paid in accordance with the job classifications and rate ranges for the various labor grades set forth in Attachment A, attached to and made a part of this Contract. Progression within rate ranges for the various labor grades will be as set forth in the Attachment and progression shall be from one step to the next automatically at the end of each period of time indicated until the maximum of the rate range is attained.
- 19.1.2** It is understood that there is no automatic continuous progression from a job classification to a higher graded job classification.
- 19.1.3** Employees who have been placed in a labor grade with a maximum rate which is lower than their present rate of pay at the effective date of this Agreement will not receive a reduction in such rate; however, in the event of a transfer from such job classification or if they are terminated and rehired, they will be paid in accordance with the transfer provisions of this Agreement or the rate structure of this Agreement, as the case may be (the rate will be retained, however, where an employee on layoff is recalled to said job classification).
- 19.1.4** Employees subject to bumping rights during layoff, as specified in Article 7.2.2, will retain their previous classification and rate of pay.

Article 19 – Wages and Classification System (cont.)

19.1.5 **Wage Rate Retention** - Once a classification is permanently attained it is maintained unless an employee voluntarily transfers to a lower classification or fails to meet expectations during a follow-up evaluation for knowledge, skills, and abilities to perform the essential function of the job.

19.1.5.1 Employees hired before ratification of this contract or January 1, 2010, will maintain, as a minimum, their base wages as of January 1, 2010, for the duration of this contract. Employees will be subject to the terms of the previous section if promoted to higher classification.

19.2 **Pay for Permanent Transfers**

19.2.1 “An employee who is promoted to a higher classification will receive the pay rate respective to their Tier level.”

19.2.2 When an employee is permanently transferred to a classification with a lower stated maximum rate than the job which they formerly occupied, they shall receive the same rate as they were formerly being paid but not to exceed the maximum of the classification to which they are transferred.

19.3 **Pay for Temporary Transfers**

19.3.1 Operator II on temporary assignments in a higher classification will be paid 10% above current rate of pay. Operator I on an upgraded temporary assignment will be paid the Master Grade rate. Master Grade on temporary assignment as Working Leader will be paid 10% above current rate of pay.

19.3.1.1 The single exception to Article 19.3.1 above is: When an employee is temporarily assigned only to the Calibrationist classification for an accumulated time of

Article 19 – Wages and Classification System (cont.)

four (4) hours or less during the shift, the employee will be paid a minimum of four (4) hours pay at the maximum rate of the Grade H classification. If the accumulated time assigned to the Calibrationist classification exceeds four (4) hours during the shift, the employee will be paid eight (8) hours pay at the above rate.

19.3.2 When an employee performs work in another classification which carries a stated maximum rate lower than the rate for his / her regular job, in the case of a temporary transfer, they will be paid their regular rate during the term of such temporary transfer.

19.4 Pay for Temporary Leads

19.4.1 The Company and the Union agree that it is in the best interest of both parties that a consistent method be established to select Temporary Leads in the Operations seniority group. It is further agreed that the purpose of the Temporary Lead position is to coordinate the flow of work and to serve as a point of contact in the event of an emergency.

One employee in the Operations seniority group will be upgraded to Temporary Lead when no Flow Manager or Working Leader is assigned to work the shift and both of the following occur:

- The employee is required by the Company to give work direction to other employees, is responsible for the efficient completion of work, and is assigned by the Company to be the point of contact in case of an emergency.
- In addition to the Temporary Lead, there are a minimum of two (2) other employees assigned to the shift.

Article 19 – Wages and Classification System (cont.)

In the event that specific tasks that are normally performed by the Flow Manager or Working Leader need to be performed by an employee other than the Temporary Lead due to qualification, for example over checks and Flow Manager signoffs, a second Temporary Lead will be upgraded for a minimum of four (4) hours during the shift to perform such tasks.

The employee selected must demonstrate overall job knowledge and have the ability to lead and direct other employees. All requirements being relatively equal, seniority will be the factor used to determine the selection.

If an employee upgraded to Temporary Lead does not perform up to the expectations of the Company, he / she will be counseled regarding the deficiencies in performance. Further failure at any time in the next three (3) months to perform to expectations will result in a written warning. If performance does not improve to expectations following the written warning, the employee will no longer be considered for upgrade to Temporary Lead. A written warning related to the performance of lead work would not be maintained in the employee's personnel file or made part of any employee discipline or performance evaluation, but may be kept in a Flow Manager's or administration file.

ARTICLE 20

20.0 SHIFT DIFFERENTIAL

20.1 An employee assigned to work on the swing shift or the graveyard shift shall receive shift differential for all hours worked while assigned to such shifts, including overtime hours worked.

20.2 An employee working the day shift will not receive shift differential irrespective of the overtime hours worked outside the day shift.

20.3 An employee will receive fifty cents per hour worked while assigned to and working the swing shift.

20.4 An employee will receive seventy-five cents per hour worked while assigned to and working the graveyard shift.

20.5 Employees assigned to the A-B-C-D shift shall receive a fifty cents differential for all hours worked regardless of shift.

20.6 Alternate Shifts

20.6.1 The Company or the Union can request to meet and discuss alternate shifts. Both parties agree to meet, cooperate and work towards a mutual agreement.

20.7 **12-hour shift - Shift Differential** – There is no day or night shift differential.

ARTICLE 21

21.0 HOLIDAY PAY

21.1 Pay for eight, ten, or twelve hours, depending upon assigned shift, at the employee's regular straight-time hourly rate of pay shall be given for the following holidays:

New Year's Day	Day after Thanksgiving
President's Day	Day before Christmas
Memorial Day	Christmas
July Fourth	Floating Holiday*
Labor Day	Floating Holiday*
Thanksgiving Day	

*One of the "Floating Holidays" may be annually designated at the Company's discretion by January 1st. The designated FH will be treated as any other holiday and subject to Article 21.3.1. A doctor's note is required if PT is used on the day before or the day after the holiday. If the "Floating Holiday" is not designated by the Company, the "Floating Holiday" is subject to vacation scheduling guidelines and must be taken between January 1 and December 31 of each year. Floating Holidays may be used with at least 24-hour notice.

21.2 In the event more than two (2) employees have scheduled a Floating Holiday to be taken on the same day, the Company may elect to schedule the employees who are not the two most senior of the group observing the holiday to observe an alternate "holiday" which is mutually agreeable to the Company and the employee. Otherwise it will be scheduled in the order it is requested.

Article 21 – Holiday Pay (cont.)

21.3 To be eligible for such holiday payment the employee must:

21.3.1 Be a full-time employee and must have worked as assigned the entire shift on the first day the plant is scheduled to work before, and the first day scheduled after the holiday, unless the reason is determined to be acceptable to the Company. The employee must have performed work in the week in which the holiday occurs, and have reported for work on the holiday if requested to do so (except that this latter requirement shall be applicable only to the least senior employees of the job classification who are qualified to do the work available in the number required by the Company). For purposes of determining holiday eligibility, illness absence (including Personal Time) with doctor verification before or after the holiday will be considered as days worked. All other reasons for absences on the first day the plant is scheduled to work before, and the first day scheduled after the holiday will be submitted to an authorized Company representative for a determination of acceptability. Determination made at the sole judgment of the Company representative will not be subject to arbitration. Vacation is counted as days worked.

21.4 If any of the above holidays fall on the first day of rest, the holiday will be observed the preceding scheduled work day.

10 and 12-hour shift – If any of the above holidays fall on the first or second days of rest, the holiday will be observed the preceding scheduled work day(s).

Holidays falling on the second day of rest will be observed on the next scheduled work day following the holiday.

Article 21 – Holiday Pay (cont.)

10 or 12-hour shift – Holidays falling on the third or fourth day(s) of rest will be observed on the next scheduled work day(s) following the holiday.

Where holidays are designated to fall on different dates based on the State or Federal laws, such dates will be used in determining the date of the holiday. For payment purposes, the holiday will commence at the beginning of an employee's regularly assigned shift schedule on the day the holiday is celebrated and end twenty-four hours later. The holiday is celebrated in the calendar day in which the majority of his / her shift falls.

- 21.5** The premium provisions of Article 12, Hours of Work and Overtime, shall not apply when the plant is rescheduled because of a holiday to provide a substitute day of straight-time work on Saturday for a day off on an otherwise scheduled day of work which would have been worked either the day before or the day after the holiday.
- 21.6** Holiday pay eligibility requirements as defined in Article 21.0 of the current CBA remain in full force and effect for all holidays with the following single exception:

When a holiday occurs during a Company designated shutdown period, as defined in Article 22.6 of the current CBA, the eligibility requirement to work as assigned the entire shift on the first day the plant is scheduled to work before, and the first day scheduled after the holiday, will be waived provided the employee continues as a full-time employee and performs work following designated shutdown period

ARTICLE 22

22.0 VACATIONS

22.1 Vacation with pay will be granted in each calendar year (hereinafter called the "vacation year") to eligible employees as follows:

<u>Years of Continuous Service</u>	<u>Vacation</u>	<u>10 & 12-hour shift Vacation</u>
1	2 weeks	80 hours
5	3 weeks	120 hours
10	4 weeks	160 hours
20	5 weeks	200 hours

22.2 For purposes of vacation eligibility, an employee's continuous service shall be used.

22.3 The vacation in each calendar year (hereinafter called the "vacation year") to which an employee shall be entitled under the preceding provisions of this Article shall be the vacation to which their continuous service as of December 31, or the last scheduled work day in the last week of the year immediately preceding the vacation year. The employee shall be entitled to any additional vacation to which their continued accumulation of continuous service happens during the vacation year, provided that the employee actually performed work as an active employee for the company during the vacation year.

In the event an employee is away from work for a period greater than 6 months, the employees' earned vacation for the following year will be reduced by a prorated factor equal to the actual time worked for that year plus any unused time carried over from the previous year as allowed in Article 22.4 and Article 22.8.

Article 22 – Vacations (cont.)

22.4 An employee shall qualify for a vacation or vacation allowance under the provisions of this article if they shall have actually performed work as an active employee of the Company during the last full calendar week of the year immediately preceding the vacation year, and must have continuity of service at December 31. However, an employee who shall not have fulfilled the requirements set forth above and who returns to work without loss of continuity of service during the vacation year will become entitled to a vacation or vacation allowance in the vacation year after they have worked in the vacation year for a period of one month or a period equal to the period of their absence if the period of their absence was less than one month.

The Company may prorate the remaining vacation eligibility for actual use when an employee has not worked in that calendar year or for a period of 6 months or greater, with the remainder of eligible vacation paid out at the end of the year or rolled over for use in the next year with the restriction that the amount eligible for the following year cannot amount to more than their current amount plus 40 hours allowed in 22.8..

22.5 Vacation payments will be made on the following basis:

22.5.1 All payments will be based upon the greater of (a) the employee's straight-time earnings rate in effect at the time vacation is taken; or (b) the employee's straight-time earnings rate in effect during the last fiscal week worked by them during the year preceding the vacation year.

22.5.2 Upon layoff (VROF and ROF), retirement or death, the employee will receive unused accrued vacation earned in the year of separation. Exceptions are discharges for due cause and quits.

Article 22 – Vacations (cont.)

22.6 The Company may designate shutdown periods for certain departments or for the plant as a whole and some or all of the employees may then be required by the Company to take a portion or all of their vacation at such shutdown times provided the shutdown occurs during the period June 1 to Labor Day. In the alternative, the Company may schedule vacations on a staggered basis in accordance with production requirements.

22.7 The Company will advise the Union on or before February 28 of each year of the method to be used in scheduling vacations including the scheduling of any plant shutdown. Vacations will be scheduled during the six-week period commencing with the date of Company notification. This six-week period shall begin no earlier than January 1 of the vacation year. Insofar as reasonably practicable, without impairment of efficiency of production, the Company will endeavor to give the employee their first choice of vacation dates. Where the Company deems this not to be practicable, it will endeavor to award preferred vacation dates on the basis of seniority. The final right to allow vacations is reserved to the Company.

22.8 Employees may elect to defer or cash out up to forty (40) hours of vacation from one vacation year to the next.

12-hour shift – Employees may elect to defer or cash out up to sixty (60) hours of vacation from one vacation year to the next.

Vacation balances of 40 hours or less will automatically be carried over. Employees wishing to cash out vacation must turn in a written request by the end of December.

ARTICLE 23

23.0 MILITARY SERVICE

- 23.1** The parties will observe all applicable laws pertaining to employees returning from service in the military forces of the United States.
- 23.2** An employee, assigned to the 12-hours ABCD schedules, required to leave for military reserve duty, shall be paid the difference between reservist's pay and his/her straight-time wages for the first two consecutive calendar weeks of such reserve duty each year performed during the regular straight-time hours up to a maximum ten (10) days (120 hours). However, in the event that any part of the two consecutive calendar weeks of reserve duty is replaced with intermittent military reserve duty, the maximum amount the Company will pay the employee each year is the difference between reservist's pay and his/her straight-time wages for up to eighty-four (84) hours.
- 23.3** An employee required to leave for military reserve duty shall be paid the difference between reservist's pay and his / her straight-time wages for the first two (2) weeks of such reserve duty per year performed during the regular straight-time hours.

ARTICLE 24

24.0 REPORTING PAY

24.1 If work is not available or if for some other reason the employee's services cannot be used after they have reported for work to which they have been scheduled or called back for, they shall be given pay for four (4) hours at their regular straight-time hourly rate. An employee who reports to work may be given substitute work in lieu of reporting pay.

24.2 The provisions of the preceding paragraph shall not be applicable or effective when failure to provide work is due to causes or conditions beyond the Company's control, such as:

24.2.1 Strikes, failures of utilities, or acts of God.

24.2.2 An employee is released from work either at their own request or due to their own fault.

24.2.3 An employee refuses to accept assignment or reassignment.

24.2.4 The Company has attempted to contact the employee at their last recorded address and/or telephone number, or at an address or telephone number supplied by the employee.

24.3 In the event of an unforeseen exigency making it impractical for all or most employees to be put to work, notification to employees through Radio Station KONA 610 AM during the two hours preceding the shift starting time shall be considered as relieving the Company of the requirements of this Article.

24.4 Reporting time not worked shall not be included as the time worked for purposes of overtime or premium pay computation.

ARTICLE 25

25.0 **JURY PAY**

25.1 When an employee is called and reports for jury duty, they will be reimbursed for the difference between the amount paid for such service (exclusive of travel allowance) and the regular straight-time earnings which they would have received had they reported for work as scheduled (not including any premium pay or overtime, however). To be entitled to such benefit, an employee must:

25.1.1 Have been assigned work on the day in question;

25.1.2 Must report back promptly to work as soon as practicable if released during their scheduled working hours and after having served for less than four hours. If jury service is over four hours, the employee will not be expected to report for work on the day of such jury service.

ARTICLE 26

26.0 BEREAVEMENT LEAVE

26.1 The Company agrees to pay an employee at their regular straight-time earnings for scheduled work days lost up to a maximum of three (3) consecutive days for each incident upon the death of a parent, or status of a parent, in-law parent, spouse, registered domestic partner, child, stepchild, adopted child, brother, sister, brother-in-law, sister-in-law, grandparent or grandchild provided:

26.1.1 Payment will not be made for Saturdays or Sundays, except as they may be regularly assigned workdays.

26.1.2 The three (3) days referenced above must be any three (3) days within a seven-calendar day period commencing with and including the day of death. The seven-calendar day period defined in this paragraph of the CBA may be extended under the following circumstances:

- Circumstances due to legal/coroner inquiries and/or transportation of the deceased that result in a delay of the funeral services.
- Other unforeseen circumstances subject to agreement between USW Local 12-369 and the Company.

26.1.3 In the case of the death of a spouse or child, an additional two (2) days of bereavement leave may be allowed.

26.1.4 Concurrent deaths shall be treated as one incident.

26.1.5 If travel distance one-way exceeds five hundred (500) miles, up to an additional two (2) days to attend the funeral, memorial, cremation or burial service will be granted.

ARTICLE 27

27.0 WORKERS' COMPENSATION

27.1 Employees who are out because of injuries or occupational diseases that are compensable under Workers' Compensation statutes of the State of Washington shall be paid an amount equal to the difference between the forty-hour weekly pay or hourly equivalent they otherwise would have received and the payments that they receive from Workers' Compensation until such time as the disability payments are terminated by an order of the Department of Labor and Industries, or by an order of the Superior Court; however, such duration of payments will not exceed eighty-eight (88) hours which, effective June 1, 1993, is the lifetime maximum benefit during each employee's term of employment. Only employees hired before June 1, 1993, will be eligible for the benefits in Article 27. In the event such Workers' Compensation disability payments continue beyond the eighty-eight (88) hour period, the Company shall pay an amount equal to the difference between two-thirds the straight-time rate of pay they otherwise would have received and the payments that they receive from Workers' Compensation for up to one-thousand-forty (1,040) hours. In the event that a decision of the Department of Labor and Industries, or of the Superior Court, is appealed by either the Company or employee, payment of said difference shall not be made unless and until a final determination is made in favor of the employee by the appropriate agency or court. No shift differential will be included in computing pay.

27.2 For purposes of interpretation of this Article, the Company will treat the eighty-eight (88) hours as cumulative and the one-thousand-forty hours as cumulative for absence resulting from a single compensable injury or illness.

Therefore, the eighty-eight (88) hours or the one-thousand-forty hours need not be consecutive as long as they are the result of the same specific injury or illness. This interpretation of Article 27 does not increase the maximum compensation available to the employee.

Article 27 – Workers' Compensation (cont.)

27.3 Employees who miss scheduled work to attend rehabilitation, physical therapy, or doctor visits in connection with their worker's compensation injury, may use vacation, PT, or unpaid time. Flex time may be offered at the discretion of the Company.

ARTICLE 28

28.0 NONDISCRIMINATION

28.1 Neither the Company nor the Union will discriminate against any employee based on their race, color, religion, gender, sexual orientation, national origin, age, disability, veteran status, union affiliation, or any other protected status applicable by federal, state and local laws.

ARTICLE 29

29.0 PERSONAL TIME

29.1 Purpose

29.1.1 The Union and the Company recognize the problems associated with excessive absenteeism emanating from possible abuses of sick pay policy and agree to cooperate fully in controlling absenteeism.

Personal Time is provided to eligible employees that can be used for personal time off, time lost from work due to illness or injury, family emergencies, or medical/dental appointments.

29.2 Savings and Payment

29.2.1 **2021** – Employees received 80 hours of PT on January 1, 2021. As a one-time only offer, on December 31, 2021, employees will be provided 20 hours of PT that will be added to their PT Hold Bucket on January 1, 2022. The PT Hold Bucket has three options:

- Cash out the PT hours
- Move the PT hours to their Sick Bank
- Move up to 40 hours to the 2022 PT bucket for use during 2022

The employee can split their PT Hold hours in any combination of the three options with the only restriction being a max of 40 hours can be moved to their PT Bucket for use in 2022. Hours paid and hours moved will be part of the payroll processing of the first full pay period in January.

2022 and beyond – Employees will accrue PT at a rate of 3.077 per pay period (based on twenty-six (26) pay periods per year), which is available for use during the year.

Article 29 – Personal Time (cont.)

At the end of the year, the employee has the option with the remaining hours to receive cash payout or place the hours in sickness accrual (sick bank). Payment and/or banking of additional personal time will also be made within the first full pay period of January each year. Beginning in 2021, employees will have the option of rolling up to 40 hours of PT to the following year.

The PT allotment in this contract becomes effective on the first Monday of the first full pay period. The accrued PT hours begin with the first pay period of each year. Available PT hours can be used in 1 hour increments.

29.2.1.1 New employees will accrue PT at a rate of 3.077 hours per pay period (based on twenty-six (26) pay periods per year) for all remaining pay periods in the year of hire.

29.2.1.2 An employee may accumulate up to a maximum of 500 hours of Sick Bank Accrual.

29.2.2 The Company and the Union agree that during the first five (5) day waiting period of an approved Short Term Disability, employees are entitled to utilize Sick Bank Hours, PT, or Vacation Time or a combination of any of the above in order to ensure that they do not suffer any loss of pay during the five (5) day waiting period before the commencement of the Short Term Disability benefits that are referenced in Article 29.5.1 of the parties Collective Bargaining Agreement.

All personal illness and personal time accruals may be used for short-term illness and illnesses that fall under the Federal Medical Leave Act (FMLA).

Article 29 – Personal Time (cont.)

29.2.3 Personal Time is accrued when an employee receives pay from the employer for:

- Days worked
- Days taken as PT or vacation
- When an employee takes time off without pay, but for no more than ten (10) consecutive working days

29.2.4 The Company will report the amount of available PT to the employee at least monthly.

29.3 **Eligibility**

In order to receive pay for personal illness and/or personal time absence as defined in Article 29.1.1 or in the event of any other absence, an employee must:

29.3.1 Have accumulated personal illness/time leave.

29.3.2 If scheduled to work an employee must report to his/her Flow Manager no later than the beginning of his/her scheduled shift.

29.3.3 Keep his / her Flow Manager informed of his / her condition.

29.3.4 Supply verification as may be requested which satisfies the Company that the leave is in accordance with the provisions of this Article. The Company pledges that it will not be arbitrary nor unreasonable in its request for verification.

29.3.5 In all cases of short-term absences, employees must use available paid time off prior to using unpaid time off except for days of rest.

29.3.6 PT hours are not accrued during any leave period not described in 29.2.3. PT hours will begin accruing in the pay period the employee returns to work full time.

29.3.7 The effective date of a leave will not be extended through the use of PT hours.

Article 29 – Personal Time (cont.)

29.4 Payment

29.4.1 Upon separation from the Company, an employee will be paid a lump sum at current base hourly rate for all accrued PT and Sick Bank hours.

The effective date of termination cannot be extended through the use of PT hours.

29.5 Disability Insurance

29.5.1 The Company will provide short-term disability benefits to union employees per the Sandvik Inc. Short Term Disability Plan. Benefits will commence on the 6th day of consecutive non-occupational disability and will be equal to 66-2/3% of their weekly base earnings up to a maximum of \$700 per week for a maximum of 26 weeks. Please see the summary plan description for more information.

29.5.2 The Company will provide long-term disability benefits to union employees per the Sandvik Inc. Group Insurance Plan summary plan description.

ARTICLE 30

30.0 BENEFITS

30.1 Insured Benefits

30.1.1 The Company now has in effect the following insured benefit levels covering the employees in the bargaining unit:

30.1.1.1 Life Insurance and accidental death and dismemberment insurance. These plans are provided for actively employed employees at no cost to the employee. Please see the summary plan description for more information.

30.1.1.2 Additional life insurance, and accidental death and dismemberment insurance for the employee and dependent life insurance may be purchased by the employee. Full cost of the additional insurance to be borne by the employee.

30.1.1.3 Health & Dental Insurance: For the term of this Agreement, group medical insurance benefits, including dental benefits, will be offered to eligible bargaining unit employees (excluding retirees).

Bargaining unit employees who are scheduled to work a minimum of 30 hours per week, will be given the opportunity to participate in the Sandvik Medical Benefits Plan after 30 days of employment with the Company.

Article 30 – Benefits (cont.)

Initially Medical and Dental benefits will be offered through the Sandvik Medical Benefits Plan, subject to approval of Sandvik's Board of Directors. The Benefits and cost sharing provided to participants under the Sandvik Plan shall be determined by Sandvik, Inc in its sole and exclusive discretion. The Union agrees that Sandvik shall have sole and exclusive discretion at any time to amend or change the plan including but not limited to changes in coverage, networks, providers, benefits, deductibles, co-pays and/or employee contribution.

Upon any changes to the Sandvik Inc. Medical Plan, the Company agrees that the Union can notify the Company within thirty (30) days their intent to withdraw from the Sandvik Plan with negotiations for a follow along plan. The Employer agrees that should the Union withdraw from the Sandvik Plan the Employer will pay 70% of the premium for any follow along Medical Benefits Plan that both parties agree upon. Bargaining Unit employees will be covered by the Sandvik Plan until such time as follow-along medical benefits plan is in place. Any disputes over the terms and conditions of the new plan will be subject to the grievance and arbitration procedure.

The Union recognizes that the Sandvik Plan is provided to all US employees of Sandvik, Inc. The cost sharing for the Sandvik Plan is determined by Sandvik, Inc. However, in no event will the cost sharing for USW represented employees exceed that of other non-organized Sandvik employees.

Article 30 – Benefits (cont.)

30.2 Retirement Plan

- 30.2.1** Employees participate in the Retirement Plan on the later of its effective date (January 1, 1985) and their date of employment by the Company. Service prior to the effective date of this Plan shall also be recognized for purposes of determining the retirement benefit.
- 30.2.2** Effective January 1, 1996, reduced age for full retirement benefits from 65 to 62.
- 30.2.3** Effective January 1, 2010, the defined benefit Retirement Plan will be closed to all new employees. Rehired employees who were originally hired prior to January 1, 2010, are eligible for this Plan provided that the period of separation was less than 12 months.

30.3 Thrift Savings Plan

- 30.3.1** The Company has established a savings plan with the following basic provisions:
- 30.3.1.1** Automatic payroll deduction of the employee's contribution to the savings plan.
- 30.3.1.2** A Company matching contribution of 50% of the employee's regular CODA contribution up to a maximum CODA contribution of 6% of the employee's weekly eligible compensation.
- 30.3.1.3** An opportunity for the employee to make an additional CODA contribution of up to 94% of the employee's weekly eligible compensation without Company matching. Under no circumstances shall the total CODA contribution exceed limits established by Federal regulations.

Article 30 – Benefits (cont.)

- 30.3.1.4** Eligibility for participation occurs at any time following completion of one year of service.
- 30.3.1.5** The entire value of the employee's account is fully and immediately vested.
- 30.3.1.6** To participate in the savings plan, employees must participate in the CODA provision (paragraph 30.3.1.2).
- 30.3.1.7** The Company and the Union agree to develop an educational program to increase employee participation in the CODA 401(k) plan.
- 30.3.1.8** Effective January 1, 2010, the Thrift Plan will be closed to all new employees. Rehired employees who were originally hired prior to January 1, 2010, are eligible for this Plan provided that the period of separation was less than 12 months.

Article 30 – Benefits (cont.)

30.4 Defined Contribution Plan

30.4.1 Effective January 1, 2010, all new employees will participate in a new defined contribution plan “Sandvik Special Metals Defined Contribution Plan”, which will replace the Retirement and Thrift Plans. The plan will include both an automated Company contribution amount equal to a percentage of the employee’s eligible compensation and a Company match to an employee’s savings portion. The Plan will be established in accordance with current ERISA laws and regulations governing enhanced 401(k) plans. Rehired employees that were originally hired prior to January 1, 2010, are eligible for this Plan provided that the employees reemployment date is on or after January 1, 2010, and that the period of separation was 12 months or greater.

30.4.2 Automatic Company Contribution Portion

In addition to any matching contributions described in Article 30.4.3.2, Sandvik Special Metals will automatically contribute 5% of Eligible Compensation on behalf of all eligible employees regardless of whether an employee makes any contributions to the savings portion of the Plan.

30.4.3 Savings Portion -The Company has established a savings portion to the plan with the following basic provisions:

30.4.3.1 Automatic payroll deduction of the employee's contribution to the savings plan.

30.4.3.2 A Company matching contribution of 50% of the employee's regular CODA contribution up to a maximum CODA contribution of 6% of the employee's weekly eligible compensation.

Article 30 – Benefits (cont.)

- 30.4.3.3** An opportunity for the employee to make an additional CODA contribution of up to 94% of the employee's weekly eligible compensation without Company matching. Under no circumstances shall the total CODA contribution exceed limits established by Federal regulations.
- 30.4.3.4** Eligibility for participation occurs at any time following 90 days of employment. Changes to the rate of employee contribution may be made at any time.
- 30.4.3.5** The entire value of the employee's account is fully and immediately vested.
- 30.4.3.6** To participate in the savings portion, employees must participate in the CODA provision (paragraph 30.4.3.2).
- 30.4.3.7** The Company and the Union agree to offer information and education to increase employee participation in the CODA Savings Portion of the Defined Contribution Plan.

30.5 General Benefit Plans

- 30.5.1** Subject to the provisions of this Article the Company will maintain in full force and effect the above benefit policies and plans for those employees eligible to participate and agreeing to the deduction from their pay checks of the indicated amount where employee contribution is indicated. The Company will pay the balance of the costs of those electing to take coverage where contribution is indicated.
- 30.5.2** To the extent that any policy may furnish coverage of an employee while on layoff, leave of absence, strike, or after termination, it will be the employee's responsibility to pay all premiums for such coverage and to take such other steps as may be necessary to maintain coverage and the Company shall have no responsibility therefore.

Article 30 – Benefits (cont.)

- 30.6** It is understood that all of the plans and/or policies are subject to all terms, requirements and restrictions that may be imposed by or under the terms of the policies, trusts, and plans or by the laws and regulations governing such policies, trusts and plans.
- 30.7** The maintenance of such policies, trusts and plans is subject at all times to such rights as the insurers, the trustees or any governmental body may have or acquire to modify or terminate any policy; also, to any and all laws, regulations or orders which are now or hereafter may become applicable to any policy, trust or plan.
- 30.8** It is understood that the only obligation of the Company is to pay its portion of the costs under any policy, trust or plan while the same is in effect and that the rights of the employees are governed by the terms of the policies, trusts and plans and not by this Agreement, and that any right of an employee under any policy, trust or plan above described shall be enforced under said policy, trust or plan and not under this Agreement.
- 30.9** The Company reserves the right to amend the plans in any way necessary to continue to qualify them as qualified plans under the applicable provisions of the Internal Revenue Code.

ARTICLE 31

31.0 PARTIAL SEVERANCE

31.1 If any part of this Agreement is rendered invalid by reason of any existing or subsequently enacted legislation, valid regulation or order or by final action of a tribunal of competent jurisdiction, invalidation of such part or portion of this Agreement shall not invalidate the remaining portions hereof, and all said portions shall remain in full force and effect.

31.2 This Agreement is subject to all applicable Federal and State laws and any rules and regulations issued pursuant thereto.

ARTICLE 32

32.0 INTERPRETATION

32.1 The Union and the Company may interpret, alter or amend this Agreement by mutual action in writing and no individual employee shall have cause to complain therefore, it being understood that any interpretation or agreement mutually satisfactory to the parties hereto shall be binding upon all individual employees, whether such action be prospective or retroactive.

32.2 It is agreed that this Agreement shall be construed according to its written provisions without regard to any discussions or negotiations, written or oral, which the parties have had leading to or resulting in the execution and delivery of this Agreement or any amendment thereof and that nothing which is not a written and executed portion of this written Agreement shall be referred to in connection with its construction.

32.3 The Company and the Union each waives the right, and each agrees that the other shall not be obliged to bargain collectively with reference to any subject or matter not specifically referred to or covered in this Agreement.

ARTICLE 33

33.0 CONTINUITY OF SERVICE

33.1 Continuity of service is defined as seniority minus any time lost due to strikes, any continuous absence time exceeding one month (except illness, military or absences compensable under Workers' Compensation statutes) and any continuous absence time in excess of six (6) months because of illness or absence compensable under Workers' Compensation statutes.

33.2 Where used in this Agreement, the words "service", "continuous service" and "continuity of service" are synonymous.

33.3 Each employee shall have a continuous service date as defined in this Article.

33.4 Adjustments in continuity of service do not impact seniority.

33.5 Continuity of service shall apply where the word "service" appears in the Agreement, except Articles 30.2 and 30.3, where "service" is defined in the appropriate plan documents.

ARTICLE 34

34.0 DURATION OF AGREEMENT

34.1 This Agreement shall become of full force and effect on the 16th day of March 2020, and shall continue through the 15th day of March 2023.

Thereafter, the contract shall renew itself automatically from year to year unless either party gives notice to the other at least sixty (60) days but not more than ninety (90) days prior to the termination or anniversary date of its desire to modify, amend or terminate the Agreement. If notice to modify or amend is given, the Agreement shall remain in effect during negotiations except that if agreement is not reached during negotiations within the sixty-day (60) period prior to the anniversary date, or thereafter, if negotiations continue beyond the anniversary date, either party may give sixty (60) days' written notice to the other of its desire to terminate the Agreement. If notice is given to modify or amend, the parties shall commence discussions at least thirty (30) days prior to the termination of the Agreement.

34.2 Notice shall be directed to the Employer at its office in Finley, Washington, Attention: Managing Director; notice shall be given to the Union at United Steelworkers (USW), Local No. 12-369, 797 Stevens Drive, Richland, Washington 99352, Attention: Secretary. Notice sent by certified or registered mail, return receipt requested, or telegram shall be conclusively deemed received in due course if properly addressed as above indicated.

ARTICLE 35

35.0 **ATTENDANCE CONTROL POLICY** (Effective date: March 16, 2015)

35.1 **Purpose:** To provide a consistent and effective method of addressing attendance.

35.2 The majority of employees have good attendance records and their dependability does not go unnoticed. Employees should be commended for good attendance, just as they are for good performance.

However, a policy is necessary to ensure consistency in handling excessive absences, allowing employees to make appropriate decisions regarding their responsibilities to report to work in a timely manner.

On a twelve-month rolling basis, an employee who violates the Attendance Control policy will progress through the Attendance Control discipline as scheduled below. Notification of an attendance occurrence and the current level of Attendance Control discipline will be made to the employee within 30 calendar days of the occurrence.

1st occurrence	Verbal Warning
2nd occurrence	Verbal Warning
3rd occurrence	Written Warning
4th occurrence	1 day Suspension and Final written Warning
5th occurrence	Last Chance Agreement (see attached) or Termination

USW / SSM Collective Bargaining Agreement

Article 35.2 – Attendance Control

Last Chance Agreement (“LCA”)

By signing below, I, _____ (hereinafter referred to as “Employee”), understand and agree that the Company has established that it has just cause to terminate my employment for repeated violations of the Attendance Policy.

It is further agreed by the undersigned parties to this LCA, that Employee will be subject to the following provisions in lieu of being discharged for Attendance Policy violations that have occurred as of the date of this LCA:

1. Should Employee violate the Attendance Policy (incur an attendance occurrence) during the term of this LCA, Employee will be immediately discharged by the Company.
2. Any dispute regarding whether Employee violated this LCA shall be subject to the grievance and arbitration procedure provided in the USW / Sandvik Collective Bargaining Agreement as follows:
 - a. Should such a grievance be moved to arbitration, the sole question before the Arbitrator shall be whether or not Employee violated the Attendance Policy. All other issues, if any, shall not be subject to appeal to the grievance procedure of the Collective Bargaining Agreement. It shall be presumed by the Arbitrator that, provided Employee is shown to have violated the Attendance Policy during the term of the LCA, the Company will have established just cause to discharge Employee.
 - b. Should the Company fail to show that Employee violated the Attendance Policy during the term of this LCA, the Arbitrator will sustain the grievance.
3. I understand that this is my last chance to keep my job and that this LCA serves as a FINAL WARNING as stated above.
4. This Agreement shall expire 12 months from the date it is executed.
 - a. The expiration date shall be extended by such period of time as Employee may be absent for FMLA and / or disability leave during the term of this LCA.

I agree to the statement and terms described above.

_____, Employee Date _____

Confirmed and Agreed by:

For the Company: _____ Date _____

For the Union: _____ Date _____

Article 35 – Attendance Control Policy (cont.)

35.3 Definition of an Absence Occurrence

- 35.3.1** All absences on scheduled work days except: vacation, holiday, PT with the exception of being used before and after a holiday or for OT purposes, jury duty, funeral leave, military leave, disciplinary suspension, temporary layoff, approved union business, job-related injuries (verified compensation cases), approved leave of absences, including court ordered appearance if subpoenaed, verifiable absences covered by the Family Medical Leave Act (FMLA) or required by any other federal or state laws.
- 35.3.2** Consecutive days absent for the same illness will count as one absence occurrence.
- 35.3.3** Four (4) tardies (one-tenth of an hour to one hour in a single day) in a 12-month period will count as one (1) absence occurrence.
- 35.3.4** Absences due to illness on a scheduled day of overtime shall not result in an occurrence provided the person has verifiably been seen by a healthcare professional.

35.4 Improved Behavior: If an employee goes 365 calendar days (from their most recent discipline occurrence) without an absence occurrence, the corrective discipline will move back to zero and the employee will no longer be in the Attendance Control discipline process.

35.5 Emergency: When an emergency (as determined by the Company), requires an employee to be absent from work, the Company may approve time-off without pay and not have it count as an occurrence under the attendance policy. The Employee may request available paid time (vacation, floating holiday, or personal time) to cover the time missed. The Company may request documentation of the emergency upon return to work.

ARTICLE 36

36.0 JOB CLASSIFICATIONS AND TRAINING PROGRAM FOR OPERATIONS PERSONNEL (PILGERING, FINISHING AND PROCESSING)

The Operations Seniority Group Training Program has different job classifications within the three groups.

Training and qualification will be performed as follows:

To be eligible for the opportunity to train for promotion, employee must not be active (written warning) in the Attendance Control Policy or have been disciplined resulting in a suspension in the past 12 months.

An employee can transfer only once from one department to another in a two-year period without approval of the Company.

Documented training requires the signature from the Trainer and Flow Manager/Working Leader.

When an employee is recalled within 1 year after being laid off they will retain their previous progression credit achieved.

36.1 MASTER OPERATOR

To qualify for training as Master Operator, an employee must be qualified as Operator 1 in the department for which training will occur.

- **Training and Qualification**

Reasonable training time will be provided for all training which the operator is required to achieve assigned qualifications. Once Training schedule has been set, if operators are not provided training time as set forth in the schedule, the operator will not suffer a loss of pay or a demotion.

Article 36 – Job Classifications and Training Program ... (cont.)

- **Qualification**

Qualification shall be accomplished using on the job training (OJT).

Operation's personnel will receive OJT from operators who are currently qualified on the task to be trained on and when applicable an examination will be required. In cases of new work or where no operations personnel are qualified, then supervision will provide a subject matter expert to assist in the training.

- **Certification**

Certification will require OJT and an examination.

36.2 **FINISHING**

36.2.1 **Master Finishing Operator**

- **Training and Qualification**

Demonstrated and documented competencies on 100% of all Finishing Operator 1 Operations.

- **Successful Completion of:**

NDT UT Level 2 Certification

Demonstrated and documented competencies on the following operations:

- UT Tester Conversion Over-Check
- Inspection Lot Report Completion (ILR)
- Rework Allocation
- NDT EC Level 1 Certification

Article 36 – Job Classifications and Training Program ... (cont.)

- **Maintain Qualifications:**

Maintain qualifications for 100% of all Finishing operations.

Maintain NDT UT Level 2 certification.

Maintain NDT EC Level 1 Certification

Maintain competencies on 100% of all Finishing Master Grade operations.

When required by the Company, the ability to train additional employees.

- **Master Grade Finishing Operations:**

UT Tester Conversion Over-Check

Inspection Lot Report Completion (ILR)

Rework Allocation

Shipping Operations

*Additional finishing job duties as assigned by the Company.

36.2.2 **Finishing Operator 1**

- **Training and Qualification:**

Demonstrated and documented competencies on the following
Operator 2 Operations:

- Straightness Verification
- 1st Visual EB3155 Tubing
- 1st Visual to Ti-Aerospace Tubing
- Hydrostatic Testing
- End Trim Operations
- Manual Cutting

Article 36 – Job Classifications and Training Program ... (cont.)

- **To Qualify:**

Certify as an NDT UT Level 1

Demonstrate and Document Competencies on 80% of Finishing Operator 1 Operations.

- **Maintain Qualification:**

Demonstrate and document Competencies on 100% of all Finishing Operator 1 Operations.

Maintain a minimum of a valid NDT UT Level 1 Certification.

Maintain following Operator 2 operations:

- Straightness Verification
- 1st Visual EB3155 Tubing
- 1st Visual Ti-Aerospace Tubing
- Hydrostatic Testing
- End Trim Operations
- Manual Cutting
- When required by the Company, the ability to train additional employees.

- **Finishing Operator 1 Operations:**

Minor Diameter Straightening

Hand Straightening

Ti-Cut Setup/Operation

Final Cut to Length

Sample Cut

Surface Measurement

Air Gauge/Laser Testing

Acetone Wipe Operation

Material Identification

Final Visual

Final Packaging

*Additional finishing job duties as assigned by the Company

Article 36 – Job Classifications and Training Program ... (cont.)

36.2.3 Finishing Master Shipping Operator

The selection for this position is at the discretion of the Company similar to the Working Leaders. The Master Shipping Operator shall be selected based upon qualifications and skill as determined by the Company and shall not be based on seniority nor will the senior employee in the department from which they are selected necessarily be selected to fill the position.

Should the Company determine that 2 or more candidates are equally qualified for the position, seniority will be considered to determine the successful candidate.

When temporary vacancies occur, they will be offered first to the senior qualified operator in the Finishing department. If a qualified operator from the Finishing department is not available, the senior qualified operator from other departments will be solicited. The junior qualified operator may be required to fill the temporary vacancy if no volunteers accept the assignment. This position shall be counted towards the vacation quota in the Finishing Department only.

36.3 PROCESSING

36.3.1 Master Processing Operator

- **Training and Qualification:**

Demonstrated and documented competencies on 100% of all Processing Operator 1 Operations.

Successfully complete Annealing Theory Training.

Demonstrated and documented competencies on all vacuum anneal furnaces and WWTF Operations.

Article 36 – Job Classifications and Training Program ... (cont.)

- **Maintain Qualifications:**

Demonstrated and documented competencies on 100% of all Processing Operator 1, Annealing, and WWTF Operations.

Maintain valid Overhead Crane certification.

Maintain valid Powered Industrial Truck certification.

When required by the Company, the ability to train additional employees.

- **Master Processing Operations:**

Setup/Operation of Vertical Annealing Furnace

Setup/Operation of Tabo Annealing Furnace

Setup/Operation of Coldwall Annealing Furnace

Setup, Calibration, & Operation of Waste Water Treatment Facility

36.3.2 **Processing Operator 1**

- **Training and Qualification**

Demonstrated and documented competencies on below listed Operator 2 Processing Operations:

- Chem-Bay
- End Trim
- I.D. Grit Blasting
- In-Process Hollow Inspection
- Hollow-Cut
- Hollow/TREX straighten
- First visual and hydrostatic testing

Article 36 – Job Classifications and Training Program ... (cont.)

- **To Achieve Operator 1:**

Demonstrated and documented competencies on the following
Operator 1 Processing Operations:

- Finish ID Etch
- Finish OD Etch (includes Rotary and hand dip etching)
- OD Grind
- Laser/AG
- PP30 (if required)
- Set Up and operate final tube straighten (when required)

- **Maintain Qualification:**

The continued ability (when requested) to train, demonstrate
competencies on operations listed above.

When required by the Company, the ability to train additional
employees.

36.3.3 **Processing Operator 2**

- **Training and Qualification:**

Demonstrated and documented competencies on below listed
Operator 2 Processing

- **Operations:**

Chem-Bay

End Trim

I.D. Grit Blasting

In-Process Hollow Inspection

Hollow-Cut

Ultrasonic clean

Hydrostatic Testing

Pneumatic Testing

5 roll hollow straightener

Article 36 – Job Classifications and Training Program ... (cont.)

36.4 PILGERING

36.4.1 Master Pilger Operator

- **Training and Qualification:**

Demonstrated and documented competencies on 100% of all Pilger Operator 1 operations.

Successfully complete Master Pilger Theory Training, passing Practical and written exam.

Demonstrate and document competencies for completing product changes on 3 Pilger Mills (2 Finishing Mills and 1 Breakdown Mill or 2 Breakdown Mills and 1 Finishing Mill).

- **Maintain Qualification:**

Complete and documented competencies on 100% of all Pilger Operations including Product Changes/Trouble Shooting.

Maintain 100% of all Pilger Operator 1 competencies.

Maintain valid Overhead Crane certification.

Maintain valid Powered Industrial Truck certification.

When required by the Company, the ability to train additional employees.

- **Master Pilger Operations:**

Setup/Trouble Shoot Breakdown Mills (100%)

Setup/Trouble Shoot Final Mills (100%)

Setup/Trouble Shoot Draw Bench

QV/ARO Operation

Lube Make Up

Additional pilgering job duties as assigned by the Company.

Master Pilger Operator needs to be able to operate as well as Product change mills.

Article 36 – Job Classifications and Training Program ... (cont.)

36.4.2 Pilger Operator 1

- **Training and Qualification:**

Pass pilger training class

Demonstrate competency for operating at least 3 pilger mills

- **Maintain Qualifications:**

Complete 100% of all Pilger Operator 1 competencies

- **Maintain Competencies on the below listed Operator 2 Operations**

Hollow Cut Operation

Final Hollow Inspection

In-Process Hollow Inspection

Large Straightener

Ingot Straightener

Steel Processing

Maintain Valid Overhead Crane Certification.

When required by the Company, the ability to train additional employees.

- **Pilger Operator 1 Operations**

Breakdown Mill Operations

Final Mill Operations

Draw Operation (when given opportunity to train)

QV/ARO Operation

*Additional pilgering job duties as assigned by the Company.

Article 36 – Job Classifications and Training Program ... (cont.)

36.5 MASTER H (Machinists, Millwrights, Electrician, Instrument Technician, Calibrationist)

36.5.1 To Qualify for a Master H Position in Maintenance, an Employee Must Accomplish One (1) of the Following Requirements:

- Minimum four (4) year formal apprenticeship program in a trade related to the business needs of the Company and complete an eight (8) month probationary period with the Company as a Grade H.
- Two (2) year Associates Degree or trade school in related field, three (3) years of experience in the related trade, 2 years of experience with the Company at Grade H and complete an additional twelve (12) credits in a trade specific to the business needs of the Company.
- Complete eighteen (18) credit hours at a college, trade or correspondence school in a related trade with five (5) years of experience in a related trade and an additional five (5) years with the Company.

*The assignment of additional jobs will not prevent the Union from claiming new jobs or altered jobs and will be subject to the grievance and arbitration procedure provided that such grievances are presented within the time limits established in Article 6 and further provided that job content and seniority group assignment will not be subject to arbitration; the only question to be arbitrated being the wage rate assigned to the new or altered job.

SIGNATURE PAGE

IN WITNESS WHEREOF, the parties hereto have set their hands.

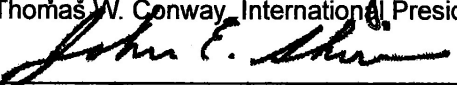
Approved this 16th day of March, 2020.

FOR THE UNION

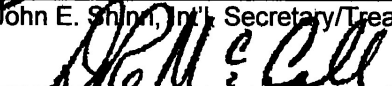
United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, on behalf of Local 12-369



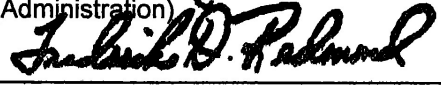
Thomas W. Conway, International President



John E. Shinn, Int'l Secretary/Treasurer



D.R. McCall, International Vice President
(Administration)



Fred Redmond, Int'l Vice President
(Human Affairs)



Gaylan Z. Prescott, Director, District 12



Ron Rodgers, Sub-District 3 Director



Ryan M. Matthews, Staff Representative



William Collins, President – Local 12-369



Julie McSwane, Unit Chair 4-20-21



Fred Anderson, Negotiating Committee 4-20-21



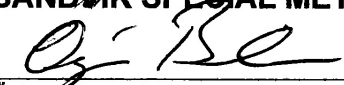
Amos Estes, Negotiating Committee 4-20-21



Alan Peterson, Negotiating Committee 4-20-21

FOR THE COMPANY

SANDVIK SPECIAL METALS LLC



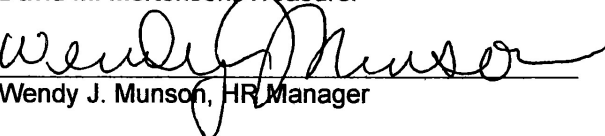
Örjan Blom, President



Ken E. Idler, Vice President



David M. Mortensen, Treasurer



Wendy J. Munson, HR Manager

ATTACHMENT A

WAGE PROGRESSION SCALE

Wages

Year 1 (2020) GWI 0% with payout of 2% at time of ratification for all active bargaining unit employees (hourly base rate at time of ratification x 2080 x 2% to be paid out with first full pay period after ratification.)

Year 2 (2021) GWI 0% with a quarterly productivity incentive payout of up to 3% each quarter (incentive payout is based on productivity metric measured in boxed feet per labor hour).

Year 3 (2022) GWI 2.5% with quarterly productivity incentive payout of up to 3% each quarter.

Incentive Progression Model

Year 2 (2021)		Year 3 (2022)	
Box/hr	% Payout	Box/hr	% Payout
11.00	0.0%	12.00	0.0%
11.50	0.5%	12.50	0.5%
12.00	1.0%	13.00	1.0%
12.50	1.5%	13.50	1.5%
13.00	2.0%	14.00	2.0%
13.50	2.5%	14.50	2.5%
14.00	3.0%	15.00	3.0%

Note: Quarterly Incentive payout is based off annual base wage for each employee. A total of 2,080 hours x base hourly wage at time of payout is used for annual wage times 25%.

Attach A – Wage Progression Scale (cont.)

Notes:

1. Tier 1 employees are those employees hired on or before July 22, 1996. Tier 2 employees are those employees hired after July 22, 1996.
2. Tier 2 employees (excluding Grade H and MH) will start at time of hire at 70% of the contract rate and will increase up the wage scale, at the % from the Wage Progression Chart attached, for the first 12 months and then with an annual step of 2.5% per year of service for the first 8 consecutive years and 5% per year of service for year 9 and 10. (Thus reducing the progression steps from 12 years to 10 years).
3. Tier 2 new hires will start at 90% of the Tier 2 rate. Their rate will increase to 95% of the Tier 2 rate at 6 months of service. Their rate will then increase to 100% of the Tier 2 rate at 1 year of service.
4. Promotions from Operator II to Operator I will have only 1 pay rate for the Operator I classification based on the employee's Tier Group.
5. Employees in Grade H and MH are required to perform all Maintenance Work as assigned.
6. Those Operators and Instrument Technicians who qualify at the NDT UT Level I, and who maintain such qualification, will be paid a premium of \$.30 per hour in addition to their regular straight time base pay rate.
7. Those Operators and Instrument Technicians who qualify at the applicable NDT UT Level II, and who maintain such qualification will be paid a premium of \$.40 per hour in addition to their regular straight time base pay rate.
8. "Qualification" as used here, means formal training, testing and NDT experience as specified by the Company.
9. Operators who qualify at the NDT EC Level I, and who maintain such qualification will be paid a premium of \$.30 per hour.
10. Operators who qualify at the applicable NDT EC Level II, and who maintain such qualification, will be paid a premium of \$.50 per hour in addition to their regular straight time base pay rate.
11. The premium rates for NDT Level I UT and II UT and NDT EC Level I and II specified here are additive.

Attach A – Wage Progression Scale (cont.)

Temporary Upgrades (ref. Article 19.3.1):

12. Operator II = 10%
13. Operator I = TUGS to Master Grade
14. Master Grade = 10%
15. Maintenance = TUGS to Master H
16. Master H = 10%

ATTACHMENT A

WAGE PROGRESSION SCALE

Feb 10, 2020		Tier 2	Operator II-Mech II	0	6 mos	1 Year	2 Years	3 Years	4 Years
% increase	0.0%			63.0%	66.5%	72.5%	75.0%	77.5%	80.0%
				\$ 16.64	\$ 17.56	\$ 19.15	\$ 19.81	\$ 20.47	\$ 21.13
				5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
				82.5%	85.0%	87.5%	90.0%	95.0%	100.0%
		Tier I	\$ 26.41	\$ 21.79	\$ 22.45	\$ 23.11	\$ 23.77	\$ 25.09	\$ 26.41
		Tier 2	Operator 1	0	6 mos	1 Year	2 Years	3 Years	4 Years
				63.0%	66.5%	72.5%	75.0%	77.5%	80.0%
				\$ 18.72	\$ 19.76	\$ 21.54	\$ 22.29	\$ 23.03	\$ 23.77
				5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
				82.5%	85.0%	87.5%	90.0%	95.0%	100.0%
		Tier I	\$ 29.72	\$ 24.52	\$ 25.26	\$ 26.00	\$ 26.74	\$ 28.23	\$ 29.72
		Master Operator, Master Pilger Operator, Master Finishing Operator, Master Shipping Operator							\$ 31.02
		Maintenance*					0	6 mos	12 mos
							90.0%	95.0%	100.0%
							\$ 30.41	\$ 32.10	\$ 33.79
		Master H							\$ 35.24

Feb 8, 2021		Tier 2	Operator II-Mech II	0	6 mos	1 Year	2 Years	3 Years	4 Years
% increase	0.0%			63.0%	66.5%	72.5%	75.0%	77.5%	80.0%
				\$ 16.64	\$ 17.56	\$ 19.15	\$ 19.81	\$ 20.47	\$ 21.13
				5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
				82.5%	85.0%	87.5%	90.0%	95.0%	100.0%
		Tier I	\$ 26.41	\$ 21.79	\$ 22.45	\$ 23.11	\$ 23.77	\$ 25.09	\$ 26.41
		Tier 2	Operator 1	0	6 mos	1 Year	2 Years	3 Years	4 Years
				63.0%	66.5%	72.5%	75.0%	77.5%	80.0%
				\$ 18.72	\$ 19.76	\$ 21.54	\$ 22.29	\$ 23.03	\$ 23.77
				5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
				82.5%	85.0%	87.5%	90.0%	95.0%	100.0%
		Tier I	\$ 29.72	\$ 24.52	\$ 25.26	\$ 26.00	\$ 26.74	\$ 28.23	\$ 29.72
		Master Operator, Master Pilger Operator, Master Finishing Operator, Master Shipping Operator							\$ 31.02
		Maintenance*					0	6 mos	12 mos
							90.0%	95.0%	100.0%
							\$ 30.41	\$ 32.10	\$ 33.79
		Master H							\$ 35.24

ATTACHMENT A
WAGE PROGRESSION SCALE

Feb 7, 2022	Tier 2	Operator II-Mech II	0	6 mos	1 Year	2 Years	3 Years	4 Years	
	% increase	2.5%	63.0%	66.5%	72.5%	75.0%	77.5%	80.0%	
			\$ 17.05	\$ 18.00	\$ 19.62	\$ 20.30	\$ 20.98	\$ 21.65	
			5 Years	6 Years	7 Years	8 Years	9 Years	10 Years	
			82.5%	85.0%	87.5%	90.0%	95.0%	100.0%	
	Tier I	\$ 27.07	\$ 22.33	\$ 23.01	\$ 23.68	\$ 24.36	\$ 25.72	\$ 27.07	
		Tier 2	Operator 1	0	6 mos	1 Year	2 Years	3 Years	4 Years
				63.0%	66.5%	72.5%	75.0%	77.5%	80.0%
				\$ 19.19	\$ 20.26	\$ 22.08	\$ 22.84	\$ 23.61	\$ 24.37
				5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
			82.5%	85.0%	87.5%	90.0%	95.0%	100.0%	
Tier I	\$ 30.46	\$ 25.13	\$ 25.89	\$ 26.65	\$ 27.41	\$ 28.94	\$ 30.46		
	Master Operator, Master Pilger Operator, Master Finishing Operator, Master Shipping Operator							\$ 31.80	
	Maintenance*				0	6 mos	12 mos		
					90.0%	95.0%	100.0%		
					\$ 31.17	\$ 32.91	\$ 34.64		
	Master H							\$ 36.12	

ATTACHMENT B

COST OF LIVING ADJUSTMENT (COLA)

Section 1 - Purpose

The wage rates set forth in Attachment A, "Wage Progression Scale", may be increased on the dates and in a manner provided for in this Attachment. Such increase, if any, will be based upon the Bureau of Labor Statistics Consumer Price Index, U. S. City Average - All Items, Urban Wage Earners & Clerical Workers, (1967=100), hereinafter referred to as "CPI".

If the CPI in its present form and calculated on the same basis shall be revised there from or discontinued, the parties shall determine a new CPI which most closely approximates the current CPI. If the parties cannot agree on the CPI to be used, the question shall be submitted to arbitration pursuant to Section 6.5 of this Agreement.

No adjustments retroactive or otherwise shall be made in the amount of the cost-of-living adjustment due to any revision which later may be made in the published figures for the CPI for any month on the basis of which the allowance shall have been determined.

Section 2 - COLA Formula

On the effective dates indicated below, for every full five-tenths percent (0.5 percent) increase in the CPI within the percentage limits and during the time periods set forth in Sections 3 and 4 below, the following increases shall be applied to each employee's base hourly rate:

- A. In December 2019 a 0.375 percent increase in the base hourly rate in effect December 2020.
- B. In December 2020 a 0.375 percent increase in the base hourly rate in effect December 2021.
- C. In December 2021 a 0.375 percent increase in the base hourly rate in effect December 2022.

Section 3 - Effective Dates and Measurement Periods

<u>Effective Date</u>	<u>Measurement Periods</u>
December 2020	Difference between the CPI for December 2019 and December 2020
December 2021	Difference between the CPI for December 2020 and December 2021
December 2022	Difference between the CPI for December 2021 and December 2022

Attach B – Cost of Living Adjustment (cont.)

Section 4 - Maximum Payments

- A. Using the CPI between December 2019 and December 2020, that percentage increase in the CPI which exceeds 4 percent but is 8 percent or less shall be used to calculate, pursuant to Section 2 of this Attachment, any monetary increase which may be due on February 8, 2021.
- B. Using the CPI between December 2020 and December 2021, that percentage increase which exceeds 4 percent but is 8 percent or less shall be used to calculate, pursuant to Section 2 of this Attachment, any monetary increase which may be due on February 7, 2022.
- C. Using the CPI between December 2021 and December 2022, that percentage increase which exceeds 4 percent but is 8 percent or less shall be used to calculate, pursuant to Section 2 of the Attachment, any monetary increase which may be due on February 6, 2023.

Section 5 - Example

Assuming an 8 percent increase in CPI between December 2019 and December 2020, the COLA adjustment effective December 2020 would be calculated as follows:

$$8 \text{ percent} - 4.0 \text{ percent} = 4.0 \text{ percent}$$

$$4.0 \text{ percent divided by } .5 = 8$$

$$8 \times .375 \text{ percent} = 3.0 \text{ percent (COLA adjustment)}$$

$$3.0 \text{ percent} = \text{percent increase in base rate}$$

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