

AGREEMENT

between

International
Steel Group, Inc.

and the

United Steelworkers
of America, AFL - CIO - CLC

December 15, 2002

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ARTICLE ONE - AGREEMENT

Section A. Parties to the Agreement

1. This Agreement, dated as of December 15, 2002 and June 16, 2003 for the Employees of the former Bethlehem Steel Corporation facilities (the Basic Labor Agreement, BLA, or the Agreement), is between International Steel Group Inc. (ISG or the Company as further defined below) and the United Steelworkers of America, AFL-CIO-CLC, or its successor (the Union or USWA) on behalf of the Employees of the Company (as defined in Article Two, Section A (Coverage) at its facilities in Hennepin, Illinois (ISG Hennepin), East Chicago, Indiana (ISG Indiana Harbor), Cleveland, Ohio (ISG Cleveland), Warren, Ohio, (ISG Warren) and Riverdale, Illinois (ISG Riverdale), Burns Harbor, Indiana (ISG Burns Harbor), Sparrows Point, Maryland (ISG Sparrows Point), Conshohocken, Pennsylvania (ISG Conshohocken), Coatesville, Pennsylvania (ISG Coatesville), Steelton, Pennsylvania (ISG Steelton) and Lackawanna, New York, (ISG Lackawanna).

2. Except as otherwise provided in this Agreement, the Company shall include any current or future Affiliate of ISG.
 - a. An Affiliate shall mean any business enterprise that Controls, is under the Control of, or is under common Control with ISG.

 - b. Control of a business enterprise shall mean possession, directly or indirectly of either;
 - (1) fifty percent (50%) of the equity of the enterprise; or

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

ARTICLE ONE – AGREEMENT

Section B. Term of the Agreement

1. The effective date of the Agreement shall be December 15, 2002, (the Effective Date) except as otherwise expressly provided.
2. Except as otherwise provided below, this Basic Labor Agreement shall terminate at the expiration of sixty (60) days after either party shall give written notice of termination to the other party, but in any event shall not terminate earlier than September 1, 2008 (the Termination Date).
3. If either party gives such notice, it may include therein notice of its desire to negotiate with respect to insurance, pensions, successorship and supplemental unemployment benefits. If the parties do not reach agreement with respect to such matters by the Termination Date, either party may thereafter resort to strike or lockout, as the case may be, in support of its position with respect to such matters, as well as any other matter in dispute. This Paragraph shall apply to all such matters, including insurance, pensions, successorship and supplemental unemployment benefits, notwithstanding any contrary provision of existing agreements on those subjects.
4. Any notice to be given under this Agreement shall be given by certified mail and shall be postmarked by the required date. Mailing of notice to the Union should be addressed to the United Steelworkers of America, Five Gateway Center, Pittsburgh, Pennsylvania 15222; mailing of notice to the Company should be addressed to 3250 Interstate Drive, Richfield, Ohio 44286. Either party may, by like written notice, change the address to which certified mail notice shall be given.

ARTICLE TWO – UNION SECURITY

Section A. Recognition and Coverage

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

- d. work that would be unreasonable to assign to an Employee or which is negligible in amount.
5. If an individual other than an Employee performs work in violation of Paragraph 4 and the Employee who otherwise would have performed this work can reasonably be identified, the Company shall pay such Employee his/her applicable Regular Rate of Pay for the time involved or for four (4) hours, whichever is greater.
6. An Employee assigned as a temporary foreman or supervisor will not issue discipline to Employees, provided that this provision will not prevent a temporary foreman or supervisor from relieving an Employee from work for the balance of the turn for alleged misconduct. An Employee will not be called by either party in the grievance procedure or arbitration to testify as a witness regarding any events involving discipline which occurred while the Employee was assigned as a temporary foreman or supervisor.

ARTICLE TWO – UNION SECURITY

Section B. Union Membership and Dues Checkoff

1. Each Employee who, on the effective date of this provision, is a member of the Union and each Employee who becomes a member after that date shall, as a condition of employment, maintain membership in the Union. Each Employee who is not a member of the Union on the effective date of this provision and each Employee who is hired thereafter shall, as a condition of employment, beginning on the thirtieth (30th) day following the beginning of such employment or the effective date of this provision, whichever is later, acquire and maintain membership in the Union.

2. Should the above provision be unenforceable for any reason, then, to the extent permitted by law, each Employee who would be required to acquire or maintain membership in the Union if the provision in Paragraph 1 above could lawfully be enforced, and who fails voluntarily to acquire or maintain membership in the Union, shall be required, as a condition of employment, beginning on the thirtieth (30th) day following the beginning of such employment or the effective date of this provision, whichever is later, to pay to the Union each month a service charge as a contribution towards the Union’s collective bargaining representative expenses. The amount of the service charge, including an initiation fee if applicable, shall be as designated by the International Union Secretary-Treasurer.

3. Wherever Paragraph 1 or 2 above is applicable:
 - a. The Company will check off monthly dues or service charges, including, where applicable, initiation fees and assessments, each in amounts as designated by the International Union Secretary-Treasurer, effective upon receipt of individually signed voluntary checkoff authorization cards. The Company shall within ten (10) days remit any and all amounts so deducted to the International Union Secretary-Treasurer with a completed summary of USWA Form R-115 or its equivalent.

 - b. At the time of employment, the Company will suggest that each new Employee voluntarily execute an authorization for the checkoff of amounts due or to be due under Paragraph 1 or 2 above. A copy of

the card will be forwarded at the time of signing to the Financial Secretary of the Local Union.

- c. The Union will be notified of the amount transmitted for each Employee (including the hours and earnings used in the calculation of such amount) and the reason for non-transmission, such as in the case of interplant transfer, layoff, discharge, resignation, leave of absence, sick leave, retirement, death or insufficient earnings.
- d. The International Union Secretary-Treasurer shall notify the Company in writing of any Employee who is in violation of any provision of Paragraph 1 or 2 above.
- e. The Union shall indemnify the Company and hold it harmless against any and all claims, demands, suits and liabilities that shall arise out of or by reason of any action taken by the Company for the purpose of complying with the foregoing provisions.

ARTICLE TWO – UNION SECURITY

Section C. PAC and SOAR Checkoff

1. The Company will deduct Political Action Committee (PAC) contributions for active Employees who have submitted authorization for such deductions from their wages and for retirees who have submitted authorization for such deductions from their pension. Such deductions shall be on a form reasonably acceptable to the Company and shall be promptly remitted to the Secretary-Treasurer of the USWA PAC Fund.

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

ARTICLE TWO – UNION SECURITY

Section D. Successorship

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

2. The Company agrees that it will not consummate any transaction resulting in a Change of Control of the Company (a Transaction) unless the ultimate parent company of the entity which gains control (Newco) has satisfied the following conditions prior to the consummation of the Transaction:
 - a. Newco shall have recognized the Union as the bargaining representative for the Employees working at the plant(s) which are involved in the Transaction;
 - b. Newco shall have provided the Union with reasonable assurances that it has both the willingness and financial wherewithal to honor the commitments contained in all of the agreements between the Company and the Union applicable to the assets acquired (All USWA Agreements);
 - c. In transactions not subject to paragraph d below, Newco shall have assumed all USWA Agreements; and
 - d. In the event the Transaction occurs less than three (3) years before the Termination Date, Newco shall have either:

- (1) entered into an agreement with the Union establishing the terms and conditions of employment to be effective upon the consummation of the Transaction; or
- (2) at the USWA's option, either
 - (a) assumed All USWA Agreements applicable to the assets acquired, or
 - (b) assumed All such USWA Agreements and extended them for a period of at least three (3) years beyond their then-scheduled expiration with the terms and conditions of the period of the extension to be determined, absent a negotiated agreement, by final offer interest arbitration.

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

- 3. Change of Control is defined as the gaining by any person or group of persons (as the term person is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) (Person) of the power to direct the management and policies of the Company (other than Persons having such power as of the Effective Date).
- 4. This Section shall not apply to any transactions solely between the Company and any of its Affiliates, nor to a public offering of registered securities.
- 5. If the common stock of the Company is publicly traded on a nationally recognized stock exchange, then this Section shall not apply to any Transaction that results from an unsolicited tender offer or similar unsolicited transaction. This Section shall, however, apply in case of any merger or other consensual Transaction, regardless of whether that consensual Transaction results from an initial unsolicited offer.
- 6. Notwithstanding the provisions of Article One, Section B (Term of the Agreement), this Section shall expire one (1) year after the Termination Date.

ARTICLE TWO – UNION SECURITY

Section E. Neutrality

1. Introduction

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

2. Neutrality

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

3. Organizing Procedures

- a. Prior to the Union distributing authorization cards to non-represented employees at a facility owned, controlled or operated by the Company, the Union shall provide the Company with written notification (Written Notification) that an organizing campaign

(Organizing Campaign) will begin. The Written Notification will include a description of the proposed bargaining unit.

- b. The Organizing Campaign shall begin immediately upon provision of Written Notification and continue until the earliest of: (1) the Union gaining recognition under Paragraph 3(d)(5) below; (2) written notification by the Union that it wishes to discontinue the Organizing Campaign; or (3) ninety (90) days from provision of Written Notification to the Company.
- c. There shall be no more than one (1) Organizing Campaign in a bargaining unit in any twelve (12) month period.
- d. Upon Written Notification the following shall occur:
 - (1) Notice Posting

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

“NOTICE TO EMPLOYEES

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

- 1. The Company does not oppose collective bargaining or the unionization of our employees.
- 2. The choice of whether or not to be represented by a union is yours alone to make.
- 3. We will not interfere in any way with your exercise of that choice.
- 4. The Union will conduct its organizing effort over the next ninety (90) days.

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

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

(2) Employee Lists

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

Organizing Campaign, the Company will provide the Union with updated lists monthly.

(3) Determination of Appropriate Unit

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

(4) Access to Company Facilities

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

(5) Card Check/Union Recognition

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

(b) The neutral shall confidentially compare the authorization cards submitted by the Union against

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

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

4. Hiring

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

5. Definitions and Scope of this Agreement

a. Rules with Respect to Affiliates and Ventures

(1) For purposes of this Section, the Company includes (in addition to the Company) any entity which is:

- (a) engaged in (1) the mining, refining, production, processing, transportation, distribution or warehousing of raw materials used in the making of steel; or (2) the making, finishing, processing, fabricating, transportation, distribution or warehousing of steel; and
- (b) either an Affiliate or Venture of the Company.

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

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

- (a) fifty percent (50%) of the equity of the enterprise; or
- (b) the power to direct the management and policies of said enterprise.

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

b. Rules With Respect to Existing Affiliates and Ventures

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

c. Rules with Respect to New Affiliates and Ventures

The Company agrees that it will not consummate a transaction which would result in the Company having or creating (1) an

Affiliate or (2) a Venture, without ensuring that the New Affiliate and/or New Venture, if covered by the provisions of Paragraph 5a(1)(a) above, agrees to and becomes bound by this Section.

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

6. Bargaining in Newly-Organized Units

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

- a. The employer and the Union shall meet within fourteen (14) days following recognition to begin negotiations for a first collective bargaining agreement covering the new unit. In these negotiations the parties shall bear in mind the wages, benefits and working conditions in the most comparable operations of the Company (if any comparable operations exist), and those of unionized competitors to the facility in which the newly recognized unit is located.
- b. If after ninety (90) days following recognition the parties are unable to reach agreement for such a collective bargaining agreement, they shall submit those matters that remain in dispute to the Chair of the Union Negotiating Committee and the Chair of the Company Negotiating Committee, who shall use their best efforts to assist the parties in reaching a collective bargaining agreement.
- c. If after thirty (30) days following the submission of outstanding matters the parties remain unable to reach a collective bargaining agreement, the matter may be submitted to final offer interest arbitration in accordance with procedures to be developed by the parties.
- d. If interest arbitration is invoked, it shall be a final offer package interest arbitration proceeding. The interest arbitrator shall have no authority to add to, detract from or modify the final offers submitted

by the parties, and the arbitrator shall not be authorized to engage in mediation of the dispute. The arbitrator shall select one or the other of the final offer packages submitted by the parties on the unresolved issues. The interest arbitrator shall select the final offer package found to be the more reasonable when considering (1) the negotiating guidelines described in Paragraph 6(a) above, (2) any matters agreed to by the parties and therefore not submitted to interest arbitration and (3) the fact that the collective bargaining agreement will be a first contract between the parties. The decision shall be in writing and shall be rendered within thirty (30) days after the close of the interest arbitration hearing record.

- e. Throughout the proceedings described above concerning the negotiation of a first collective bargaining agreement and any interest arbitration that may be engaged in relative thereto, the Union agrees that there shall be no strikes, slowdowns, sympathy strikes, work stoppages or concerted refusals to work in support of any of its bargaining demands. The Company, for its part, likewise agrees not to resort to the lockout of Employees to support its bargaining position.

7. Dispute Resolution

- a. Any alleged violation or dispute involving the terms of this Section may be brought to a joint committee of one (1) representative each from the Company and the Union. If the alleged violation or dispute cannot be satisfactorily resolved by the parties, either party may submit such dispute to the arbitrator. A hearing shall be held within ten (10) days following such submission and the arbitrator shall issue a decision within five (5) days thereafter. Such decision shall be in writing and need only succinctly explain the basis for the findings. All decisions by the arbitrator pursuant to this article shall be based on the terms of this Section and the applicable provisions of the law. The arbitrator's remedial authority shall include the power to issue an order requiring the Company to recognize the Union where, in all the circumstances, such an order would be appropriate.
- b. The arbitrator's award shall be final and binding on the parties and all employees covered by this Section. Each party expressly waives

the right to seek judicial review of said award; however, each party retains the right to seek judicial enforcement of said award.

- c. For any dispute under this Section and the interest arbitration procedure described in Paragraph 6 above, the parties shall choose the arbitrator from the list of arbitrators described in Article Five, Section I (Adjustment of Grievances), Paragraph 6, contacting them in the order listed, and retaining the first to indicate an ability to honor the time table set forth above for the hearing and the decision.

ARTICLE TWO – UNION SECURITY

Section F. Bargaining Unit Work

1. Guiding Principle

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

2. Exceptions

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

a. Work Performed In or Around the Plant

(1) New Construction Work

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

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

(2) Surge Maintenance Work

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

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

b. Work Performed Outside the Plant or its Environs

(1) Fabrication and Repair Work

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

Fabrication and Repair Work may be performed by Outside Entities only where the location of the work's performance is for a bona fide business purpose and the Company can demonstrate a meaningful sustainable economic advantage to having such work performed by an Outside Entity.

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

(2) Production Work

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

c. Warranty Work

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

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

3. Commitment

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

- a. where total hours worked by employees of Outside Entities in or outside the plant reach or exceed the equivalent of one (1) full time employee, defined as forty (40) hours per week over a period of time sufficient to indicate that the work is full time, the work performed by Outside Entities will be assigned to Employees and the number of Employees will be appropriately increased if necessary, unless the

Company is able to clearly demonstrate that the work cannot be performed by the addition of an Employee(s), or that assignment of the work to Employees would not be economically feasible. In determining whether the assignment of the work to Employees is or is not economically feasible, the lower wage rates, if any, of an Outside Entity shall not be a factor.

- b. The parties agree that the Union may at any time enforce the obligations described above, irrespective of the Company's compliance with any other obligation in this Section or any other part of the Agreement, and that an arbitrator shall specifically require the Company to meet the above Commitment, including imposing hiring orders and penalties.
- c. The Company shall supply the Bargaining Unit Work Committee (as defined below) with all requested information regarding compliance with the Commitment.

4. Bargaining Unit Work Committee

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

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

5. Notice and Information

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

6. Mutual Agreement

- a. As of the Effective Date, all agreements, understandings or practices of any kind that directly or indirectly permit the use of Outside

Entities to perform Bargaining Unit Work are hereby agreed to be null and void.

- b. In the event the Bargaining Unit Work Committee resolves a matter in a fashion which in any way permits the use of Outside Entities, such resolution shall be final and binding only as to the matter under consideration and shall not affect future determinations under this Section.
- c. No agreement, whether or not reached pursuant to this Section, which directly or indirectly permits the use of Outside Entities on an ongoing basis, shall be valid or enforceable unless it is in writing and signed by the President/Unit Chair and the Grievance Committee Chair/Unit Grievance Committeeperson of the affected Local Union. Any such valid agreement shall expire on the Termination Date of this Agreement, unless signed by a Representative of the International Union.

7. Expedited Procedure

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

- a. Within three (3) days (excluding Saturdays, Sundays and holidays) after the Union determines that the Bargaining Unit Work Committee cannot resolve the dispute, the Union may advise the Company in writing that it is invoking this Expedited Procedure.
- b. An expedited arbitration must be scheduled within three (3) days (excluding Saturdays, Sunday and holidays) of such notice and heard at a hearing commencing within five (5) days (excluding Saturdays, Sundays and holidays) thereafter.
- c. The arbitrator shall render a decision within forty-eight (48) hours (excluding Saturdays, Sundays and holidays) of the conclusion of the hearing.
- d. Notwithstanding any other provision of this Agreement, any case heard in the Expedited Procedure before the work in dispute was

performed may be reopened by the Union if such work, as actually performed, varied in any substantial respect from the description presented in arbitration. The request to reopen the case must be submitted within seven (7) days of the date on which the Union knew or should have known of the variance.

8. Quarterly Review

- a. Not less than quarterly, the Bargaining Unit Work Committee shall meet with the Local Union President/Unit Chair and the General Manager of the plant, for the purpose of reviewing all work for which the Company anticipates utilizing Outside Entities at some time during the next or subsequent quarters. The Union shall be entitled to review any current or proposed contracts concerning such work and shall keep such information confidential.
- b. During the review, the Bargaining Unit Work Committee may (1) agree on items of work that should be performed by Outside Entities for which Notice under Paragraph 5 above is therefore not required; or (2) disagree on which items of work should be performed by Employees and which should be performed by Outside Entities for which notice under Paragraph 5 is therefore required.
- c. During the quarterly review, the Company will provide to the Bargaining Unit Work Committee a detailed report showing work performed by Outside Entities since the last such report. For each item of work the report shall include the date and shift the work was performed; a description of the work; the trade, craft or occupation of the individual performing the work; and the total number of hours worked by each individual.

9. General Provisions

- a. Special Remedies
 - (1) Where it is found that the Company (a) engaged in conduct which constitutes willful or repeated violations of this Section or (b) violated a cease and desist order previously issued by an arbitrator, the arbitrator shall fashion a remedy or penalty specifically designed to deter the Company's behavior.

- (2) With respect to any instance of the use of an Outside Entity, where it is found that notice or information was not provided as required under Paragraph 5 above, and that such failure was willful or repeated and deprived the Union of a reasonable opportunity to suggest and discuss practicable alternatives to the use of an Outside Entity, the arbitrator shall fashion a remedy which includes earnings and benefits to Employees who otherwise may have performed the work.

b. Outside Individuals Testifying in Arbitration

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

ARTICLE TWO – UNION SECURITY

Section G. Printing of Contracts

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

ARTICLE TWO – UNION SECURITY

Section H. Hiring Preference

1. In all hiring for bargaining unit positions, the Company shall, subject to its obligations under applicable equal employment opportunity laws and regulations, give consideration, to the full extent of interest, to the direct relatives (children, children-in-law, step-children, spouse, siblings, grandchildren, nieces and nephews) of Employees who meet reasonably established hiring criteria.
2. Such hiring shall conform to applicable lines of progression, bidding, promotion and other requirements under this Agreement.
3. The Company shall, subject to these and other applicable provisions, have the final responsibility for accepting or rejecting a particular applicant for employment.

ARTICLE THREE – HEALTH, SAFETY AND THE ENVIRONMENT

Section A. Employee and Union Rights

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

Section B. The Right to a Safe and Healthful Workplace

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

3. The Company will provide suitable heating and ventilation systems and keep them in good working order.

Section C. The Right to Refuse Unsafe Work

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

Section D. The Right to Adequate Personal Protective Equipment

The Company will provide, without cost to the Employee, effective protective equipment in good working order when required by law or regulation or when necessary to protect Employees from injury or illness. Such equipment includes, but is not limited to, goggles, hard hats, safety glasses, hearing protectors, face shields, respirators, special-purpose gloves, protective clothing and harnesses. The Company may assess a fair charge to cover loss or willful destruction by the Employee.

Section E. The Right to Safety and Health Training

1. All Employees will be provided with periodic safety and health training. In addition, before the initial assignment to a particular job, Employees will receive training on the nature of the operation or process; the hazards of the job; controls in place; safe working procedures and the reasons for them; the purpose, use and limitations of the required personal protective equipment; and other controls or precautions associated with the job. Such training will also be provided when the job changes in a way that affects the nature or severity of the hazards.
2. All training programs will be fully discussed and reviewed by the Joint Safety and Health Committee. The Company will make a reasonable effort to use Employees chosen by the Union Co-Chair of the Joint Safety Committee as trainers and will instruct trainers in effective teaching techniques. Upon request, the Union's Health, Safety and Environment Department (Union Safety Department) will be provided with a copy of all training materials and be afforded the opportunity to review the training.

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

1. The Company will provide first aid equipment and trained personnel in close proximity to each of its facilities. The Company will provide Employees who are seriously injured on the job with prompt emergency transportation to an appropriate treatment facility and return transportation to the plant.

2. An Employee who, as a result of an occupational injury or illness, is unable to return to his/her assigned job for the balance of the shift on which s/he was injured will be paid any earnings lost on that shift.
3. The Company will make medical screening for occupational illnesses available to Employees or retirees (who work or retire after the Effective Date) in jobs where a government agency requires screening.
4. The Company will not require any Employee to submit to any medical test or answer any medical history question that is not related to the Employee's ability to perform his/her job.
5. The Company will maintain the privacy of reports of medical examinations of its Employees and will only furnish such reports to a physician designated by the Employee with the written authorization of the Employee; provided that the Company may use or supply such medical examination reports of its Employees in response to subpoenas, requests by a governmental agency authorized by law to obtain such reports and in arbitration or litigation of any claim or action involving the Company and the Employee. Upon written request by the Employee, the Company will provide the Employee with a copy of the Employee's medical records at no cost to the Employee. All medical examinations will be conducted by or under the supervision of a licensed physician.
6. If a Company physician detects a medical condition that requires further medical attention, s/he will advise the Employee of such condition.

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

1. Alcoholism and drug abuse are recognized by the parties to be treatable medical conditions. The Company and the Union agree to establish an Employee Assistance Program (EAP), administered and funded by the Company, to facilitate the rehabilitation of Employees afflicted with alcoholism or drug abuse. The EAP will utilize professional and Employee peer counselors and will operate under conditions of strict confidentiality.
2. The Company may require an Employee to submit to a medical evaluation performed by qualified personnel, which may include a drug or alcohol test, only where there is reasonable cause, based on objective evidence, to

believe that the Employee is legally intoxicated or impaired by drugs on the job. Employees involved in an accident will be tested only when an error in their coordination or judgment could likely have contributed to the accident.

3. Employees will not be required to submit to drug or alcohol testing for any other reason, unless such testing is required by law.
4. Drug and alcohol tests will utilize scientifically accepted methods for evaluating impairment. When a biological sample is taken, a portion will be retained for retesting, should the Employee dispute the initial results.
5. Employees who are found through testing to have abused alcohol or drugs will be offered rehabilitation in lieu of discipline. However, this provision does not affect the right of the Company to discipline Employees for violation of plant rules or for working or attempting to work while knowingly impaired.

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

1. A Joint Safety and Health Committee (Joint Safety Committee) will be established at each facility to be composed of the Local Union President/Unit Chair and the Plant Manager and no less than three (3) additional members or no more than one (1) for each department as designated by each Co-Chair. The parties will designate their respective Co-Chairs and provide each other with updated lists of the members of the Joint Safety Committee.
2. The Joint Safety Committee will have the following functions: participating in the design of Company safety and health programs, including strategic planning; assisting in the establishment of safe job procedures; overseeing and participating in plant safety and health audits (including annual comprehensive audits of the entire plant); reviewing plant safety rules; participating in the investigation of workplace accidents; reviewing accident, injury, illness and other statistics related to safety and health; participating in the design of safety and health training programs; reviewing proposed changes in plant technology or operations for their impact on Employee safety and health; participating in the selection of personal protective equipment; discussing the Company's response to

- proposed regulations and legislation affecting safety and health; participating in and reviewing the results of safety and health inspections or industrial hygiene monitoring by OSHA, MSHA, and NIOSH; collecting and responding to safety and health concerns raised by individual members of the Joint Safety Committee or Employees; and working together to promote an awareness of safety and health hazards and safe work procedures.
3. The Joint Safety Committee will hold periodic meetings at times determined by the Co-Chairs, but no less often than monthly. Either Co-Chair may call a special meeting of the Joint Safety Committee. The Union members will be afforded time to meet privately as needed to prepare for meetings of the Joint Safety Committee.
 4. The Company and the Union will each keep minutes of meetings. Prior to every regular meeting, the Company will prepare a written response to concerns or action items noted at the previous meeting, as well as any open items from previous meetings. The two (2) sets of minutes, or a jointly agreed reconciled version, along with the Company's written response to concerns and action items, will be included in the official record of the meeting.
 5. The Company will not make any changes to plant safety and health programs, policies or rules; introduce new protective equipment or eliminate existing protective equipment; or modify safety and health training, unless the Joint Safety Committee has been notified and the Union has been provided the opportunity to discuss the change.
 6. The Joint Safety Committee will not handle grievances, although it may discuss safety and health issues that have led to a grievance.
 7. The Company, in cooperation with the Union Safety Department, will provide annual training for members of the Joint Safety Committee. The Company will pay the reasonable cost of training materials and facilities, as well as necessary expenses and earnings in accordance with local plant understandings.
 8. Members of the Joint Safety Committee will be afforded access, consistent with their own safety and the safety of the operation, to all operational areas of the plant, upon notification to the appropriate management

- representative. The director of the Union Safety Department or his/her designee will be allowed access to the plant upon notification to the Company.
9. The Company will provide an office in a convenient location in the plant for the exclusive use of Union members of the Joint Safety Committee. The office will be equipped with a telephone and a computer.
 10. The Union members of the Joint Safety Committee will be compensated in accordance with standard local plant understandings for all hours spent on Committee work.
 11. The parties will sponsor an annual safety and health meeting, attended by Union members of the Joint Safety Committee from each plant covered by this Agreement, appropriate Company counterparts and members of the Union Safety Department. The Company will pay reasonable travel expenses, other expenses and earnings determined in accordance with the standard local plant understandings.

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

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

Section J. The Right to Union Safety and Health Representatives

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

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

1. When an accident occurs that results, or could have resulted, in a serious injury, the Company will immediately notify the Union Co-Chair of the Joint Safety Committee who will have the right to immediately visit the accident scene, or to assign another Union member of the Joint Safety Committee to visit the accident scene, consistent with his/her safety. The Joint Safety Committee will investigate all such accidents and prepare an accident report. The Company will provide the Joint Safety Committee with full access to the accident site and any information relevant to understanding the causes of the accident.
2. If the Company requires an Employee to testify at the formal investigation into the causes of an accident or disabling injury, the Employee will be advised that s/he may have a Union representative present at the proceedings. The Union will be furnished with a copy of the Employee's testimony.
3. No Employee will be disciplined or discriminated against in any way solely for suffering an injury or illness or for reporting an accident. The Company will not establish any program, policy, practice or work rule that might discourage Employees from reporting accidents, injuries or illnesses.

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

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

Section M. Ergonomics

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

Section N. Safety Shoe Allowance

On October 1 of each year, each Employee, other than a probationary Employee, will be provided a voucher for use at local vendor(s) designated by the Company for the full purchase price from an approved list of one (1) pair of safety shoes for the Employee's use at work.

Section O. No Union Liability

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

ARTICLE FOUR – CIVIL RIGHTS

Section A. Non-Discrimination

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

ARTICLE FOUR – CIVIL RIGHTS

Section B. Civil Rights Committee

1. A Joint Committee on Civil Rights (Joint Committee) shall be established at each location covered by this Agreement. The Union shall appoint two (2) members, in addition to the Local Union President/Unit Chair and Grievance Chair. The Company shall appoint an equal number of members, including the Plant Manager and the Plant Manager of Industrial Relations. The parties shall each appoint a Co-Chair and shall provide each other with updated lists of the members of the Joint Committee.
2. The Joint Committee shall meet as necessary and shall review and investigate matters involving civil rights and attempt to resolve them.
3. The Joint Committee shall not displace the normal operation of the grievance procedure or any other right or remedy and shall have no jurisdiction over initiating, filing or processing grievances.
4. In the event an Employee or Union representative on the Joint Committee brings a complaint to the Joint Committee, the right to bring a grievance on the matter shall be preserved, in accordance with the following:
 - a. The complaint must be brought to the attention of the Joint Committee within the same timeframe that a complaint must be brought to the First Step 1 of the grievance procedure.
 - b. The Employee must provide the Joint Committee with at least sixty (60) days to attempt to resolve the matter.
 - c. At any time thereafter, if the Joint Committee has not yet resolved the matter, the Employee may request that the Grievance Chair file it as a grievance in Step 2 of the grievance procedure, and upon such filing the Joint Committee shall have no further jurisdiction over the matter.
 - d. If the Joint Committee proposes a resolution of the matter and the Employee is not satisfied with such resolution, then the Union may file the complaint at Step 2 of the grievance procedure, provided

such filing is made within thirty (30) days of the Employee being made aware of the Joint Committee's proposed resolution.

ARTICLE FOUR – CIVIL RIGHTS

Section C. Workplace Harassment, Awareness and Prevention

1. All Employees shall be educated in the area of harassment awareness and prevention on a periodic basis.
2. A representative of the Union's Civil Rights Department and a representative designated by the Company's Industrial Relations Department will work together to develop joint harassment and prevention education, with input from the plants and Local Unions.
3. Within six (6) months of the Effective Date of this Agreement, members of the Joint Civil Rights Committee will be trained in matters relative to this provision.
4. All new Employees (and all Employees who have not received such training) will be scheduled to receive two (2) hours of training as to what harassment is, why it is unacceptable, its consequences for the harasser and what steps can be taken to prevent it.
5. All Employees shall be compensated in accordance with the standard local plant understandings for time spent in training referred to in this Section.

ARTICLE FOUR – CIVIL RIGHTS

Section D. Child Care, Elder Care and Dependent Care

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

ARTICLE FIVE – WORKPLACE PROCEDURES

Section A. Local Working Conditions

1. Local Working Conditions

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

2. Deprivation of Benefits

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

3. Benefits in Excess

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

4. Right to Change

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

5. Modification of Agreement

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

6. Additional Requirements

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

ARTICLE FIVE – WORKPLACE PROCEDURES

Section B. New or Changed Jobs

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

ARTICLE FIVE – WORKPLACE PROCEDURES

Section C. Hours of Work

1. Normal Workday and Work Week

- a. The normal workday shall be any regularly scheduled consecutive twenty-four (24) hour period comprising eight (8) consecutive hours of work and sixteen (16) consecutive hours of rest. The normal work week shall be five (5) consecutive workdays beginning on the first day of any seven (7) consecutive day period. The seven (7) consecutive day period is a period of 168 consecutive hours and may begin on any day of the calendar week and extend into the next calendar week. On shift changes, the 168 consecutive hours may become 152 consecutive hours depending upon the change in the shift.
- b. Schedules showing Employees' workdays shall be posted or otherwise made known to Employees not later than 2:00 p.m. Friday of the week preceding the calendar week in which the schedule becomes effective. The Company will establish a procedure affording any Employee whose last scheduled turn ends prior to the posting of his/her schedule for the following week an opportunity to obtain information relating to his/her next scheduled turn. This procedure will also be applicable with respect to Employees returning from vacation.
- c. Employees shall be paid for all shifts which are part of their originally posted schedule.
- d. All shifts not included on the originally posted schedule shall be considered overtime shifts.

2. Absenteeism

- a. It is expected that Employees shall adhere to their prescribed schedule. When an Employee must be absent from work, s/he shall, as promptly as possible, contact the designated person and provide

the pertinent facts and when the Employee expects to return to work.

- b. Reasonable rules for the implementation of these principles shall be developed by the Company and made known to Employees. Such rules will not deprive any Employee of any rights otherwise provided by this Agreement and shall be reasonably applied.

3. Overtime

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

4. Full Week Guarantee

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

5. Full Day Guarantee

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

6. Alternative Work Schedule

The Company may adopt alternative work schedules consisting of ten (10) or twelve (12) hour per day scheduling with the approval of the Local Union President/Unit Chair and the Grievance Chair and sixty percent (60%) of the Employees who are impacted by the alternative schedule.

Approval of an alternative work schedule may be revoked at any time more than six (6) months after its implementation by a simple majority vote of the Employees who are impacted by that schedule. Following such revocation, the Company shall immediately reinstate a normal schedule.

ARTICLE FIVE – WORKPLACE PROCEDURES

Section D. Overtime

1. Definitions

- a. The payroll week shall consist of seven (7) consecutive days beginning at 12:01 a.m. Sunday or at the changing hour nearest to that time.
- b. The workday for the purposes of this Section is the twenty-four (24) hour period beginning with the time the Employee is scheduled to begin work.
- c. The Regular Rate of Pay as used in Paragraph 2 below (and in this Agreement) shall mean the Base Rate of Pay plus incentive earnings for the job on which the overtime hours are worked.

2. Conditions Under Which Overtime Rates Shall Be Paid

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

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

3. Holidays

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

4. Non-Duplication of Overtime

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

ARTICLE FIVE – WORKPLACE PROCEDURES

Section E. Seniority

1. Seniority Status of Employees

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

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

2. Determination of Seniority Units

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

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

3. Continuous Service

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

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

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

- (2) All Other Employees

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

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

4. Probationary Employees

- a. New Employees hired after the Effective Date of this Agreement will serve a probationary period for the first 1,040 hours of actual work and will receive no Continuous Service credit during such period. Probationary Employees shall have access to the grievance procedure but may be laid off or discharged as exclusively determined by the Company; provided that such layoff or discharge may not violate Article Four, Section A (Non-Discrimination).
- b. Probationary Employees who continue in the service of the Company beyond the first 1,040 hours of actual work shall receive full Continuous Service credit from their original date of hire.
- c. Where a probationary Employee is laid off and is subsequently rehired within one (1) year from the date of such layoff, the hours of actual work accumulated during the first employment shall be added to the hours of actual work accumulated during the second employment in determining when the Employee has completed 1,040 hours of actual work; provided, however, that his/her Continuous Service date will be the date of hire of the second hiring.

5. Interplant and Intraplant Transfers

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

6. Temporary Vacancies

- a. In cases of temporary vacancies involving assignments within a seniority unit, the Company shall to the greatest degree, consistent with efficiency of the operation and the safety of Employees, and the progression sequence, offer that assignment to the Employee in the unit with the longest Plant Service who desires the assignment.

- b. In case of a permanent vacancy on a job, the assignment of a junior Employee to a temporary vacancy on such job shall not be used as a presumption of creating greater ability in favor of such junior Employee if such temporary vacancy should have been made available to the senior Employee.

7. Posting of Job Openings

- a. When a permanent vacancy develops or is expected to develop, it shall be brought to the attention of all affected or potentially affected Employees in a manner which insures adequate notice.
- b. Employees in the seniority unit who wish to apply for the vacancy or expected vacancy may do so in writing in accordance with reasonable rules developed by the Company.
- c. The notice requirement in Paragraph 7(a) above shall also apply to inform Employees of the Company's choice to fill the vacancy.

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

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

9. Administration of Seniority

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

10. Permanent Vacancies and Transfer Rights

- a. An Employee who is assigned to a job for purposes of retention shall not be able to effectuate a permanent transfer to that unit by refusing a recall to his/her home unit. However, nothing contained herein shall preclude such an Employee from effectuating a permanent transfer by bidding for a permanent vacancy in such a unit or any other unit in accordance with established procedures.
- b. A permanent vacancy shall be filled from within the first step of competition (whether it be unit, line of progression, etc.). Each succeeding vacancy shall be filled in the same manner, and the resulting vacancy in the entry level job shall thereafter be filled on a departmental basis (the second step of competition) by Employees with at least six (6) months of Plant Service on the date the vacancy is posted.
- c. Resulting entry level departmental vacancies shall be filled on a plant-wide basis (the third step of competition) by Employees with at least twelve (12) months of Plant Service on the date the vacancy is posted. An Employee transferring under Article Eight, Section D (Interplant Job Opportunities) shall be eligible to bid on vacancies notwithstanding the twelve (12) months of Plant Service requirement set forth in Paragraph 10(b) above.
- d. As an exception to the procedures for filling vacancies provided for in Paragraphs 10(b) and (c) above, all permanent vacancies in craft trainee jobs shall be filled on a plant-wide basis from among qualified bidding Employees. Similarly, permanent vacancies in craft jobs which are not filled by the promotion or assignment of trainee graduates, or by the transfer of a craft Employee from one unit to another within the same trade or craft, shall be filled on a plant-wide basis from among qualified bidding Employees. An Employee shall not be disqualified from bidding on any such vacancy by reason of any minimum length of service requirement.
- e. Should the Company deem it necessary to retain an Employee on his/her former job in order to continue efficient operation, it may do so, for a maximum of sixty (60) days, on the basis of establishing

such Employee on the new job and temporarily assigning him/her to his/her former job until a suitable replacement can be trained for the job or its performance is no longer required. In such event, after two (2) weeks of being delayed the Employee shall be entitled to earnings not less than what s/he would have made had s/he been working on the new job on which s/he has been established and, where applicable, shall be paid as though such hours were credited to any trainee program.

- f. If an Employee accepts transfer under this Paragraph, his/her Continuous Service in the unit from which s/he transfers will be canceled thirty (30) days after such transfer; provided, however, that during such thirty (30) day period the Employee may voluntarily return to the unit from which s/he transferred or the Company may return him/her to that unit because s/he cannot fulfill the requirements of the job or the need for the position is deemed not necessary within thirty (30) days of the date of transfer.
- g. In the event an Employee accepts transfer under Paragraph 10 and remains on the new job for more than thirty (30) days, s/he may not again apply for transfer for one (1) year after such transfer.
- h. In the event an Employee refuses a transfer under Paragraph 10 after applying therefor, or voluntarily returns to the unit from which s/he transferred, s/he may not again apply for transfer to such unit for one (1) year after such event.

11. Compensation for Improper Layoff or Recall

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

ARTICLE FIVE – WORKPLACE PROCEDURES

Section F. Testing

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

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

- c. Copies of transcripts and exhibits presented in the arbitration of cases involving the challenge to a test will also be held in confidence and will not be copied or otherwise published.

ARTICLE FIVE – WORKPLACE PROCEDURES

Section G. Permanent Closures

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

ARTICLE FIVE – WORKPLACE PROCEDURES

Section H. Manning of New Facilities

1. In the manning of jobs at new facilities in existing plants, the jobs shall be filled by qualified Employees who apply for such jobs in the order of length of Plant Service from the following categories in the following order but subject to the other provisions of this Section:
 - a. Employees displaced from any facility being replaced in the plant by the new facilities;
 - b. Employees otherwise displaced as a result of the installation of the new facilities;
 - c. Employees presently employed on like facilities in the plant;
 - d. Employees presently on layoff from like facilities in the plant; and
 - e. Employees in the plant with two (2) or more years of Plant Service; provided, that if sufficient qualified applicants from this source are not available, the Company shall fill the remaining vacancies as it deems appropriate.
2. The local parties shall meet to seek agreement on the standards to be used to determine the qualifications entitling Employees otherwise eligible to be assigned to the jobs in question.
3. Should the local parties fail to agree on the standards for determining qualifications, an applicant otherwise eligible must have:
 - a. the necessary reasonable qualifications for performing the job or the ability to obtain such qualifications with a reasonable amount of training, such training to be provided by the Company;
 - b. the ability to absorb any additional training for the job as is necessary to enable the Employee to perform the job satisfactorily; and

- c. the necessary qualifications to progress in the promotional sequence involved to the next higher job to the extent that the Company needs Employees for such progression. In determining the necessary qualifications to advance in the promotional sequence involved, the normal experience that an Employee would acquire in such sequence shall be taken into consideration; provided, however, it is recognized that the Company can require that a sufficient number of occupants of each job in a promotional sequence be available to assure an adequate number of qualified replacements for the next higher job.
4. Should the Company deem it necessary to assign an Employee to his/her regular job at the old facility in order to continue its efficient operation, it may do so, for a maximum of sixty (60) days, on the basis of establishing the Employee on the new job and then temporarily assigning him/her back to his/her former job until a suitable replacement can be trained for the job or its performance is no longer required. In such event, the Employee shall be entitled to earnings not less than what s/he would have made had s/he been working on the new job.

ARTICLE FIVE – WORKPLACE PROCEDURES

Section I. Adjustment of Grievances

1. Purpose

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

2. Definitions

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

3. Grievance Procedure

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

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

- a. Step 1 – Oral

- (1) A grievance received in Step 1 shall be discussed at a meeting with the Grievance Committeeman from the area and/or the Griever, the grievant and the grievant's supervisor at a mutually convenient time within five (5) days of receipt of the grievance form. Management may call any non-represented employee as a witness to provide testimony and/or evidence to the meeting. The Union may call any USWA represented Employee as a witness to provide testimony and/or evidence to the meeting.
- (2) The supervisor shall answer the grievance no later than three (3) days after the Step 1 hearing. If settled in Step 1, the grievance form shall be so noted and signed and dated by the Griever, the Grievance Committeeman and the grievant's supervisor.
- (3) If not settled or withdrawn in Step 1, the Union shall, within five (5) days of the Company's Step 1 response, provide the Company with a written record, signed by the Grievance Committeeman, of the grievance, including the grievance number, a statement of the grievance, the Union's understanding of the facts, its position and the reasons therefor, the remedy requested and the date submitted.
- (4) Upon receipt, the Company shall, within three (3) days, provide the Grievance Committeeman and the Chair of the Union's Grievance Committee (the Grievance Chair) with its version of the written record of the grievance, signed by the Company, with the same set of information required of the Union. These two (2) completed forms shall comprise the Step 1 written record.

b. Step 2 – Written

- (1) In order to be considered further, a grievance shall be appealed by the Grievance Chair to the head of the grievant's department within five (5) days of receipt of the Step 1 written record.

- (2) Such grievance shall be discussed within five (5) days at a meeting with the grievant, the involved Grievance Committeeman, the Grievance Chair, the grievant's supervisor and the involved department head. Management may call any non-represented employee as a witness to provide testimony and/or evidence to the meeting. The Union may call any USWA represented Employee as a witness to provide testimony and/or evidence to the meeting.
- (3) In Bargaining Unit Work or safety grievances, a representative of the relevant committee shall also be present.
- (4) The department head shall provide the Grievance Chair with a written response (the Step 2 Answer) to the grievance within three (3) days of the Step 2 meeting.
- (5) Unless the Grievance Chair informs the department head in writing that the grievance is settled or withdrawn on the basis of the Step 2 Answer, the Company shall, within five (5) days of providing the Step 2 Answer, provide the Grievance Chair with Step 2 minutes for the grievance which shall include: the date and place of the meeting; names and positions of those present; the number and description of the grievance discussed; background information and facts; a statement of the Union's position as understood by the Company; and a statement of the Company's position including its response to all claims, points of evidence, testimony and arguments presented by the Union as well as Company testimony and evidence, including past grievances and/or arbitration awards and the decision reached.
- (6) If the Grievance Chair disagrees with the accuracy of the minutes, s/he shall submit a signed written response to the Company within five (5) days of the receipt of the Step 2 minutes.
- (7) The Company shall send a copy of its version of the Step 2 minutes and any Union response to the designated representative of the International Union (the International

Rep) and the Grievance Chair immediately upon its receipt of the Union response.

c. Step 3 – Written

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

4. General Provisions

- a. The Company shall provide reasonable forms for filing and appealing grievances and documenting the Step 1 and Step 2 written records.
- b. The Company and the Union shall provide each other with updated written lists of their Step 1, Step 2 and Step 3 representatives and their designees who shall have the authority to settle grievances at their respective steps and, for the grieving party, to withdraw or appeal such grievances.
- c. At each Step of the grievance procedure the parties shall provide a full and detailed statement of the facts and provisions of the Agreement relied upon and the grieving party shall provide the remedy sought. Facts, provisions or remedies not disclosed at or

prior to Step 3 of the grievance procedure may not be presented in arbitration.

- d. The settlement or withdrawal of a grievance prior to arbitration shall be without precedent or prejudice to either party's position.
- e. Any grievance filed directly in Step 2 or higher shall be initiated within thirty (30) days of the event upon which the grievance is based, or the date on which such event should reasonably have become known.
- f. Except as otherwise provided in the BLA, all grievances shall be initiated at Step 1 and grievances which are not initiated in the proper step shall be referred there for processing.
- g. A single grievance may be processed with the facts of additional violations presented as well. Additional claimants shall sign a special form to be supplied by the Company for this purpose. When the original grievance is resolved the additional claims shall be reviewed in light of the resolved grievance. If the additional claims are not settled, they shall be considered as grievances and processed accordingly.
- h. In the case of a grievance that involves a large group of Employees, a reasonable number may participate in any discussion of the grievance.
- i. In any settlement involving cash payments, payment not made within thirty (30) days will accrue interest from the date of settlement at the same rate as established at the local Federal Credit Union.
- j. If, for any reason, the time limits specified in Paragraph 3 above for:
 - (1) meetings between the parties are not met, the grievance shall be considered denied as of the last day within the time limit for such meeting and the appropriate Union representative shall have the right to move the grievance to the next step;

- (2) the Union to act are not met, the grievance shall be considered withdrawn; or
 - (3) the Company to act are not met, then the grievance shall be considered granted with the requested appropriate contractual remedy to the grieving party.
- k. An Employee who is summoned to meet with a supervisor or any other representative of the Company for the purpose of discussing possible disciplinary action shall be entitled to be accompanied by his/her Griever and if the Griever is not then available, the meeting shall be deferred.
 - l. No Employee shall be required to submit to a lie detector test. The results of lie detector tests will not be used by the Company or the Union.
 - m. Notwithstanding anything to the contrary, the grievance procedure may be utilized by the Union with or without an individual grievant. Such grievances shall be filed in Step 2.
 - n. In the event an Employee dies, the Union may process his/her grievance on behalf of his/her heirs.
 - o. The Chair of the Union Negotiating Committee, the District Director and the International Rep shall have access to the plant at reasonable times to investigate issues with which they are concerned.
 - p. The Company will pay for all lost time for the grievant and the designated Union representative for participation in Steps 1, 2 and 3 of the grievance procedure in accordance with standard local plant understandings.

5. Grievance Committee

- a. The Union shall provide the Company with an updated written list of individuals who comprise its Grievance Committee, including a chair and a secretary. The number of members of the Committee at each Plant shall be agreed upon by the Plant Manager and the Local Union President/Unit Chair, but in no case shall there be less than

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

- (1) attend scheduled committee meetings;
- (2) attend meetings pertaining to suspension or discharge or other matters which cannot reasonably be delayed; and
- (3) visit departments at reasonable times for the purpose of transacting the legitimate business of the Grievance Committee after notice to the head of the department to be visited and after reasonably granted permission from his/her own department head if the Grievance Committee member is at work.

b. Where the Grievance Committee so decides, the Griever may be designated to aid the Committee. The Union shall provide the Company with an updated written list of such individuals. Each Griever shall:

- (1) be limited to the handling of grievances in Step 1 within the plant unit represented by him/her; and
- (2) upon reasonable notice to and reasonable approval by his/her immediate supervisor, be afforded time off to investigate the facts essential to the settlement of any grievances.

6. Board of Arbitration

a. The parties shall choose for the term for this Agreement a Board of Arbitration (the Board) consisting of six (6) individuals. In the event of the resignation, incapacity or death of a member of the Board the parties shall promptly agree upon a successor. If the parties cannot agree on a successor, each party shall submit three (3) names and use a "strike" method to determine the final selection and a "flip of a coin" to determine the party that "strikes" first.

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

7. Arbitration Hearings

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

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

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

8. Rules for Hearings

- a. The parties agree that the prompt resolution of cases brought to arbitration is of the highest importance. Therefore, except as provided in Paragraph 8(b) below, arbitration hearings shall be heard in accordance with the following rules:
 - (1) the hearing shall be informal;
 - (2) no briefs shall be filed or transcripts made;
 - (3) there shall be no formal evidence rules;
 - (4) the arbitrator shall have the obligation of assuring that the hearing is, in all respects, fair;
 - (5) the arbitrator shall issue a decision no later than two (2) days after conclusion of the hearing. The decision shall include a brief written explanation of the basis for the conclusion; and
 - (6) the Board shall adopt such other rules as it deems necessary.
- b. In the event the Union or the Company believes that the issues involved are of meaningful precedential significance or great complexity, it may petition the arbitrator to allow the filing of briefs as follows:
 - (1) the moving party will notify the other party that it intends to so argue at least seventy-two (72) hours prior to the start of the hearing;

- (2) the hearing shall begin with the arbitrator taking no more than fifteen (15) minutes of testimony from each side on that issue;
 - (3) the arbitrator shall rule from the bench on the issue of whether briefs may be filed and the hearing on the case shall commence immediately thereafter; and
 - (4) if the arbitrator rules that briefs are to be allowed, then briefs shall, without exception, be due within thirty (30) days of the close of the hearing and the arbitrator's decision shall be rendered within thirty (30) days thereafter.
- c. The Company agrees that it shall not, in an arbitration proceeding or subpoena, call as a witness any bargaining unit Employee or retiree. The Union agrees not to subpoena or call as a witness in such proceedings any non-bargaining unit employee or retiree.

9. Suspension and Discharge Cases

a. No Peremptory Discharge

- (1) Before imposing a discharge (which must be in accordance with Paragraph 9(b) below) the Company shall give written notice of its intent to the affected Employee and the Grievance Chair.
- (2) Where the Union files a grievance protesting such intended discharge within five (5) days of receipt of the notice, the Company may impose no more than a suspension (which must be in accordance with Paragraph 9(b) below) on such Employee prior to completing the procedure referred to in Paragraph 3 below.
- (3) The grievance protesting the intended discharge shall be filed at Step 2 of the grievance procedure and the Step 2 Answer shall be given prior to the Company converting the suspension to a discharge. At the Step 2 meeting the Company shall provide a written statement fully detailing all

of the facts and circumstances supporting its proposed disciplinary action.

- (4) In the event the Company does convert the suspension to a discharge, the action shall be treated as a denial of the grievance at Step 2 and the Union may thereupon move the case through the balance of the grievance procedure.

b. Justice and Dignity

- (1) In the event the Company imposes a suspension or discharge (which must be in accordance with Paragraph 9(a) above), and the Union files a grievance within five (5) days after notice of the discharge or suspension, the affected Employee shall remain on the job to which his/her seniority entitles him/her until there is a final determination on the merits of the case.
- (2) This Paragraph will not apply to cases involving offenses which endanger the safety of employees or the plant and its equipment, including use and/or distribution on Company property of drugs, narcotics and/or alcoholic beverages; possession of firearms or weapons on Company property; destruction of Company property; gross insubordination; threatening bodily harm to, and/or striking another employee; theft; or activities prohibited by Article Five, Section K (Prohibition on Strikes and Lockouts).
- (3) When an Employee is retained pursuant to this procedure and the Employee's discharge or suspension is finally held to be for just cause, the removal of the Employee from the active rolls shall be effective for all purposes as of the final resolution of the grievance.
- (4) When a discharged Employee is retained at work pursuant to this provision and is discharged again for a second dischargeable offense, the Employee will no longer be eligible to be retained at work under these provisions.

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

- d. The Company will not make use of any personnel records of previous disciplinary action against the Employee involved where the disciplinary action occurred two (2) years prior to the date of the event which is the subject of suspension or discharge, except records relevant and necessary to establish progressive discipline of the action in dispute, but in no event longer than five (5) years.
- e. Should the arbitrator determine that an Employee has been suspended or discharged without just cause, the arbitrator shall have the authority to modify the discipline and fashion a remedy warranted by the facts.
- f. Nothing in these provisions shall restrict or expand the Company's right to relieve an Employee for the balance of such Employee's shift under the terms of the Agreement.

ARTICLE FIVE – WORKPLACE PROCEDURES

Section J. Management Rights

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

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

ARTICLE FIVE – WORKPLACE PROCEDURES

Section K. Prohibition on Strikes and Lockouts

1. There shall be no strikes or work stoppages or the interruption or impeding of work. No officer or representative of the Union shall authorize, instigate, aid or condone any such activities. No Employee shall participate in any such activities.
2. The applicable procedures of this Agreement will be followed for the settlement of all complaints or grievances.
3. There shall be no lockouts.

ARTICLE SIX – JOINT EFFORTS

Section A. Partnership

1. Purpose and Intent

The purpose of this Section is to create a framework for ongoing discussion between the Company and the Union about issues that arise during the term of the BLA, including changes in the market or business conditions, adjustments to business strategy and Workplace Change.

2. Access to Information

The Company shall provide the Union and its advisors with:

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

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

3. Comprehensive Training and Education Program

- a. Company and Union representatives shall receive ongoing training developed and conducted by their respective organizations in the application of this Section.
- b. The Company shall fund all costs associated with training programs referred to in this Section.

- c. Any training that is attended by both Employees and managers shall be jointly developed and implemented.

4. Mechanisms

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

- a. Strategic Labor Management Committee

- (1) Appointment and Composition

A Joint Strategic Labor Management Committee (Strategic Committee) shall be established consisting of for the Company: the Chief Executive Officer, Corporate Manager of Labor Relations and the highest ranking official at each of the Company's facilities, and for the Union: the Chair of the Union's Negotiating Committee, the Secretary of the Union's Negotiating Committee and the Local Union President(s) and Unit Chair(s) at each of the Company's facilities. Each side shall designate a Co-Chair and provide the other with an updated list of its members of the Committee.

- (2) Meetings

The Strategic Committee shall hold at least quarterly meetings in Cleveland (or at another location as agreed) of at least one (1) full day. These meetings will be for the purpose of reviewing and discussing the information described in Paragraph 2 above (it being understood that the Union Co-Chair will be updated more frequently regarding time-sensitive information) as well as other information and updates reasonably requested by the Union.

- (3) Access to Board of Directors

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

- b. Plant Labor Management Committees

(1) Appointment and Composition

The parties shall establish a Plant Labor Management Committee (Plant Committee) at each of the Company's facilities. The Plant Committee shall be composed of an agreed upon equal number of (between two (2) and five (5)) Union and Company representatives. The Company members of a Plant Committee shall include the Plant Manager and others as the Plant Manager designates. The Union members shall include the Local Union President/Unit Chair and such other members as the Local Union President shall appoint. The Plant Manager and Local Union Presidents/Unit Chairs will be the Co-Chairs.

(2) Meetings

The Plant Committee shall meet at least monthly. These meetings will be for the purpose of reviewing and discussing information concerning the operations, results and outlook for the Company, with emphasis on the particular facility, as well as information concerning Workplace Changes.

c. Area Labor Management Committees

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

(2) The Area Committees shall provide a forum for exchange of information and discussion of issues related to operations and Workplace Changes.

d. Problem Solving Teams

The Plant Committee or an Area Committee may create one or more Problem Solving Teams to study and report back on a specific problem or project.

e. Company-Wide Meetings

- (1) In each calendar year the parties will hold a two (2) day meeting (the first day for separate meetings for preparation) in proximity to a Company facility to review and discuss the information described in Paragraph 2 above with the Union's leadership at the plants, Districts and International.
- (2) The Strategic Committee shall agree on a level of disclosure appropriate for the group.
- (3) Union participants shall include the Chair of the Union Negotiating Committee, Secretary of the Union Negotiating Committee, Local Union Presidents/Unit Chairs and Grievance Committee Chairs (or their designees) at each of the Company's facilities. Company participants shall include the Company's officers, Plant Managers and such others as the Company may designate.

5. Workplace Change

- a. The Plant Committee and relevant Area Committee shall be provided with the earliest practicable notification of any plan to significantly modify or change in any way machinery, equipment, controls, materials, software, work organization or any other work process that could directly or indirectly impact Employees (a Workplace Change). Such notification shall include:
 - (1) a description of the purpose, function and established timetable of the Workplace Change, and how it would fit into existing operations and processes;

- (2) the estimated cost of the proposed Workplace Change including justification;
 - (3) disclosure of any service or maintenance warranties or contracts provided or required by the vendor (if any);
 - (4) the number and type of jobs (both inside and outside the bargaining unit) which would be impacted;
 - (5) the anticipated impact on the skill requirements of the workforce;
 - (6) details of any training programs connected with the Workplace Change (including duration, content and who will perform the training); and
 - (7) the expected impact on job content, method of work, safety and health, training needs and the utilization of Outside Entities.
- b. Union representatives on the Plant Committee and the relevant Area Committee may request and shall receive reasonable access to Company personnel knowledgeable about any proposed Workplace Change in order to review, discuss and receive follow-up information.
6. Safeguards and Resources
- a. No entity created under this Section may amend or modify the Basic Labor Agreement, recommend or effect the hiring or discipline of any Employee or take any action with respect to contractual grievances.
 - b. Service on any entity created under this Section shall be voluntary, and no Employee may be disciplined for lack of involvement or commitment to the matters covered under this Section.
 - c. Employee participation or training contemplated in this Section shall normally occur during normal work hours.

- d. At the mutual invitation of the Co-Chairs of any committee created under this Section, appropriate Union representatives and Company representatives may attend a committee meeting.
- e. All meeting time and necessary and reasonable expenses associated with any committee created under this Section shall be paid for by the Company and Employees attending such meetings in accordance with standard local plant understandings.
- f. Joint committees may mutually agree to employ experts from within or outside the Company as consultants, advisors or instructors and such experts shall be jointly selected and assigned.
- g. All Union participants involved in any and all joint activities under this Section, or in any other joint committee involving members of a Union bargaining unit, shall be chosen and removed from the process exclusively by the relevant Local Union President/Unit Chair and the Chair of the Union Negotiating Committee.
- h. All current improvement, involvement and joint programs will be restructured to be consistent with this Section. Following the Effective Date, new improvement programs involving Employee participation may not be implemented without approval of the Union and, where implemented, shall operate in a manner consistent with this Section.
- i. This Section shall in no way diminish the Union's collective bargaining rights regarding changes in technology and work organization that impact Employees.

ARTICLE SIX – JOINT EFFORTS

Section B. Public Policy Activities

1. The Company and Union hereby agree to establish a jointly administered public policy fund (Public Policy Fund) meeting the following guidelines.
 - a. Purpose and Mission: The purpose of the Fund shall be to:
 - (1) support public policies promoting the interests of the Company and the Union on such subjects as health care, legacy costs, international trade, currency valuation, and other public policy issues of importance to the parties;
 - (2) to contribute to and promote greater cooperation between labor and management; and
 - (3) to assist the Company and Union in solving problems of mutual concern that are not susceptible to resolution through collective bargaining.
 - b. The Public Policy Fund will pursue its mission through labor-management cooperative endeavors such as public and political education, issue advocacy, research, and the coordination of such activities with other like-minded groups.
 - c. The Fund will have a six-person Governing Committee. The Company representatives shall include the Chairman of the ISG Board of Directors, the Chief Executive Officer of ISG, and one (or two in the event the CEO is also the Chairman of the Board) other senior officer(s) of the Company. The Union representatives shall include the International President of the USWA or his designee, the Secretary of the Union’s Basic Steel Industry Conference and the USWA District Director serving as the Chair of the Union Negotiating Committee.
 - d. The Public Policy Fund will be financed as follows:
 - (1) Initial Contribution: As of the Effective Date, an initial accrual of \$3.0 Million.

- (2) Per Ton Contribution: Commencing on the Effective Date, \$0.10 for each ton of steel shipped by the Company.
- e. All activities of the Public Policy Fund shall be subject to approval by the Governing Committee, provided that :
 - (1) In the event that the Union members of the Governing Committee propose that the Union or its designee take responsibility for any or all aspects of the content, administration, delivery or implementation of any programs or activities conducted under the auspices of the Fund, the Company Members of the Governing Committee shall give recognition to the special advantages that such Union responsibility would contribute to such programs or activities, including but not limited to the knowledge and experience of the Union, the familiarity of the Union with target audiences, and the added credibility that Union responsibility would add to such programs or activities.
 - (2) The document creating the Governing Committee will contain a procedure for the quick and binding resolution of any dispute over the administration, delivery, or implementation of programs or activities conducted under the auspices of the Fund.
- f. It is expected that 50% of the Per Ton Contribution shall be allocated to Stand Up For Steel as described in paragraph 2 below; provided however, that upon the reasonable request of the Union, the allocation may be modified from time to time. The parties will develop a report form to track accrued obligations and expenditures on a regular basis.

2. Stand Up For Steel

- a. The Company agrees to join the Stand Up For Steel Labor/Management Committee (Stand Up For Steel) effective on the Effective Date.
- b. The parties agree that Stand Up for Steel will serve as a focal point for industry-wide joint activities in combating unfair trade in steel and related products and other subjects as agreed to by the parties. The parties will continue to pursue other activities separately as appropriate and the funding and structure contemplated herein shall not be applicable to litigation to enforce the nation's trade laws.

- c. Stand Up For Steel will have a Governing Board consisting of an equal number of Union and company representatives. The Board will be co-chaired by the President of the USWA and a CEO selected by the participating companies.
- d. All activities conducted under the banner of Stand Up For Steel shall be approved by the Governing Board.
- e. The parties will jointly recruit all American steel (carbon and stainless) and iron ore companies and others to join the organization under the terms described in this Section. The Company agrees to work with the other participating companies so that the company representatives on the Governing Board will represent the interests of all participating companies.

ARTICLE SIX – JOINT EFFORTS

Section C. Contract Coordinators

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

1. The Chair of the Union Negotiating Committee shall select and direct ten (10) Contract Coordinators, who shall be responsible throughout the Company for implementation and ongoing monitoring of joint undertakings of mutual interest to the Company and the Union. It is expected that Contract Coordinators will visit each of the Company's locations on a regular basis in the performance of their duties.
2. Each Contract Coordinator shall be an Employee of the Company. The Contract Coordinator shall be compensated by the Company in the amount of the appropriate wages, benefits and other fringe benefits s/he would have earned during his/her normal course of employment with the Company, but for this assignment. In addition, each Contract Coordinator shall be reimbursed for reasonable out-of-pocket expenses including, but not limited to, travel (coach airfare, hotel and per diem) incurred in connection with this assignment and as reasonably agreed to by the Company and the Union in advance of incurring such expense. In order to receive such lost time payments and expense reimbursements, supporting vouchers must be provided by the Contract Coordinator.

ARTICLE SIX – JOINT EFFORTS

Section D. New Employee Orientation

1. The parties agree that within one-hundred eighty (180) days of the Effective Date they shall jointly develop an Employee Orientation Program which shall include the following:
 - a. an introduction of plant Company officials, International Union officials and Local Union representatives as may be appropriate;
 - b. distribution and discussion of the BLA, including any relevant local agreements;
 - c. discussion of safety and health programs and safe working procedures;
 - d. presentation and discussion on labor-management participation, problem solving, communications and the role of the Union and the workforce in quality and customer satisfaction;
 - e. discussion of the history and achievements of the United Steelworkers of America and the particular Local Union;
 - f. discussion of the structure of the United Steelworkers of America and the particular Local Union and the services that are provided by the various offices and committees;
 - g. presentation on the history of the Company and plant;
 - h. review of the markets in which the Company participates, the products produced and the customers serviced; and
 - i. discussion of the structure of the Company, the plant organization and the functions and services that are provided by the various departments.

2. This program shall be jointly presented, on Company time, to each Employee of the Company during the one (1) year period following the Effective Date and to each Employee hired thereafter within their

probationary period. The Union will be allotted a portion of the program to address the Employees.

3. All costs associated with developing this Program shall be borne by the Company.
4. In addition the Company shall compensate each Employee at their Regular Rate of Pay, within the same timeframe as the joint orientation described above, to attend an orientation session conducted by the Contract Coordinators at a location designated by the Union.

ARTICLE SEVEN – TRAINING

Section A. Workforce Training Program

1. Commitments

The parties are committed to:

- a. the Company's workforce being sufficiently skilled so that all Bargaining Unit Work can be performed in accordance with this Agreement by Employees; and
- b. Employees receiving sufficient training to allow for all reasonable opportunities to progress within the workforce and maximize their skills to the greatest extent possible.

2. Plant Training Committees

a. Appointment and Composition

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

b. Staff

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

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

3. Study of Workforce Training Needs

Within six (6) months of the Effective Date, each Plant Training Committee shall complete a report (Report) of the expected training needs of the workforce over the term of the Agreement, given the Commitments outlined in Paragraph 1 above. Such Report shall include Findings and Recommendations as described below.

a. Findings

- (1) an age and service profile and the anticipated attrition rates of the workforce over the life of the Agreement;
- (2) an assessment of the current skill requirements (both competencies and force levels) of the plant, the availability of such skill requirements within the existing workforce and any training practices or programs necessary to bring the competencies and/or force levels of the current workforce into prompt conformity with the plant's current skill requirements;
- (3) an evaluation of the appropriateness of existing training programs and the necessity of developing additional training programs, giving due consideration to changing technology and future skill needs;
- (4) an examination of current overtime levels and an assessment of whether Employees in certain positions are working excessive overtime;
- (5) an examination of methods by which productivity can be improved through additional training of Employees;

- (6) an examination of the plant's business plan, including projected capital spending, planned or potential new technology or technological change and other relevant factors over the term of the Agreement; and
- (7) an assessment of the work practices and the training practices at the plant, as compared to those of other steel producers represented by the Union.

b. Recommendations

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

c. Update

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

d. Separate Statements

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

4. Action by the Chairs of the Negotiating Committee

- a. Within thirty (30) days of receipt of the Report or an Update, the Chair of the Union Negotiating Committee and the Chair of the Company Negotiating Committee shall approve a Training Program or Update (including modifications upon which they can agree) or submit those matters on which they do not agree to an Arbitrator, pursuant to procedures to be agreed upon by the parties.

- b. The dispute will be resolved on the basis of a final offer submission by the parties at a hearing. The arbitrator will determine which of the submissions best meets the Commitments outlined in Paragraph 1 above, in light of the Findings referred to in Paragraph 3(a) above. The arbitrator shall have the power to determine the procedures pursuant to which the hearing is conducted.

5. Administration and Union Role

- a. In accordance with Section A1. and to facilitate the provisions of Section 3b. of this Article, each Plant Training Committee shall jointly oversee the administration and delivery of its Training Program, the expenditure of Company funds necessary for its operation, and an annual audit of such activity.
- b. In the event that the Union members of the Plant Training Committee propose that the Union or its designee take responsibility for any or all aspects of the administration, delivery, or implementation of the Training Program, the Company members of the Committee shall give recognition to the special advantages that such Union responsibility would contribute to the Training Program, including but not limited to the knowledge of the Union concerning the Program and its development, the familiarity of the Union with the capabilities and learning styles of Employees, and the added credibility that Union responsibility would add to the Program. Any dispute over aspects of the administration, delivery, or implementation of the Program shall be a matter for resolution under paragraph 7 below.

6. Safeguards and Resources

- a. The Company shall provide the members of the Plant Training Committee and the Training Coordinator with such training as is necessary to enable them to perform their responsibilities under this Section with a high degree of competence. Employee participation in the Plant Training Committee shall normally occur during normal work hours. All meeting time and necessary and reasonable expenses of the Plant Training Committee shall be paid for by the Company and Employees attending such meetings shall be

compensated in accordance with standard local plant understandings.

- b. Union members of the Plant Training Committee shall be entitled to adequate opportunity on Company time to caucus for purposes of study, preparation, consultation and review, and shall be compensated in the same manner as set forth in Paragraph (a) above. Requests for caucus time shall be made to the appropriate Company representative in a timely manner, and such requests shall not be unreasonably denied.
- c. To the extent that Company facilities are available and appropriate for Training Program activities, they will be made available.

7. Dispute Resolution

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

ARTICLE SEVEN – TRAINING

Section B. Institute for Career Development

1. Establishment

The Union and the Company hereby establish the USWA/ISG Institute for Career Development (the Institute) which, in conjunction with similar programs negotiated by the Union with various other employers, will be administered under the rules and procedures of the Institute for Career Development (ICD).

2. Purpose

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

3. Guiding Principles

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

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

4. Financing

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

5. Administration

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

6. Reporting, Auditing, Accountability and Oversight

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

a. Reporting

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

- (a) The Company's contribution, an explanation thereof and the cumulative balance; and
 - (b) a detailed breakdown of actual expenditures related to approved program activities during said quarter.
- (2) The Union Co-Chairs of each of the Local Joint Committees shall receive a report with the same information for their plant or Local Union, as the case may be.

b. Auditing

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

c. Approval and Oversight

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

7. Dispute Resolution Mechanism

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

Director may be appealed to the Governing Board, but shall become and remain effective unless stayed or reversed by the Governing Board.

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

ARTICLE EIGHT – EARNINGS SECURITY

Section A. Employment Security

1. Objective

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

2. Layoff Minimization Plan

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

- a. documentation of a clear and compelling business need for the layoffs (Need);
- b. the impact of the layoffs on the bargaining unit, including the number of Employees to be laid off and the duration of the layoffs (Impact); and
- c. a Layoff Minimization Plan which shall contain at least the following elements:
 - (1) a reduction in the use of Outside Entities;
 - (2) the elimination of the purchase or use of semi-finished and hot-rolled steel from outside vendors that can be reasonably produced by the Company;
 - (3) the minimization of the use of overtime;
 - (4) a program of voluntary layoffs;
 - (5) the use of productive alternate work assignments to reduce the number of layoffs; and

- (6) a meaningful program of shared sacrifice by management, including senior management.

3. Employee Protections

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

4. Union Response

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

5. Dispute Resolution

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

ARTICLE EIGHT – EARNINGS SECURITY

Section B. Supplemental Unemployment Benefits

1. Eligibility

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

- a. has completed two (2) years of Continuous Service prior to his/her seeking weekly benefits;
- b. is and remains an Employee within the meaning of the Agreement;
- c. does not receive sickness and accident benefits under an agreement between the Company and the Union;
- d. is not in the military service, including training encampments;
- e. is eligible, applies for state unemployment benefits for the week and takes all reasonable steps to receive such benefits; provided, however, that this requirement will not apply if s/he has exhausted state unemployment benefits, receives other compensation in an amount that disqualifies him/her for state unemployment benefits, has insufficient employment to be covered by the state system, fails to qualify for state unemployment benefits because of a waiting week, is unable to work by reason of disability, or is participating in a federal training program; and
- f. either
 - (1) is on layoff for any week in which, because of lack of work, s/he does not work at all for the Company;
 - (2) is on layoff during a plant vacation shutdown and s/he is not entitled to vacation during the shutdown; or
 - (3) became disabled while on layoff and is not physically able to return to work.

2. Amount and Duration of Benefits

a. Weekly Benefits are equal to:

- (1) forty (40) multiplied by the Employee’s Base Rate of Pay; and
- (2) the applicable percentage shown in the following table:

Supplemental Unemployment Benefit Percentage

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

- b. Notwithstanding the above table, the duration of Weekly Benefits payable to an Employee who becomes disabled while on layoff and is not physically able to return to work shall be limited to fifty-two (52) weeks beginning with the week the Employee is recalled to work.
- c. The amount of a Weekly Benefit may be offset only by the amount of state unemployment benefits, Trade Adjustment Allowance and any Excess Other Compensation, but in no event will the total Weekly Benefit be less than \$250.00 per week for the Duration of Benefits.
- d. Excess Other Compensation means any weekly earnings from an employer other than the Company in excess of the amount that would reduce the Employee’s state unemployment benefit to zero. The amount to be offset shall be \$1 for each \$2 of Excess Other Compensation.

3. Company Payment

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

4. Disputes

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

5. Administration of the Plan

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

6. Finality of Determination

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

7. Termination

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

8. Documentation

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

ARTICLE EIGHT – EARNINGS SECURITY

Section C. Severance Allowance

1. Right to Severance Allowance

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

2. Eligibility

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

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

3. Employment in Lieu of Severance

In lieu of Severance Allowance, at the time an Employee requests such Severance Allowance, the Company may offer such Employee a regular full-time job of equal earnings at the Employee's plant or within that Plant's Region, if:

- a. the job is in a bargaining unit represented by the Union;
- b. the job is not a temporary job or a job known to be of limited duration;
- c. the Employee is physically qualified to perform the job; and

- d. the Employee has the ability and skills required to perform the job or has the ability to absorb such training for the job as is offered and is necessary to enable the Employee to perform the job satisfactory.

4. Amount and Form

- a. In the case of Paragraph 2(b)(1) a single lump sum payment equal to one (1) week of pay at the Employee's Vacation Rate of Pay for each year of Continuous Service or portion thereof.
- b. In the case of Paragraph 2(b)(2) above:
 - (1) One (1) week of pay at the Employee's Vacation Rate of Pay for each year of Continuous Service or portion thereof; plus
 - (2) Two (2) weeks of pay at the Employee's Vacation Rate of Pay for each year of service over 15 years of Continuous Service or portion thereof.
- c. The total of a. and b. above may not exceed sixty thousand dollars (\$60,000).

5. Definitions

For the purposes of this Section:

- a. Age means an Employee's age as of their last birthday at the time of the Permanent Closure;
- b. Service means the Employee's Continuous Service as that term is defined in Article Five, Section E (Seniority, Paragraph 3 of the Basic Labor Agreement), at the time of the Permanent Closure;
- c. Permanent Closure means the permanent closure of a plant or permanent discontinuance of a department of a plant or substantial portion thereof. In addition to an announced Company decision providing therefore, a Permanent Closure shall be deemed to have occurred wherever the Company is not operating the subject plant, department, or substantial portion thereof and cannot clearly

demonstrate reasonable plans or expectations for a re-start in the immediate future.

- d. Region means the area in which a Plant is located for the purposes of this Section. The Cleveland, Lackawanna and Warren Plants are considered in Region 1. The Riverdale, Hennepin, Burns Harbor, and Indiana Harbor Plants are considered in Region 2. The Sparrows Point, Steelton, Conshohocken, and Coatesville Plants are considered in Region 3.

6. Consequence of Acceptance

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

In lieu of Severance Allowance, at the time an Employee requests such Severance Allowance, the Company may offer such Employee a regular full-time job of equal earnings at the Employee's plant or within that Plant's Region.

ARTICLE EIGHT – EARNINGS SECURITY**Section D. Interplant Job Opportunities**

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

rules for a maximum period of six (6) months from the date of transfer. If within six (6) month period, s/he is recalled to work at his/her home plant and s/he elects to return, his/her Continuous Service for seniority purposes at the other plant will be cancelled. If s/he elects to remain at the other plant, his/her Continuous Service for seniority purposes at his/her home plant will be cancelled.

- f. When an Employee is recalled to his/her home plant, the Company may require the Employee to remain at such other plant for the calendar week following the calendar week during which such recall occurs.
2. An Employee who accepts a job at another plant more than 100 miles from his/her home Plant will receive a relocation allowance of \$500 promptly after the commencement of employment at the plant to which s/he is relocated.

ARTICLE NINE – ECONOMIC OPPORTUNITY

Section A. Wages

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

ARTICLE NINE – ECONOMIC OPPORTUNITY

Section B. Incentive Plans

1. New or modified incentive plans shall be designed to afford Employees the earnings opportunity generally available under existing plans.
2. The Company shall establish new incentive plans to cover newly created jobs. The Company shall also modify existing incentive plans where new or changed conditions resulting from mechanical improvements made by the Company in the interest of improved methods or products, or from changes in equipment, manufacturing processes or methods, materials processed, or quality or manufacturing standards impact the earnings opportunity provided under an existing incentive plan. In all other circumstances, existing incentive plans shall remain unchanged. Such plans shall be installed within ninety (90) days of an Employee being assigned to work on a new or modified job.
3. Such new or modified incentive plans shall be established in accordance with the following procedure:
 - a. The Company will develop the proposed new incentive plan.
 - b. The proposed new plan will be submitted and explained to the Local Union Incentive Committee along with such additional Employees as the Committee shall deem appropriate. The explanation shall include all information reasonably required to understand how the new plan was developed. The Union shall be afforded a full opportunity to be heard with regard to the new plan.
 - c. Should agreement on a new plan not be reached, the new plan may be installed and the Employees affected shall give the plan a fair trial.
 - d. The Local Union Incentive Committee may file a grievance at any time from ninety (90) to 180 days from the date of installation of a new plan. Such grievance shall be filed in Step 2 of the grievance procedure and shall be decided on the basis of the standard referred to in Paragraph 1 above.

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

ARTICLE NINE – ECONOMIC OPPORTUNITY

Section C. Shift Premium

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

ARTICLE NINE – ECONOMIC OPPORTUNITY

Section D. Sunday Premium

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

ARTICLE NINE – ECONOMIC OPPORTUNITY

Section E. Profit Sharing

1. Introduction

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

2. Level of Payout

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

- a. Five percent (5.0%) of all Profits between \$25 and \$50 of Profit per Ton Shipped;
- b. Seven and one-half percent (7.5%) of all Profits between \$50 and \$70 of Profit per Ton Shipped; and
- c. Ten percent (10.0%) of all Profits above \$70 of Profit per Ton Shipped.

3. Calculation of Profits

For the purposes of this Plan,

- a. Profits shall be defined as Earnings Before Interest, Taxes, Depreciation and Amortization of the Company, calculated on a consolidated basis in accordance with United States Generally Accepted Accounting Principles (GAAP), with the following exclusions:
 - (1) income or loss related to any charges or credits (whether or not identified as special credits or charges) for unusual,

infrequently occurring or extraordinary items as defined by GAAP, including credits or charges for plant closures, business dispositions and asset sales that are not normal operating charges or credits of the Company;

- (2) any cost or expense associated with the Benefit Trust or other similar vehicle;
 - (3) any cost or expense associated with the Plan or any other profit sharing or similar plan for any of the Company's employees;
 - (4) any expense attributable to the allocation or contribution of stock to Company employees;
 - (5) any payments, fees or other expenses that are not in the normal course of business paid directly or indirectly to any person or entity who directly or indirectly owns or controls any equity or equity-like interest in the Company; and
- b. Tons Shipped shall be defined as tons of steel products sold to third parties.

4. Individual Entitlement

The Pool will be divided among all Employees (Participants) on the basis of the Hours (as defined below) of each such Participant in the calendar weeks within each fiscal quarter.

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

5. Administration of the Plan

- a. The Plan will be administered by the Company in accordance with its terms and the costs of administration shall be the responsibility of the Company. Upon determination of each Quarterly Profit calculation, such calculation shall be forwarded to the Chair of the Union Negotiating Committee accompanied by a Certificate of Officer signed by the Chief Financial Officer of the Company, providing a detailed description of any adjustments made to Earnings Before Income and Taxes and stating that Profit was determined in accordance with GAAP and that Quarterly Profit was calculated in accordance with this Section.
- b. The Union, through the Chair of its Negotiating Committee or his/her designee, shall have the right to review and audit any information, calculation or other matters concerning the Plan. The Company shall provide the Union with any information reasonably requested in connection with its review. The reasonable actual costs incurred by the Union in connection with any such audit shall be paid from the Pool and deducted from the amount otherwise available under the Pool for distribution to Employees.
- c. In the event that a discrepancy exists between the Company's Profit Sharing calculation and the results obtained by the Union's review, the Chairs of the Union and Company Negotiating Committees shall attempt to reach an agreement regarding the discrepancy. In the event that they cannot resolve the dispute, either party may submit such dispute to final and binding arbitration under the grievance procedure provided in this Agreement.

6. Prompt Payment

Notwithstanding Paragraph 5, the Company shall comply with the requirements of Paragraphs 2 through 4 based on its interpretation of the appropriate payout. If the process described in Paragraph 5 results in a requirement for an additional payout, said payout shall be made no more than fourteen (14) days after the date of the agreed upon resolution or issuance of the arbitrator's decision.

7. Summary Description

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

ARTICLE NINE – ECONOMIC OPPORTUNITY

Section F. Inflation Recognition Payment

1. General Description

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

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

At the end of each calendar quarter, the Consumer Price Index (CPI) for the final month of that quarter will be compared to a CPI Threshold (as found in the Table in Paragraph 5 below) which represents what the CPI would be if total inflation since the beginning of the Agreement had averaged three percent (3%) per year. If the actual CPI is higher than the CPI Threshold, a lump sum payment shall be made equal to each full one percent (1.0%) by which the actual CPI is higher than the CPI Threshold, multiplied by the Regular Rate of Pay for each position worked by an Employee for all hours actually worked and overtime allowance (hereafter referred to as “earnings”) for the quarter.

Thus, if in a given quarter three percent (3%) annual inflation since the beginning of the Agreement would have produced total inflation of ten percent (10%) and the actual CPI indicates that inflation since the beginning of the contract has been twelve percent (12%) and an Employee had earnings as defined in the paragraph above during the quarter of \$12,000, then that Employee would receive a lump-sum payment of two percent (2%) (12% actual inflation minus a 10% CPI Threshold) times \$12,000 or \$240.

2. IRP Payments

- a. Beginning the first full calendar quarter after the Effective Date, the Company shall, on each Payment Date, make to each Employee an IRP payment equal to:

- (1) their total earnings as defined above for the Covered Period, multiplied by
 - (2) each full percentage (1.0%), by which the CPI for the Measurement Month exceeds the CPI Threshold for the Measurement Month.
- b. No IRP will be made for any Covered Period unless the CPI for the Measurement Month is greater than the CPI Threshold; in the event the CPI is lower than the CPI Threshold there shall be no recoupment of any kind.
 - c. The IRP shall be a lump-sum payment and shall not be part of the Employee's Base Rate of pay or used in the calculation of any other Pay, allowance or benefit.

3. Definitions

- a. CPI shall mean the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), U.S. City Average, All Items, Not Seasonally Adjusted (1982-84=100) as published by the Bureau of Labor Statistics. If the Consumer Price Index in its present form and on the same basis as the last Index published prior to the Effective Date becomes unavailable, this Section shall be adjusted to produce as nearly as possible the same result as would have been achieved using the Index in its present form.
- b. Payment Date shall be the forty-fifth (45th) day after the last day of the Measurement Month.
- c. Measurement Month shall be the last month of a Covered Period.
- d. Covered Period(s) shall be as shown in Paragraph 5 below.
- e. CPI Threshold(s) shall be as shown in Paragraph 5 below, based on the formula in Paragraph 6 below.

4. Example:

Covered Period	10-01-05 – 12-31-05	
Measurement Month	December 2005	
Hypothetical CPI in Measurement Month	202.3	
CPI Threshold for the Covered Period	196.6	
The amount, of full percentage point(s), by which the CPI for the Measurement Month exceeds the CPI Threshold for the Covered Period	$((202.3 - 196.6) / 196.6)$	= 2.0%
Earnings in Covered Period	<u>\$12,000</u>	
IRP Payment	$(\$12,000 \times 2.0\%)$	= <u>\$240.00</u>

5. Covered Periods and CPI Thresholds

Covered Period	CPI Threshold
07-01-02 – 09-30-02	None
10-01-02 – 12-31-02	179.9
01-01-03 – 03-31-03	179.9
04-01-03 – 06-30-03	185.3
07-01-03 – 09-30-03	185.3
10-01-03 – 12-31-03	185.3
01-01-04 – 03-31-04	185.3
04-01-04 – 06-30-04	190.9
07-01-04 – 09-30-04	190.9
10-01-04 – 12-31-04	190.9
01-01-05 – 03-31-05	190.9
04-01-05 – 06-30-05	196.6
07-01-05 – 09-30-05	196.6
10-01-05 – 12-31-05	196.6
01-01-06 – 03-31-06	196.6
04-01-06 – 06-30-06	202.5
07-01-06 – 09-30-06	202.5
10-01-06 – 12-31-06	202.5
01-01-07 – 03-31-07	202.5
04-01-07 – 06-30-07	208.6
07-01-07 – 09-30-07	208.6
10-01-07 – 12-31-07	208.6
01-01-08 – 03-31-08	208.6
04-01-08 – 06-30-08	214.9
07-01-08 – 08-31-08	214.9

6. Formula to Calculate CPI Threshold

The CPI Threshold shown in the Table above is the CPI for the month of March 2002 multiplied by 1.03 per year as expressed in the following formula:

$$\text{CPI-W for 3-02} \times (1.03)^n$$

Where n is the number of Covered Years from the first calendar year of 2002 to the Covered Year in which the calculation is made.

ARTICLE TEN – PAID TIME OFF AND LEAVES OF ABSENCE

Section A. Holidays

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

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

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

- c. When any holiday is observed during an eligible Employee's vacation, s/he shall be entitled to pay for the unworked holiday.
- d. If an eligible Employee works on a holiday for less than eight (8) hours, s/he shall be paid for time not worked for the remainder of the eight (8) hours.
- e. It is understood that no Employee shall receive more than double time and one-half for hours worked on a holiday.

ARTICLE TEN – PAID TIME OFF AND LEAVES OF ABSENCE

Section B. Vacations

1. Eligibility

a. To be eligible for a vacation in any calendar year, an Employee must:

- (1) have one year or more of Continuous Service;
- (2) have worked for at least 520 hours during the preceding calendar year; and
- (3) not have quit, retired, died or been discharged for cause prior to January 1 of the vacation year.

2. Length

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

Years of Service	Weeks of Vacation
1 but less than 3	1
3 but less than 8	2
8 but less than 15	3
15 but less than 24	4
24 or more	5

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

3. Scheduling

a. On or promptly after October 1 of each year, each Employee entitled or expected to become entitled to vacation in the following year shall receive a Company form asking him/her to specify in writing the desired vacation period or periods. The Employee shall return the form to the Company within thirty (30) days.

- b. Vacations will, so far as practicable, be granted at times most desired by Employees (longer service Employees being given preference as to choice), but the final right to allot vacation periods on a level load basis and to change such allotments is reserved to the Company.
 - c. Employees will be provided with their vacation schedule at least sixty (60) days prior to the start of their vacation period, but in all cases no later than January 1 of the year in which the vacation is to be taken.
 - d. Where an Employee transfers from one seniority unit to another, s/he shall take his/her vacation in accordance with the schedule established in his/her old seniority unit, except as orderly operations of his/her new seniority unit preclude it, and his/her transfer shall not be a basis for altering the schedule established prior to his/her transfer.
 - e. Consistent with Paragraphs 3(a) through 3(d) above, Employees shall be permitted to use up to one (1) week (i.e., five (5) days) of their allotted vacation on a day-at-a-time basis.
 - f. With the consent of the Employee, the Company may pay up to one (1) week of vacation allowance, in lieu of time off for vacation, for a week of vacation in excess of two (2) weeks in any one (1) calendar year.
 - g. The Company may schedule vacations during a shutdown period if it provides affected Employees with sixty (60) days notice.
 - h. At the time of his/her retirement, an Employee may elect to receive a lump-sum payment for any unused vacation entitlement.
4. Grievances

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

5. Vacation Rate of Pay

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

6. Minimum Vacation (Employees Other Than New Hires)

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

7. Vacation Bonus

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

ARTICLE TEN – PAID TIME OFF AND LEAVES OF ABSENCE

Section C. Bereavement Leave

1. In the event of the death of any of the relatives listed below, an Employee, upon request, will be excused and paid for scheduled shifts as detailed below, which fall within a consecutive day period, provided however that one such calendar day shall include the day of the funeral and it is established that the Employee attended the funeral.

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

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

ARTICLE TEN – PAID TIME OFF AND LEAVES OF ABSENCE

Section D. Jury or Witness Duty

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

ARTICLE TEN – PAID TIME OFF AND LEAVES OF ABSENCE**Section E. Leave of Absence for Employment with the Union**

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

ARTICLE TEN – PAID TIME OFF AND LEAVES OF ABSENCE**Section F. Service with the Armed Forces**

1. Reemployment Rights

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

2. Training

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

3. Educational Leave of Absence

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

4. Disabled Returning Veterans

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

5. Vacation Pay

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

6. Military Encampment Allowance

An Employee who is required to attend an encampment of the Reserve of the Armed Forces or the National Guard shall be paid, for a period not to exceed two (2) weeks in any one (1) calendar year, the difference between the amount paid by the Government (not including travel, subsistence and quarters allowance) and his/her Regular Rate of Pay for the number of days s/he would have been scheduled to work during such encampment.

ARTICLE TEN – PAID TIME OFF AND LEAVES OF ABSENCE

Section G. Family and Medical Leave Act

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

1. General

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

2. Eligibility and Entitlement

- a. Leave under this Section shall be available to any Employee who has twelve (12) months or more of Continuous Service calculated pursuant to the Seniority provisions of this Agreement. There shall be no hours-worked requirement for eligibility.
- b. Any eligible Employee shall be entitled to up to twelve (12) weeks of unpaid leave in any twelve (12) month period. This period shall be measured on a rolling twelve (12) month basis, measured backward from the date of any FMLA leave is used. Any time taken off in connection with any of the situations covered by the FMLA shall be counted toward the twelve (12) week period, except as otherwise excluded.

3. Pay During FMLA Leave

- a. Employees seeking FMLA leave under this Section may be required to utilize up to one (1) week of unused paid vacation.

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

4. Continuous Service

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

5. Benefit Continuation

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

ARTICLE ELEVEN – CORPORATE GOVERNANCE

Section A. Board of Directors

1. The Company and the Union acknowledge that every member of the Company's Board of Directors (Board, members of such Board, Directors) has a fiduciary duty to the Company and all of its stockholders.
2. The Company agrees that the Union shall have the right, subject to the procedure; the Directors' discharge of their fiduciary duties; and as described below, to designate an individual to serve on the Board.
 - a. The International President shall provide the Board's Chairman with the name and resume of the individual whom s/he wishes to have serve on the Board.
 - b. Provided that the individual is acceptable to the Chairman, such acceptance not to be unreasonably withheld, the Chairman shall promptly recommend such individual to the Board's Nominating Committee, who absent compelling reasons to the contrary, shall promptly recommend such individual to the full Board for election at its next meeting.
 - c. Once elected, the individual shall be recommended by the Board for election by the shareholders to serve a regular term at the Company's next Annual Meeting of Shareholders.
3. If after election, the individual becomes unwilling or unable to serve or the Union wishes to replace him/her, the International President shall provide the Board's Chairman with the name of a new individual whom s/he wishes to have serve on the Board and the process outlined above shall thereafter be followed. In such case the individual previously named by the International President may be removed from or not nominated for re-election to the Board.

4. The Company has informed the Union that its Board currently has eight (8) members. In the event the size of the Board is increased to more than fourteen (14) members, the Union shall be granted the right, utilizing the same procedure outlined above, to designate an additional Director.
5. At the time that any person is nominated by the Union as provided in this Section A, said nominee shall acknowledge in whatever fashion such acknowledgement is given by all of the Company's other Directors, that such nominee, if elected to the Board, would have a fiduciary duty to the Company and its stockholders.

ARTICLE ELEVEN – CORPORATE GOVERNANCE

Section B. Investment Commitment

1. The Company agrees to make the reasonable and necessary capital expenditures required to maintain the competitive status of the facilities covered by this and other collective bargaining agreements with the Union.
2. The Union agrees to contribute to the competitiveness of the facilities and work with the Company to maintain the competitive nature of the facilities.
3. The Company agrees that it will not operate the facilities (except for maintenance and repair outages), covered (as of the Effective Date or in the future) by the Agreement at other than full capacity and directly or indirectly replace the product which could have been produced at such facilities with product obtained from other than Canadian or United States facilities that provide base wages, benefits and protections such as just cause and seniority that are substantially equivalent to those provided in this Agreement .
4. The Company shall make all capital expenditures required to maintain the competitiveness and capacity of its Steel-Related Assets, including investments that increase competitiveness and productivity, unless :
 - a. the Company has conducted full and extensive consultation with the Union and fully and carefully considered all Union input concerning the subject Capital Expenditure; and
 - b. making the subject Capital Expenditure would be imprudent.

With regard to any determination by the Board, or the board of directors of any of its Affiliates or Ventures, to not make any Capital Expenditures, it shall be presumed that :

- (1) said determination was made correctly; and

- (2) making the subject Capital Expenditures would be imprudent for the Company or its Affiliate or Venture, as the case may be.

5. For the purpose of this Section,

- a. Company shall be defined as in Article Two, Section E (Neutrality); and
- b. Steel-Related Assets are assets or operations that the Company owns or controls and operates, and have not been shut down pursuant to provisions of this Agreement, at any time during the term of this Agreement, used or associated with:
 - (1) the manufacture, production, finishing, warehousing or transportation of any steel product; or
 - (2) the manufacture, mining, concentration, agglomeration, storage or transportation of coke or iron ore.

ARTICLE ELEVEN – CORPORATE GOVERNANCE**Section C. Upstreaming**

1. For the period from the Effective Date through June 30, 2003, the Company agrees that it will not, other than as provided in its agreements with the Union, directly or indirectly, pay any dividends on, or make any distributions, exchanges, conversions, retirements, repurchases or redemptions, in respect of its stock (any of such activities, Upstreaming) to any stockholder of the Company or any affiliate of any such stockholder.
2. For the period beginning July 1, 2003, the Company agrees that it will only Upstream if the Company is in material compliance with all of its agreements with the USWA and:
 - a. in the event the Company's common stock is trading on a nationally recognized stock exchange, the Company may only Upstream to the extent of paying dividends in an amount consistent with: the Company's historical, current and projected financial performance and capital spending requirements; the terms of any preferred stock sold for full and fair value and paying a market rate dividend (at the time of issuance); and the maintenance of a reasonable financial position;
 - b. in the event the Company's common stock is not trading on a nationally recognized stock exchange, the Company may only Upstream to the extent of paying dividends in an amount equal to the lesser of:
 - (1) 33% of Cumulative Net Income; and
 - (2) 50% of Cumulative Net Income in excess of the product of:
 - (a) the number of whole years from the Effective Date to the date on which a dividend is paid; and
 - (b) \$100 Million;

provided, however, that this Paragraph 2 shall not prevent the Company from paying a market rate dividend (determined at the

time of issuance) on preferred stock which is sold for full and fair value.

3. Without in any way limiting the applicability of Paragraphs 1 and 2 above, the Company agrees that all transactions (including, without limitation, sales, loans, purchases, leases, guarantees, fees of any kind, and equity transactions) between the Company and any equity holder or any Affiliate of any equity holder, shall be conducted on an arm's-length basis, on commercially reasonable terms not less favorable to the Company than those that could be obtained from an unrelated third party, and in accordance with any shareholders agreement of the Company. In addition, any loan or similar transaction to any such person shall only be made if it is beneficial to the Company and on terms consistent with the business relationship between such person and the Company. Subject to the foregoing, the Company may engage in transactions with its equity holders and their Affiliates.
4. It is understood that the Company's Board of Directors shall have the authority to Upstream as described in Paragraphs 2(a) and 2(b) above and to engage in the actions described in Paragraph 3 above, that the Union shall have access to a dispute resolution procedure (at the option of the USWA, either arbitration before a panel of AAA commercial arbitrators or litigation in the United States District Court having jurisdiction over Cook County, Illinois) in the event it believes that the Company's actions violated this Section of the Agreement and that the dispute resolution procedure shall include the authority to determine if a violation occurred and what if any remedy should be prescribed.

ARTICLE ELEVEN – CORPORATE GOVERNANCE**Section D. Right to Bid**

1. Should the Company decide or be presented with an offer to sell or otherwise transfer a controlling interest in the corporate entity which owns its assets (a Controlling Interest) or all or a portion of one or more of its facilities (Facilities) (either or both, the Assets), it will promptly advise the USWA in writing and grant to the USWA the right to organize a transaction to purchase the Assets (a Transaction).
2. The Company will provide the USWA with any information provided to other bidders so that the Union may determine whether it wishes to pursue a Transaction. All such information shall be subject to an executed Confidentiality Agreement.
3. The Company shall promptly notify the USWA of the schedule and/or timetable for consideration by the Company of any possible transaction. The Company will provide the USWA with the greater of (a) forty-five (45) days or (b) the time provided by the schedule and/or timetable given to other interested parties to submit an offer for the Assets, except in the case of an unsolicited offer for a controlling interest in the Company in which case the USWA shall be provided with the time provided by the schedule and/or timetable given to other interested parties.
4. During the period described in Paragraph 3 above, the Company will not enter into any contract regarding the Assets with another party.
5. In the event that the USWA submits an offer pursuant to the above, the Company shall not be under any obligation to accept such offer. However, the Company may not enter into an agreement with regard to the Assets with an entity other than the USWA unless that Transaction is superior to the USWA offer. The Company may only deem a proposed Transaction superior if its Board of Directors reasonably determines that such Transaction is more favorable to the Company and/or its shareholders, taking into consideration such factors as price, certainty of payment, conditions precedent to closing and other factors which influence which of the transactions is in the best interests of the Company and/or its shareholders.

6. This Section shall not cover any public offering of equity.
7. The rights granted to the USWA in this Section may be transferred or assigned by the USWA; provided, however, that in the event of a Transaction:
 - a. that does not involve a Controlling Interest; and
 - b. where the Company decides to only pursue, for legitimate business reasons, a Transaction which will result in a sale of less than 100% of the Company's interest in the Assets,

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

ARTICLE ELEVEN – CORPORATE GOVERNANCE**Section E. Executive Compensation**

1. The Company agrees that its Compensation program for non-bargaining unit employees, including its Board of Directors, shall be consistent with the following principles:
 - a. Senior management will receive below average base salaries compared to similarly situated executives at comparably sized industrial companies.
 - b. Compensation other than base salary (Bonus Compensation) payable to non-bargaining unit employees shall utilize the same concept as Profit-Sharing for bargaining unit Employees – it shall be payable only above a common threshold which provides for a return to the shareholders and required reinvestment in the business. Bonus Compensation for Senior Management will be calculated after first calculating Profit-Sharing for bargaining unit Employees and Bonus Compensation for non-bargaining unit Employees other than Senior management.
 - c. All stock purchase, stock option, stock appreciation (which the Company agrees will not be provided to the recipients of other Stock Programs for the purpose of undermining the spirit and intent of this Section) or other similar programs (Stock Programs) shall:
 - (1) reward only long-term appreciation in the value of the Company's stock;
 - (2) once granted, not directly or indirectly be "re-priced", "re-loaded" or similarly adjusted except to the extent that such adjustment has been approved by ISG's shareholders; and
 - (3) require the recipient (other than stock appreciation right recipients) to retain a significant share of any realized value while they remain employees of the Company as follows:
 - (a) ISG will request existing holders of rights under any Stock Programs to voluntarily agree to modify the terms

of their rights such that they will retain at least twenty-five percent (25%) of any value that they have received from the exercise of their rights and shall provide the Union with the results of such request;

- (b) ISG will revise the existing Stock Programs to provide that recipients must retain at least thirty-three percent (33%) of any value realized from the exercise of any rights under the Stock Program for as long as they are employees of the Company; and
 - (c) ISG will insure that all future Stock Programs will require all recipients to retain at least forty percent (40%) of any value realized from the exercise of any rights under the Stock Program for as long as they are employees of the Company.
- 2. The Company agrees to minimize the ratio of non-bargaining unit employees (including full-time or full-time equivalent contractors of any sort performing services historically performed by the Company's non-bargaining unit employees) to bargaining unit Employees and shall take all reasonable actions (including transferring responsibilities and duties to bargaining unit Employees) with the objective of achieving a ratio of no more than one (1) non-bargaining unit employee for each five (5) bargaining unit Employees, with an absolute commitment to a ratio of no more than one (1) non-bargaining unit employee for each four (4) bargaining unit Employees.
- 3. For purposes of this Section, Compensation includes wages, benefits or compensation of any kind, including but not limited to, bonuses, any stock, stock options, stock appreciation right or anything similar thereto, deferred compensation of any kind, pensions or other items of value.

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

**INTERNATIONAL STEEL
GROUP, INC.**

**UNITED STEELWORKERS
OF AMERICA**

Rodney B. Mott
President and CEO

Leo W. Gerard
President

Thomas F. Wood
Vice President, Labor Relations

James D. English
Secretary-Treasurer

Karen A. Smith
Vice President, Human Resources

Andrew Palm
Vice President (Administration)

John C. Mang, III
Vice President & General Manager

Leon Lynch
Vice President (Human Affairs)

David R. McCall
Chairman of the Negotiating Committee

Jim Robinson
Secretary of the Negotiating Committee

Paul Whitehead
General Counsel

District Directors

Louis J. Thomas
District 4

Ernest R. Thompson
District 8

John DeFazio
District 10

Headquarters Resources

Ron Bloom
Special Assistant to the President

Tom Duzak
Director of Pension and Benefits Department

Karin Feldman
Benefits Counsel

Negotiating Committee

William J. Hocevar, Assistant Director, District 1
Patrick Gallagher, Sub-District Director, District 1
Michael Millsap, Sub-District Director, District 7
Dennis Brubaker, Staff Representative, District 1
Jacquelyn Smith, Administrative Assistant, District 1
Frank Rossi, Staff Representative, District 8
Lewis Dopson, Staff Representative, District, 10
Mark A. Granakis, President LU 979
William Prejsnar, Unit Chair LU 1375-7
Tony Fortunato, President LU 2604
Paul Gipson, President LU 6787
Dave York, President LU 7367
Loren Hansen, President LU 1011
Gary Bender, President LU 9481
John Cirri, President LU 9477
Ike Gittlen, President LU 1688

Bill Sharp, President LU 1165
Carlo Dimidio, President LU 9462

APPENDIX A – WAGES

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

Base Rates of Pay

<u>Labor Grade</u>	<u>12-15-02</u>	<u>03-31-04</u>	<u>09-30-05</u>	<u>03-31-07</u>
1	\$15.00	\$15.45	\$15.91	\$16.39
2	\$16.50	\$17.00	\$17.50	\$18.03
3	\$18.25	\$18.80	\$19.36	\$19.94
4	\$19.25	\$19.83	\$20.42	\$21.03
5	\$20.50	\$21.12	\$21.75	\$22.40

APPENDIX B

December 15, 2002

David McCall
District 1 Director
United Steelworkers of America
777 Dearborn Park Lane - J
Columbus, OH 43085

RE: Training for New or Restructured Jobs

Dear Mr. McCall:

1. The parties agree that the right to adequate training is fundamental to achieving the safe and successful implementation of our agreement to restructure jobs and the workplace.
2. Notwithstanding anything in the Agreement to the contrary, Employees who were, on December 19, 2001, incumbents in a job which has subsequently been combined into a new or restructured job shall, subject to their seniority and the number of available positions, be provided an opportunity to be placed in such new or restructured job.
3. The parties recognize that certain new and/or restructured jobs may require skills which certain newly incumbent Employees do not possess. In light of this situation, the Company agrees to provide Employees who do not have the required skills for their new or restructured jobs with reasonable training opportunities to ensure competent job performance.
4. In the event that, despite the efforts described in Paragraph 3 above, the Employee is not capable of acquiring the new job skills, then the Company shall be relieved of its obligation to provide further training and the Employee shall be expected to bid on a vacancy for which s/he is qualified.
5. The training programs necessary to carry out the provisions of this letter of understanding will be conducted during the Employee's normal working hours.

6. No Employee will be disciplined for poor job performance that results from a failure of the Company to provide training pursuant to this letter of understanding or for failure to acquire new skills when returning to a new or restructured job.
7. The parties agreed that in order to maintain competent job performance, continuing familiarization and rotation within various assignments related to new and restructured job descriptions is both required and necessary.

Sincerely,

Rodney Mott
President and Chief Executive Officer
International Steel Group

Confirmed:

David McCall, Director
USWA District 1

December 15, 2002

David McCall
District 1 Director
United Steelworkers of America
777 Dearborn Park Lane - J
Columbus, Ohio 43085

RE: Corporate Governance Issues

Dear Mr. McCall:

The following will confirm our understanding on the above captioned matter.

Notwithstanding any provisions of the Basic Labor Agreement to the contrary:

1. Regarding Article Two, Section D - Successorship, in the case of the Sale of a plant or significant part thereof which:
 - (a) is acquired in a transaction which is not opposed by the Union, and
 - (b) which transaction occurs after the Effective Date,

for the first year following the transaction only, the Sale shall be treated as a Change of Control Transaction and the provisions of paragraphs 2 and 3 of the Successorship Section shall apply.
2. Regarding Article One, Section A – Parties to the Agreement, the terms Affiliate, Company and Venture shall in no event include W.L. Ross & Co. LLC, WLR Recovery Fund L.P., WLR Recovery Fund II L.P. (collectively, Ross) or any entity that would be deemed to be an Affiliate, a part of the Company or a Venture solely by reason of Ross' ownership of an interest in, or Control of, such entity (Excluded Entity).

3. Regarding Article Two, Section E – Neutrality:

- (a) The Company shall not include an Excluded Entity unless the Excluded Entity directly or indirectly gains the power to direct the management and policies of an enterprise which produces or sells the same or similar products to those currently (as of the Effective Date) or in the future sold by the Company and which is operating within the United States or Canada (a Competing Enterprise), in which case the Excluded Entity shall cause the Competing Enterprise to become a party to this Section and to achieve compliance with its provisions.
- (b) The obligations of the Company with respect to an After-Acquired Venture or Affiliate shall be limited to using commercially reasonable efforts to cause said Venture or Affiliate to abide by the provisions of this Agreement. The USWA acknowledges that the Company may not be in a position to compel such Ventures or Affiliates to abide by these provisions. An After-Acquired Venture or Affiliate is a Venture or Affiliate of an entity that is acquired by the Company after the Effective Date as part of a larger transaction and over which, following said acquisition, the Company does not have, directly or indirectly, the power to direct the management and policies.

Sincerely,

Rodney Mott
President and Chief Executive Officer
International Steel Group

Confirmed:

David McCall, Director
USWA District 1

December 15, 2002

David McCall
District 1 Director
United Steelworkers of America
777 Dearborn Park Lane - J
Columbus, Ohio 43085

RE: Parties to the Agreement

The following will confirm our understanding on the above captioned matter.

International Steel Group, Inc. (ISG) has informed the Union that Cleveland-Cliffs, Inc. as of the date of this letter, directly owns 7.25% of the common stock of ISG.

ISG has also informed the Union that as of the date of this letter, AK-ISG Steel Coating Company is owned directly or indirectly 40% by ISG and 60% by AK Steel. Based on these facts, the parties agree that neither Cleveland-Cliffs nor AK Steel is an affiliate of ISG within the meaning of the term as it is used in Article One, Section A, Parties to the Agreement of our Basic Labor Agreement.

Sincerely,

Rodney B. Mott
President and CEO

Confirmed: _____
David R. McCall

December 15, 2002

Mr. David McCall
District 1 Director
United Steelworkers of America
777 Dearborn Park Lane - J
Columbus OH 43085

Dear Mr. McCall:

This letter will confirm our understandings, reached during the 2002 negotiations, concerning the Property Protection employees at ISG Indiana Harbor Works.

1. Except as otherwise provided by this letter, all terms and conditions contained in the Agreements between International Steel Group (“Company”) and the United Steelworkers of America (“Union”) shall be applicable to all Property Protection employees except superintendents, captains, lieutenants, sergeants, and confidential clerks.
2. The Union agrees that Property Protection employees are expected to abide by the rules of the Company as set forth in the Company’s published rules outlining the special and unique duties and responsibilities of the Property Protection employees, as amended from time to time.
3. The Union recognizes and agrees that the special responsibilities of Property Protection employees referenced in paragraph 2, above, are of the greatest importance to the Company, and that failure to fully and diligently carry out these special responsibilities and duties, including giving entire obedience and loyalty to the Company, shall be grounds for discipline or discharge, in the sole discretion of the Company; provided that no discrimination will be exercised against any member of the Union because of such membership. In any grievance or arbitration which relates to discipline or discharged alleged to be based upon failure of an employee to fulfill his or her responsibilities to the Company or to carry out his or her duties or to give entire obedience and loyalty to the Company, the sole issue shall be whether there is sufficient evidence to show that the employee in question was guilty of the offense charged.

Sincerely,

Thomas F. Wood
Corporate Manager Labor Relations

Confirmed: _____
David McCall

December 15, 2002

Mr. David McCall
District 1 Director
United Steelworkers of America
777 Dearborn Park Lane - J
Columbus, OH 43085

Dear Mr. McCall:

This will confirm the understandings reached in conjunction with the negotiations of the Basic Labor Agreement dated December 15, 2002.

- For purposes of Article Ten, Section B. (Vacations), the application of the number of weeks of vacation allowance for this provision during the term of the agreement will be as follows:
 - i. In vacation years 2003 and 2004, Employees may take no more than 2 weeks of vacation, one week of which may at the request of the Employee, be taken in lieu of time off with the consent of management.
 - ii. In vacation years 2005, 2006, and 2007, Employees may take no more than 3 weeks of vacation, two weeks of which may at the request of the Employee, be taken in pay in lieu of time off with the consent of management.
 - iii All other weeks of vacation eligibility for any year during the term of this agreement, may at the discretion of management and the agreement of the Employee, be scheduled for vacation during other times of the year or be paid to each eligible Employee in the first pay period in December of the vacation year.
- Until the first schedule week after September 1, 2004, the Company may unilaterally adopt and maintain Alternative Work Schedules consisting of ten or twelve hour per day schedules as set forth in Article Five, Section C.6. (Hours of Work). These schedules will be considered as worked pursuant to an Alternative Work Schedule for purposes of Article Five,

Section D. (Overtime). If a pattern of deviation from the adopted Alternative Work Schedules is established without the agreement of the area Grievance Committeeman or the affected Employee(s), the provisions of Article Five, Section D. (Overtime) will apply until the normal pattern is reestablished. Effective with the first schedule week following September 1, 2004, the requirements for approval and revocation of approval contained in Article Five, Section C.6. shall be in effect.

- Employees working an Alternative Work Schedule as allowed under Article Five, Section D, will be treated as follows under the below listed provisions:
 - i. For purposes of Article Five, Section D. (Overtime), when an Employee works beyond scheduled hours under the Alternative Work Schedule such Employee will be eligible for overtime for such hours worked beyond the Alternative Work Schedule.
 - ii. For purposes of Article Eight, Sections A. (Employment Security) and B. (Supplemental Unemployment Benefits), Employees working pursuant to a normal pattern Alternative Work Schedule will be considered as being provided the opportunities required by these sections.
 - iii. For purposes of Article Ten, Section A. (Holidays), an Employee scheduled off on his/her normal pattern Alternative Work Schedule will be paid for an unworked Holiday at the hours he/she would have been scheduled under the Alternative Work Schedule.
 - iv. For purposes of Article Ten, Section C. (Bereavement), Employees absent from work pursuant to such provision will be paid the number of hours they would have been scheduled under the Alternative Work Schedule for qualifying days.
- Where the Company establishes a steady shift schedule on a job where Employees are also scheduled on rotating shifts, assignment to the steady shift schedule shall be by seniority wherever ability to perform the work is equal, with the senior Employees who desire to work the schedule given preference to the assignment in accordance with understandings reached between Plant Management and the Local Union Committeeman.

- The Training Coordinator established in Article Seven Section A will perform activities similar to those below on behalf of the Company and Union. It is understood that this position will work on other matters of mutual interest of the parties involving training and education of the workforce.
 - i. Coordinates, develops and plans training activities undertaken by the parties.
 - ii. Coordinates and facilitates training sessions for Employees.
 - iii. Maintains data base records of training accomplished and monitors when training needs to be renewed on all matters including, safety, civil rights, license renewal, etc.
 - iv. Assists in training needs involved in capital expenditures.
 - v. Administers tests to Employees. Responsible for tracking training records.
 - vi. Conducts training sessions on routine topics involved in routine plant programs.
 - vii. Participates in pre-training activities necessary to meet plant needs.
 - viii. Works with the Human Resources department on training programs throughout the plant.
 - ix. Works with community educational resources to assist the current and potential future workforce.
 - x. Fulfills the roll of coordinating ICD activities on behalf of the plant as directed by the Training Committee.

- Employees required to remain on the job until relieved shall be allowed to relieve each other (“buddy relief”) in accordance with procedures established between the management and union, up to 30 minutes prior to

the scheduled end of the turn provided the Employee has worked their scheduled total hours.

- The Company will provide reasonable and appropriate arrangements for lunch opportunity and other personal needs for Employees during the course of a shift.
- At the request of the Union and where practicable the local parties may agree to provide that, identified Union representatives at the Plants will be scheduled on a steady day turn basis, to an available job at the applicable rate, in accordance with efficient operations of the plant.
- Where contribution or eligibility for benefits is based upon hours worked, hours spent on Union Business, whether compensated by the Company or by the Union, shall be considered hours worked for the purpose of the benefits contribution or eligibility.
- There will be one (1) position for Training/Safety at the Warren, Hennepin, and Riverdale Plants.
- The effective date of Article Seven Section A will be 1/1/04.
- In the discussions concerning the use of Funds contributed to the Institute for Career Development, the parties agree, that it may be appropriate to allocate funds to certain programs that will be established by the parties to address training requirements and programs established in the Basic Labor Agreement. The Local Joint Committee may recommend the use of such funds for such programs. Should the Local Joint Committee be unable to determine which programs may be applicable for the use of such funds, the parties will submit the issue to the Co-Chairs of the Negotiating Committee to resolve such dispute consistent with the intent of the parties and by mutual agreement.
- In the event of a “Need” for layoff under the provisions of Article Eight Section A, the local parties, by mutual agreement, may agree to utilize reduced work schedules of 32 hours as part of a layoff minimization plan.
- The Parties agree to maintain the IJOP provisions of the LSE Agreement as they may apply to the Cleveland Plant.

- The parties agree to maintain the understanding with respect to the recall of former LTV employees to the ISG facilities.
- The parties agree that the cost of administration for the Steelworker Health and Welfare Fund under the Participation Agreement will be cost competitive with other 3rd party Administrators for similar services.

Sincerely,

Thomas F. Wood
Corporate Manager Labor Relations

Confirmed: _____
David McCall

December 15, 2002

Mr. David McCall
District 1 Director
United Steelworkers of America
777 Dearborn Park Lane - J
Columbus, OH 43085

Dear Mr. McCall:

This will confirm the understandings reached in conjunction with the negotiations of the Basic Labor Agreement dated December 15, 2002. Except as specifically addressed in this Appendix, all terms and conditions of employment set forth in the collective bargaining agreement between International Steel Group ("ISG") and the United Steelworkers of America, AFL-CIO•CLC ("USWA") shall apply to the employees of the Cleveland Works Railway ("CWR") who work within the crafts and classes as certified by the National Mediation Board.

1. Term of the Agreement: Solely as it relates to the employees of the CWR, the ISG/USWA CBA shall become amendable upon the expiration date of the ISG/USWA CBA ("Moratorium Date"), subject to the following:
 - a. Any and all changes to the ISG/USWA CBA shall be implemented with respect to the employees of the CWR, except as limited herein or except as the parties may otherwise agree.
 - b. Any change in the date of termination of the ISG/USWA CBA shall change the Moratorium Date to that same date.
2. Union Security: Article Two, Section B, Lines 3-6 of the ISG/USWA CBA shall be modified to provide that it shall be a condition of continued employment that all employees of the CWR shall become members of the USWA on the 60th day following the effective date of the ISG/USWA CBA.

3. Railroad Retirement Act Issues: The CWR shall take all acts and make all contributions required by the Railroad Retirement Act and that the rights of CWR employees shall be preserved to the fullest extent allowed by such act. It is understood that, to the fullest extent possible, CWR employees shall receive credit for all former service and that ISG shall make the same level of contributions to the retirement system as formally made.
4. Steelworker Pension Trust Contributions: ISG shall make contributions to the Steelworkers Pension Trust ("SPT") on behalf of employees of the Covered Railroads as set forth in Appendix F of the ISG-CBA, with the exception that ISG will offset all such contributions of the SPT by the amount ISG contributes on behalf of such employees to the railroad retirement system, as described in Paragraph 3 above. The offset as described above will ensure that the total retirement benefit paid to the represented employees of the Covered Railroads is equal to the total retirement benefit paid to the other represented employees covered by the ISG-CBA.
5. Offset to Sickness and Accident Benefits: ISG will pay Sickness and Accident Benefits to employees of the Covered Railroads in accordance with the ISG Sickness and Accident Policy, with the exception that ISG will offset such amounts of any amounts paid to such employees for like benefits paid by other sources.
6. Hours of Service: The number of hours worked by employees of the CWR shall comply in all respects with the statutory requirements of 49 U.S.C. § 21101 et seq.

Sincerely,

Thomas F. Wood
Corporate Manager Labor Relations

Confirmed: _____
David McCall

APPENDIX C**OFFICE AND CLERICAL**

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

- (a) Within ninety (90) days of the Effective Date, the parties at each plant shall meet at mutually agreeable times to review all non-represented jobs to determine whether such jobs should properly be included in the bargaining unit. In making such determination, the parties shall be guided by the practices under the predecessor company. Where jobs have been restructured, the guiding principle shall be whether the job is more nearly like a job that would have been included under the previous contract with the previous employer.
- (b) Such review shall be completed no less than 120 days after the Effective Date.
- (c) A representative of the International Union, the Local Union President/Unit Chair or his/her designee and up to two (2) other representatives of the Local Union may participate in such a review. The Local Union representatives shall be afforded time off as may be required to participate in such meetings.
- (d) The Company shall provide the Union with a list of all non-represented jobs, including the incumbents of such jobs, currently excluded from the bargaining unit.
- (e) The Company shall produce a description of the duties, the job classification and the location of each excluded job.

- (f) The review shall result in the determination of whether the jobs are properly excluded from the bargaining unit. If the parties are unable to reach agreement, the Union may file a grievance on such issue directly in Step 2 of the grievance procedure for determination. Should arbitration be necessary to resolve a dispute, the arbitrator shall decide the issue on the basis of the standard set forth in the above provisions.
- (g) If it is determined that a job has been improperly excluded from the bargaining unit under the procedures provided herein, such job shall be placed in the bargaining unit.

PROGRAM OF INSURANCE BENEFITS

Section A. General

1. The Company and the Union shall execute an Insurance Agreement, which shall establish a Program of Insurance Benefits (PIB) for Employees and eligible dependents.
2. The PIB shall include the following types of benefits:
 - a. Medical Benefits
 - b. Prescription Drug Benefits
 - c. Dental Benefits
 - d. Vision Benefits
 - e. Life and AD&D Insurance
 - f. Sickness and Accident Benefits
3.
 - a. The Medical, Prescription Drug, Dental and Vision benefits contained in the PIB will be provided and administered, as of the Effective Date, by the Company. Beginning on a date no later than January 1, 2004 and continuing through the remaining duration of the Insurance Agreement, the Medical, Prescription Drug, Dental, and Vision benefits will be provided through the Steelworkers Health and Welfare Fund ("the Fund").
 - b. Sickness and Accident benefits, and Life/AD&D insurance will be provided and administered by the Company, except that the parties may at any time agree to transfer these benefits to the Fund.
 - c. Any benefits provided through the Fund will be identical (if not identical for any substantive reason, the parties will meet to conform such benefit to be substantially equivalent) to the benefits set forth in this PIB.
4. The terms of Sections B through E shall control over any provisions of the summary plan descriptions or booklets distributed by the Company or plan administrators ("SPD's") that address such matters. Notwithstanding any language to the contrary in those SPD's, the benefits or covered services described therein shall not be subject to amendment, modification or termination except as the Union and the Company agree otherwise.

5. The Company shall pay the full cost of the benefits of the PIB during the term of the Insurance Agreement.
6. The Company and the Union shall enter into a Participation Agreement covering those benefits provided through the Fund. The Fund shall enter into group insurance contracts with qualified insurance companies for the purposes of providing the applicable benefits of the PIB. The Fund Board of Trustees shall have the exclusive authority, in its sole and absolute discretion, to administer and interpret the PIB and all other documents maintained in connection with the PIB, and to decide all matters arising in connection with the operation or administration of the PIB. The Fund will issue a Summary Plan Description (SPD) to eligible participants.
7. The Company shall make payments to the Fund in accordance with the terms of the Participation Agreement. The obligation of the Fund to maintain coverage shall be conditioned on timely receipt of required contributions from the Company. The failure of the Company to make the required contributions to the Fund shall not relieve the Company of its obligation to pay the full cost of the benefits set forth in the PIB and the Insurance Agreement.
8. The Insurance Agreement shall become effective on the Effective Date and shall remain in effect until 150 days following the termination date of the Basic Labor Agreement.

Section B. Effective Date of Coverage

Employees will become covered as of the Effective Date of the Insurance Agreement. Newly hired Employees will become covered as of the first day of employment except for Sickness and Accident benefits, which will become effective following the completion of their probationary period.

Section C. Dependent Coverage

1. Dependent coverage will become effective on the same date as the Employee becomes covered or the date the Employee acquires a dependent, if later.
2. The term "dependent" includes:

- a. a spouse;
- b. unmarried children under 19 years of age;
- c. children after attainment of age 19 but not beyond age 25 if the child is a full time student; and
- d. children after attainment of age 19 while incapable of self-support because of disabling illness or injury.

Section D. Termination of Coverage

1. Non-Occupational Disability

Benefits under the PIB will be continued for the duration of an absence, up to a maximum of twelve (12) months from the end of the month last worked for Employees who have two (2) or more years of Continuous Service on the last day worked and up to a maximum of six (6) months from the end of the month last worked for Employee who have less than two (2) years of Continuous Service on the last day worked.

2. Occupational Disability

Benefits under the PIB will be continued for the duration of an absence, but not beyond one (1) month following the end of the month for which statutory compensation payments terminate; except that Sickness and Accident coverage will terminate:

- a. at the end of twelve (12) months following the month last worked for Employees with two (2) or more years of Continuous Service on the last day worked, or
- b. at the end of six (6) months following the month last worked, for Employees with less than two (2) years of Continuous Service on the last day worked.

3. Layoff

If the Employee ceases work because of layoff, the following provisions will be applicable to coverage under the PIB:

- a. Sickness and Accident coverage will terminate on the last day worked.
- b. For Employees with less than two (2) years of Continuous Service on the last day worked, all other coverage under the PIB will be continued during such layoff up to a maximum of six (6) months from the end of the month last worked.
- c. For Employees with two (2) but less than ten (10) years of Continuous Service on the last day worked, all other coverage under the PIB will be continued during such layoff up to a maximum of eighteen (18) months from the end of the month last worked.
- d. For Employees with ten (10) or more years of Continuous Service on the last day worked, all other coverage under the PIB will be continued during such layoff up to a maximum of thirty (30) months from the end of the month last worked.

4. Suspension

Benefits will be continued as if the Employee were on layoff, except that Sickness and Accident coverage will be continued during a period of suspension which is not converted into discharge.

5. Leave of Absence

- a. If the Employee ceases work because of a leave of absence, all coverage under the PIB will cease at the end of the month last worked.
- b. If the Employee ceases work due to authorized military duty, Medical, Dental, Vision, Life, AD&D and Prescription Drug benefits coverage will terminate as of the thirty-first (31st) day after the last day worked.
- c. If the Employee ceases work due to authorized leave under the Family and Medical Leave Act, Medical, Dental, Vision, Life, AD&D, and Prescription Drug coverage will terminate upon expiration of the authorized leave, unless the Employee returns to work at that time.

6. Termination of Employment

If employment is terminated by other than retirement, all coverage under the PIB will cease on the date of such termination.

7. Reinstatement or Re-Employment

If the Employee returns to work following an absence on account of layoff, leave of absence or disability during which some or all of the coverage under the PIB shall have terminated, all coverage under the PIB will be reinstated on the day the Employee returns to work.

Section E. Continuous Service

Wherever the term Continuous Service is used herein, it means Continuous Service as determined in accordance with Article Five, Section E(3) of the Basic Labor Agreement.

Section F. Summary of Medical Benefits

1. Medical benefits will be provided through a Preferred Provider Organization (PPO), which offers two (2) levels of benefits. Services from a provider who is in the PPO network will be covered at the highest level of benefits. Services from a provider who is not in the PPO network will be covered at the lower level of benefits. In either case, there is no requirement to select a Primary Care Physician (PCP) to coordinate care.
2. Refer to the Summary Plan Description (SPD) entitled "A Guide to Your Benefits" issued by Anthem Blue Cross and Blue Shield for a more detailed description of the benefit program. Following the transfer of medical coverage to the Fund, a revised SPD will be issued by the Fund to eligible participants.

Summary of Medical Benefits

Covered Services	Copayments/Maximums	
	Network	Non-Network
Deductible per Member per Family	None None	\$300 \$600
Out-of-Pocket Limit (Includes all deductibles and/or copayments, except prescription drug and human organ and tissue transplant copayments) per Member per Family	\$1,000 \$2,000	\$2,000 \$4,000
Lifetime Maximum All covered services except human organ and tissue transplants Human Organ and Tissue Transplants		\$5,000,000 \$1,000,000
Preventive Care	\$15 copayment per visit	30% copayment
Physician Office Services	\$15 copayment per visit	30% copayment
Inpatient Services	10% copayment	30% copayment
Outpatient Services	10% copayment	30% copayment
Emergency Care	\$50 copayment per visit	\$50 copayment per visit
Urgent Care	\$35 copayment per visit	\$35 copayment per visit
Ambulance Services	Covered in Full	Covered in Full
Mental Health Services Inpatient Outpatient	10% copayment \$15 copayment per visit	50% copayment 30% copayment
Substance Abuse Services Inpatient Outpatient	10% copayment \$15 copayment per visit	30% copayment 30% copayment
<i>Note: Plan includes additional benefit limitations and maximums on Mental Health and Substance Abuse services. Refer to Summary Plan Description for details.</i>		
Therapy Services Maximum visits physical and occupational therapy speech therapy spinal manipulations	\$15 copayment per visit	30% copayment
	60 visits combined Network and Non -Network 20 visits combined Network and Non -Network 12 visits combined Network and Non -Network	
Home Care Services	10% copayment	30% copayment (30 visits per Benefit Period)
Hospice Services	Covered in Full	Covered in Full
Human Organ and Tissue Transplant Services	Covered in Full, subject to Lifetime Maximum	Lesser of 50% copayment or 50% of Charge Maximum, subject to Lifetime Maximum
Medical Supplies, Durable Medical Equipment and Appliances	20% copayment	40% copayment
Maternity Services	10% copayment	30% copayment

Section G. Summary of Prescription Drug Benefits

1. Prescription Drug benefits are provided using an open prescription drug formulary through a network of national chain and local pharmacies and a mail order provider. Lower benefits are provided when prescription drugs are dispensed at a non-network pharmacy.
2. Prescription Drug benefits are not subject to the Medical plan deductibles, coinsurance or lifetime maximums. Refer to the Summary Plan Description (SPD) for a more detailed description of the Prescription Drug benefit plan.

Schedule Of Prescription Drug Benefits

Benefit Provision	In-Network	Out-of-Network
Prescription Drug Benefits		
Retail, Maximum Supply	Up to 30 days	Up to 30 days
Retail Prescription Copayments (per Rx)		
Formulary Generic	\$10.00	50% copayment
Formulary Brand	\$20.00	50% copayment
Non-Formulary Brand or Generic	\$30.00	50% copayment
Mail Order, Maximum Supply	Up to 90 days	Not Covered
Mail Order Prescription Copay (per Rx)		
Formulary Generic	\$20.00	Not Covered
Formulary Brand	\$40.00	Not Covered
Non-Formulary Brand or Generic	\$60.00	Not Covered

Section H. Summary of Dental Benefits

1. Benefit payments under the Dental plan are not dependent upon the use of a provider network. Dentists who participate in the insurance carrier’s network will accept the carrier’s reimbursement, subject to required coinsurance. Reimbursement to dentists who do not participate in the network will be based on a reasonable charge allowance, in addition to the deductible and coinsurance provisions of the plan.

2. Refer to the Summary Plan Description (SPD) for a more detailed description of the benefit plan.

Schedule of Dental Benefits

Benefit Provision	Plan Coverage
Annual Deductible per Individual	\$25
per Family	\$50
Annual Maximum	\$1,000
Diagnostic and Preventive Services (not subject to the deductible)	100%
Primary Services	80%
Restorative Services	50%
Prosthetic Services	50%
Orthodontics (Not subject to Annual Maximum)	60%
Orthodontic Lifetime Maximum	\$1,000

Section I. Vision Benefits

1. Vision benefits are provided through the use of a national provider network. To receive the higher level of benefits care must be obtained at a network provider. If a non-network provider is utilized, reimbursement will be at the allowance amount and the Employee will be responsible for any difference between the provider’s charge and the allowance amount.

2. Eye examinations, lenses and contact lenses are covered once every twelve (12) months for persons under age nineteen (19) and once every twenty-four (24) months for persons nineteen (19) years of age or older. Frames are covered once every twenty-four (24) months for all covered persons.

3. The Company and the Union will prepare a Summary Plan Description.

Schedule of Vision Benefits

Service/Product	Allowance	Patient Responsibility	
		In-Network	Out-of-Network
Eye Exam and Refraction	\$32	\$0	Provider Charge
Single Vision Lenses (standard)	\$24	\$0	Provider Charge
Bifocal Lenses (standard)	\$36	\$0	Provider Charge
Trifocal Lenses (standard)	\$46	\$0	Provider Charge
Aphakic/Lenticular Lenses	\$72	\$0	Provider Charge
Non-Standard Lenses (e.g. photochromatic, polycarbonate)	Same allowances as standard	Difference between charge and allowance with a 10% discount	Provider Charge
Progressive Lenses	\$41	Difference between charge and allowance with a 10% discount	Provider Charge
Frames	\$24	\$0 – up to \$60 retail; Over \$60 retail – patient pays the difference between \$60 and charge	Provider Charge
Contact Lens Fitting and Prescription	\$20 – Daily \$30 – Extended	\$0	Provider Charge
Standard Contact Lenses	\$48	\$0	Provider Charge

Section J. Summary of Life and AD&D Insurance

1. Life and AD&D Insurance to be administered by the Company.
2. Benefit Amount
 - a. The amount of active Life Insurance is \$50,000.
 - b. The principal sum amount of AD&D Insurance is \$50,000. The amount of the principal sum paid is dependent upon the loss incurred.
3. Optional Life Insurance.

Employees may purchase up to an additional \$300,000 of optional life insurance, and up to \$10,000 of dependent life insurance for a spouse and each dependent child, in accordance with the terms of the group insurance policy maintained by the Company.

Section K. Sickness and Accident Benefits

1. Sickness and Accident benefits to be administered by the Company.
2. The Company and the Union will prepare a Summary Plan Description of Sickness and Accident benefits.
3. Eligibility

An Employee is eligible for Sickness and Accident benefits:

- a. if s/he is totally disabled as a result of sickness or accident and prevented from performing employment duties as certified by a physician.
- b. due to outpatient pre-admission testing prior to surgery if tests are within five (5) days of the hospital confinement and are not repeated during confinement and the Employee is not admitted before the day prior to surgery.

- c. if s/he is a donor of an organ or tissue requiring surgical removal of the donated part.

4. Benefit Amount and Commencement

- a. The weekly benefit amount will be equal to sixty percent (60%) of the Employee's Base Rate of Pay up to a maximum of forty (40) hours. The weekly benefit amount shall not exceed \$400.
- b. Benefits begin on the first (1st) day of a disability as a result of an accident or hospitalization, and on the eighth (8th) day of a disability as a result of sickness.
- c. The weekly benefit will be reduced by:
 - (1) any workers' compensation benefits received for the same disability except for payments for hospitalization or medical expense or allowances for loss or disfigurement in excess of the portion attributable to temporary total disability. If there is a dispute regarding entitlement to workers' compensation benefits, weekly benefits will be paid in accordance with arrangements included in the SPD.
 - (2) any primary disability benefits or unreduced old-age benefits under the Social Security Act except that no reduction will be made for:
 - (a) primary old-age benefits for the first twenty-six (26) weeks of Sickness and Accident benefits, or
 - (b) primary disability benefits if the Employee will be able to return to work within twelve (12) months.

Weekly benefits will be paid without any reduction in accordance with arrangements included in the SPD.

5. Benefit Duration

- a. Twenty-six (26) weeks for employees with less than two (2) years of Continuous Service.
- b. Fifty-two (52) weeks for employees with two (2) or more years of Continuous Service
- c. One (1) day for outpatient pre-admission testing.
- d. Successive periods of disability separated by less than two (2) weeks of employment will be considered one (1) continuous period unless they arise from unrelated causes.
- e. If an Employee completes two (2) years of Continuous Service between successive periods, benefits will be paid for up to fifty-two (52) weeks for the continuous period.

PENSIONS

All Employees will be covered under the Steelworkers Pension Trust (SPT) as of Wage Month January 1, 2003. The SPT is a multi-employer defined benefit pension plan. It is administered by a Board of Trustees, consisting of an equal number of employer and Union representatives.

Section A. Coverage

1. Covered Employees

Covered Employees are all Employees who were actively employed for any length of time during a Wage Month. The Company is required to make a contribution in respect of an Employee whose employment is terminated during a Wage Month.

2. Newly Hired Employees

Newly hired Employees will be considered Covered Employees on the first day of the first calendar month immediately following the expiration of thirty (30) days from the commencement of his/her employment. Such calendar month shall be the Employee's first Benefit Month. The immediately preceding calendar month shall be the Employee's first Wage Month.

3. Coverage of Newly Hired Employees Who Were Previously Covered

Newly hired Employees who were previously covered by the SPT shall be considered Covered Employees as of the first day of the first calendar month immediately after the commencement of their employment. This calendar month is the Employee's first Benefit Month and the calendar month immediately preceding is the Employee's first Wage Month.

Section B. Covered Service

1. Covered Service for purposes of eligibility and vesting under the SPT will include:

- a. periods of employment with the Company beginning on the date the Employee was hired by the Company and continuing during the time the Company remains a Participating Employer; and
 - b. service with a Predecessor Company (a USWA represented company, some or all of whose assets are or were acquired by the Company), as determined by that Predecessor Company's pension agreement.
2. Covered Service ends when an Employee quits, dies, retires or the Company stops making contributions on the Employee's behalf.

Section C. Hourly Contributions

1. Beginning on February 10, 2003 and continuing each month thereafter, the Company shall contribute to the SPT an amount equal to \$1.50 for each Covered Employee's Contributory Hours (as defined in Section G below) during the previous month (Wage Month). The month during which the contribution is made is referred to as the Benefit Month. The first contributions will be due by February 10, 2003 and will be for each Covered Employee's Contributory Hours during January 2003.
2. Beginning on February 10, 2004 and continuing each month thereafter, the Company shall contribute to the SPT an amount equal to \$1.80 for each Covered Employee's Contributory Hours during the previous month. The first such increased contributions are due by February 10, 2004 for each Covered Employee's Contributory Hours during January 2004.
3. Covered Employees will receive an annual statement from the SPT showing the contributions made on their behalf during the previous calendar year, the total contributions made on their behalf for all years of participation in the SPT, and the accrued benefit at Normal Retirement.

Section D. Benefit Formula and Amount

1. The amount of the pension that an Employee will receive depends directly on the total amount of contributions made on behalf of the Employee to the Plan by the Company during the time the Employee was covered by the Plan.

2. The monthly benefit payable at Normal Retirement, Rule-of-85 Retirement, and Disability Retirement under the SPT equals the amount of the annual hourly contributions on behalf of an Employee multiplied by an appropriate percentage as determined by the Trust and in effect at the time contributions are made and then divided by twelve (12) to obtain a monthly amount. This is the formula for a single life annuity. The benefit payable as a joint and survivor annuity or other optional form of payment is subject to adjustment.

Section E. Eligibility for Pension

Effective January 1, 2003, vested participants are eligible to retire under the following options:

1. Normal Retirement

Retirement at age 65 with a pension benefit based on the contributions made on his/her behalf, without reduction for early retirement.

2. Early Retirement

Retirement at age 55 with a pension benefit based on the contributions made on his/her behalf, reduced by 0.25% (1/4%) for each month (or 3% per year) that the retirement is prior to age 65.

3. Rule-of-85 Retirement

A participant is eligible for a Rule-of-85 retirement with a pension benefit based on the contributions made on his/her behalf, without reduction for early retirement, if:

- a. age plus the number of years of Covered Service equals 85 or more;
- b. the years of Covered Service that count in making the calculation are those calendar years in which there were at least five (5) months for which contributions were paid to the SPT; and
- c. during the twenty-four (24) month period preceding the month of retirement, there must have been at least ten (10) months for which contributions were paid to the SPT on his/her behalf.

4. Disability Retirement

Disability within the meaning of the Federal Social Security Act while a Covered Employee on or after January 1, 2003, with a pension benefit based on the contributions made on his/her behalf, without reduction for early retirement.

Section F. Vesting

The Trust currently provides that a Participant shall be fully vested upon the completion of five (5) years of Covered Service.

Section G. Hours for Which Contributions are Made

1. Contributory Hours include:

- a. hours actually worked by Covered Employees;
- b. hours for which Covered Employees were paid because of vacation, holidays, jury duty, bereavement leave, union business;
- c. hours for periods on lay-off of up to two (2) years, during which time the Employee will be deemed for this purpose alone to have worked forty (40) hours per week; and
- d. hours for absences during which the Employee is receiving workers' compensation or sickness and accident benefits, or is on Union Leave as set forth in Article 10, Section E (Paid Time Off And Leaves Of Absence), leave of absence for military service or military encampment as set forth in Article 10, Section F (Service with the Armed Forces), or leave of absence on Family or Medical Leave as set forth in Article 10, Section G (Family and Medical Leave). Such absences will be credited as Contributory Hours at a rate of up to forty (40) hours per week.

Section H. Covered Service Contributions

The Company will make special contributions to the SPT to recognize prior service with Predecessor Companies for the purposes of vesting and eligibility in the following amounts:

1. As of the Effective Date, the Company will make a one-time payment of \$1,500, multiplied by the number of Employees as of the Effective Date;
2. 90 Days following the closing of the Bethlehem Acquisition, the Company will make a one-time payment of \$1,500 multiplied by the number of Employees who have been or are expected to be immediately hired by the Company in connection with the Bethlehem Acquisition.
3. Beginning on the Effective Date, the Company will make a one-time payment of \$1,500 multiplied by the number of Employees, if any, who were hired during the preceding Wage Month (excluding those hired in connection with the Bethlehem Acquisition as described in Paragraph 2 above but including those not immediately hired in connection with the Acquisition) who had Continuous Service with a Predecessor Company.
4. By no later than January 1, 2004, the Company will make a one-time payment of \$1,300 multiplied by the number of Employees as of the Effective Date.
5. By no later than nine months following the closing of the Bethlehem Acquisition, the Company will make a one-time payment of \$1,300 multiplied by the number of Employees for whom the Company made the \$1,500 contribution under #2 above.

Section I. Requirements

1. The Company shall transmit to the SPT with each contribution a contribution report on the form furnished by the SPT on which the Company shall report the names, status, hire and termination dates as applicable, as well as the total hours paid to each Covered Employee during the Wage Month.
2. The Company further agrees to supply to the SPT such further information reasonably necessary as may from time to time be requested by it in connection with the benefits provided by the SPT to Covered Employees, and to permit, upon timely notice, reasonably necessary audits of its books and records by the SPT for the sole purpose of determining compliance with terms and conditions of this Agreement.

Section J. Obligation of Trust

In consideration of the Company's contributions to the SPT as provided above and for so long as the Company's participation in the SPT is accepted by the Trustees, the Trustees will, beginning with the date of receipt by the SPT of the Company's first contribution, and continuing for such part of the duration of this Agreement as the Company fully complies with the terms of this Agreement in all respects, extend and make available to Employees covered by this Agreement, the pension benefits for which such employees are eligible under the Declaration of Trust, as amended from time to time, which is by this reference incorporated herein and made part hereof.

Section K. Incorporation Agreement

The benefits and eligibility are subject to the Incorporation Agreement and supplemental agreements among the Company, Union and the SPT Trustees and the SPT Plan provisions. Nothing here modifies the Incorporation Agreement or the provisions of the SPT Plan. The Board of Trustees has the authority to decide all questions concerning eligibility for and the amount of pension benefits. All final decisions regarding the Plan are made by the Board of Trustees based on the provisions of the Declaration of Trust.

RETIREE INSURANCE

Section A. General

1. The Company and the Union shall enter into a Retiree Insurance Agreement which shall establish a Program of Retiree Insurance Benefits (Program) for eligible pensioners and surviving spouses and their eligible dependents.
2. The Program shall include the following types of benefits:
 - a. Medical Benefits;
 - b. Prescription Drug Benefits; and
 - c. Life Insurance.
3. The benefits contained in the Program will be provided through the Steelworkers Health and Welfare Fund (Fund) during the term of the Retiree Insurance Agreement.
4. The Company shall pay the full cost of the benefits of the Program less the applicable pensioner/surviving spouse monthly contributions set forth in Paragraph J(1).
5. The Company and the Union shall enter into a Participation Agreement covering those benefits provided under the Program through the Fund. The Fund shall enter into group insurance contracts with qualified insurance companies for the purposes of providing the applicable benefits of the Program.
6. The Program shall be administered in accordance with one or more group insurance contracts and the Summary Plan Description issued by the Fund. The Fund Board of Trustees shall to administer the Program and all other documents maintained in connection with the Program and to decide all matters arising in connection with the operation or administration of the Program.
7. The Company shall make payments to the Fund in accordance with the terms of the Participation Agreement. The obligation of the Fund to maintain insurance coverage shall be conditioned on timely receipt of required contributions from the Company. The failure of the Company to

make the required contributions to the Fund, shall not relieve the Company of its obligation to pay the full cost of the benefits set forth in the Program and Retiree Insurance Agreement.

8. The Pensioners' and Surviving Spouses' Insurance Agreement shall become effective on the Effective Date, and shall remain in effective until 150 days following the Termination of the Basic Labor Agreement.

Section B. Eligibility

An individual will be eligible for benefits under the Program if the requirements of Paragraphs 1 or 2 and Paragraphs 3 and 4 are satisfied.

1. S/he has accrued at least fifteen (15) years of Continuous Service with ISG and any Predecessor Company (as the term Predecessor Company is used in Article Five, Section E (Seniority) of the Basic Labor Agreement) and either:
 - a. retires from ISG and receives a Normal Retirement or unreduced Early Retirement Benefit from the Steelworkers Pension Trust after having accrued at least the following years of Continuous Service as an Employee of ISG (measured without reference to service with any Predecessor Company):

<u>Age at Retirement</u>	<u>ISG Continuous Service</u>
62 or over	2 years
60-62	3 years
Less than 60	5 years

or

- b. becomes eligible for a Severance Allowance due to a Permanent Closure in accordance with Article Eight, Section C (Severance Allowance) of the Basic Labor Agreement and whose age and Continuous Service is the sum of 65 or greater and who has at least twenty (20) years of Continuous Service; or

- c. retires and receives a Disability Benefit from the Steelworkers Pension Trust.
2. S/he is the surviving spouse of
 - a. an individual described in Paragraph 1 above and was married to such individual both at the time of retirement or eligibility for Severance Allowance as described in Paragraph 1 above and the date of death; or
 - b. an Employee who has completed 15 years of Continuous Service with ISG and any Predecessor Company and who dies while accruing Covered Service under the Steelworkers Pension Trust.
3. S/he elects coverage when first becomes eligible; however, if s/he or any dependents are eligible for medical coverage under any other employer's insurance program, s/he may defer election until the other coverage terminates, provided s/he notifies the Company within ninety (90) days of the termination of the other coverage; and
4. S/he authorizes the deduction of premiums for such coverage from any payment from the Steelworkers Pension Trust or, in the event such deduction is not administratively feasible or such payment is insufficient to cover the premium or is not due, agrees to send a check or money order payable to the Company each month for the applicable cost.
5. Wherever the term Continuous Service is used herein, it means Continuous Service as determined in accordance with Article Five, Section E(3) of the Basic Labor Agreement.

Section C. Enrollment and Effective Date of Coverage

1. Coverage for pensioners becomes effective on the first day of the month for which a pension benefit or Severance Allowance as determined in B.1.(b) above is payable.
2. Coverage for surviving spouses becomes effective on the first day of the month following the month in which the spouse dies.

3. Coverage for pensioners or surviving spouses who defer coverage under Paragraph B(3) or terminate coverage under Paragraph E(3) becomes effective on the first day of the month following the month the Company is notified of the termination of other coverage.

Section D. Dependent Coverage

1. The term “dependent” includes:
 - a. a spouse;
 - b. unmarried children under 19 years of age;
 - c. children after attainment of age 19 but not beyond age 25 if the child is a full time student; and
 - d. children after attainment of age 19 while incapable of self-support because of disabling illness or injury.
2. Coverage for dependents becomes effective on the later of (a) the effective date of coverage for the pensioner or surviving spouse or (b) the date the dependent is acquired.

Section E. Termination of Coverage

1. Coverage of a pensioner or surviving spouse terminates on the earliest of:
 - a. the day the person ceases to be eligible for coverage;
 - b. the end of the month in which a person requests termination of coverage; or
 - c. the day immediately preceding the date on which a surviving spouse remarries.
2. Coverage of a dependent of a pensioner or surviving spouse terminates on the earliest of:
 - a. the day immediately preceding the date such person ceases to be an eligible dependent, except as provided in (b) below;

- b. the end of the month in which a dependent child attains age 19 unless such dependent qualifies as a full-time student or is disabled; or
 - c. the date coverage terminates for the pensioner or surviving spouse except that coverage of a dependent continues until the end of the month in which the pensioner or surviving spouse dies.
3. A pensioner or surviving spouse may voluntarily terminate medical and prescription drug coverage because s/he is eligible for medical and prescription drug coverage under another employer's insurance program, and s/he may again elect medical coverage provided s/he notifies the Company within ninety (90) days of the termination of the other coverage. Coverage terminates for non payment of premiums sixty (60) days after notification of non payment.

Section F. Continuation of Coverage

1. Any pensioner entitled to life insurance pursuant to the provisions of the Retiree Insurance Agreement shall not have such life insurance terminated so long as he or she remains retired from the Company, notwithstanding the expiration of this Agreement except as the Company and the Union may agree otherwise.
2. Any pensioner or surviving spouse who shall become covered by the Program established by the Retiree Insurance Agreement shall not have such coverage terminated or reduced (except as provided in the Agreement) so long as the individual remains retired from the Company or remains a surviving spouse, notwithstanding the expiration of the Agreement, except as the Company and the Union may agree otherwise.

Section G. Summary of Retiree Medical Benefits

The following summary of Medical benefits applies to all Pensioners, Surviving Spouses and eligible Dependents. Please refer to the Summary Plan Description (SPD) for a more detailed description of the benefit program.

**Summary of Medical Benefits
Eligible Pensioners and Surviving Spouses
(See chart of Active Employees Medical Benefits on page __)**

Section H. Summary of Prescription Drug Benefits

1. Prescription Drug benefits are provided using an open prescription drug formulary through a network of national chain and local pharmacies and a mail order provider. Prescriptions must be purchased at a network pharmacy or by mail order to be eligible for benefits.
2. In the event a retiree elects to purchase a brand name drug when a generic equivalent is authorized by the physician, the retiree will be responsible for the payment of the brand name copay plus the cost difference between the brand and generic drug.
3. Prescription Drug benefits are not subject to the Medical plan deductibles, coinsurance or lifetime maximums. Refer to the Summary Plan Description (SPD) for a more detailed description of the benefit program.

**Schedule Of Prescription Drug Benefits
(See chart of Active Employees Benefits on page __)**

Section I. Life Insurance Benefits (Pensioners Only)

All Employees eligible under Section B(1) are eligible for Life Insurance benefits in the amounts set forth below:

1. Prior to Age 62: \$25,000
2. Age 62 and thereafter: \$7,500

Section J. Pensioner and Surviving Spouse Contributions

1. Eligible pensioners and surviving spouses shall be required to make monthly contributions for medical and prescription drug coverage. The monthly contribution rate shall be a percentage of the total monthly premium as follows:

- a. twenty-five percent (25%) of the actual cost of medical and prescription drug coverage for non-Medicare eligible pensioners and surviving spouses.
 - b. forty percent (40%) of the actual cost of medical and prescription drug coverage for Medicare eligible pensioners and surviving spouses.
2. For purposes of determining the amount of the monthly contribution:
 - a. The total monthly premium shall be determined for each calendar year using a methodology, mutually acceptable to the Company and the Union, that reflects the actual cost of medical and prescription drug coverage for each plan (non-Medicare, Medicare) during the preceding calendar year, adjusted by appropriate trend rates.
 - b. Monthly contributions will be established on a per person basis with no charge for dependent children, if any.
3. The Company shall be responsible for the full cost of life insurance benefits.

BENEFIT TRUST

Section A. Establishment of the Trust

The Company will establish a trust dedicated to the payment of retiree health care and death benefits (the "Trust") pursuant to the welfare benefits plan described in Section E. The Trust will be designed to be a tax-exempt, voluntary employees' beneficiary association under section 501(c)(9) of the Internal Revenue Code (the "Code"), which will accept assets from the similar tax-exempt trust maintained by LTV Steel Company.

Section B. Beneficiaries

The following individuals shall be beneficiaries of the Benefit Trust:

1. Retirees (including surviving spouses) and dependents from USWA-represented bargaining units who, by reason of any collectively bargained agreement between the Union and:
 - a. LTV Corporation (or any one of its direct or indirect subsidiaries, other than Copperweld Corporation or any direct or indirect subsidiary of Copperweld Corporation), were retired on or before March 31, 2002, and at the time of retirement were eligible for retiree insurance benefits;
 - b. Bethlehem Steel Corporation (or any one of its direct or indirect subsidiaries), were retired on or before May 8, 2003, and at the time of retirement were eligible for retiree benefits;
 - c. Acme Metals Incorporated, (or any one of its direct or indirect subsidiaries, other than Acme Packaging Corporation), were retired on or before June 1, 2002, and at the time of retirement were eligible for retiree insurance benefits; or
 - d. International Steel Group, Inc., (1) received a benefit under the Transition Assistance Program, and (2) as of May 8, 2003, had completed at least 15 years of continuous service with Bethlehem and satisfied the requirements for a Normal, 62/15, 60/15 or 30-Year Retirement under a Pension Agreement between the Union and Bethlehem Steel Corporation (determined as if the termination of the Pension Plan of Bethlehem Steel & Subsidiary Companies had not occurred).

2. Employees from USWA-represented bargaining units who retire from International Steel Group, Inc. with eligibility for retiree insurance coverage from ISG and are thereafter adversely affected by the elimination of such coverage resulting from the financial inability of ISG to provide such coverage or any unilateral action taken by ISG.

Section C. Company Contributions

1. The Company shall make the following contributions to the Benefit Trust:
 - a. Amounts equal to the obligations of the Benefit Trust (including but not limited to benefit payments and administrative expenses, but excluding Settlor Expenses as defined in Section I) as such obligations are incurred, in amounts not to exceed \$25 million beginning with the Effective Date and increasing by another \$25 million nine months thereafter. Company contributions under this paragraph shall reduce each Variable Contribution described in Section C-1-c below by 33% until such time as the Variable Contributions have been reduced by a total of \$50 million.
 - b. Within 15 days of the end of each fiscal quarter, a contribution of \$10.00 for each hour that any Employee worked in excess of fifty-six (56) hours in any payroll week unless such hours were worked pursuant to an approved alternative work schedule and an additional \$10.00 for each hour that any Employee worked in excess of forty (40) hours in any payroll week in those departments in which any Employees are on non-voluntary layoff.
 - c. Within 45 days of the end of each fiscal quarter, a Variable Contribution consisting of the following:
 - (1) Ten Percent (10%) of Operating Cash Flow between Twenty Dollars (\$20) and Thirty Dollars (\$30) of Operating Cash Flow Per Ton Shipped;
 - (2) Twenty Percent (20%) of Operating Cash Flow between Thirty Dollars (\$30) and Forty Dollars (\$40) of Operating Cash Flow Per Ton Shipped;

- (3) Twenty-Five Percent (25%) of Operating Cash Flow between forty Dollars (\$40) and Sixty Dollars (\$60) of Operating Cash Flow Per Ton Shipped; and
 - (4) Twenty Percent (20%) of Operating Cash Flow above Sixty Dollars (\$60) of Operating Cash Flow Per Ton Shipped.
2. For the purposes of the Benefit Trust:
 - a. Operating Cash Flow shall be defined as Earnings Before Interest, Taxes, Depreciation and Amortization of the Company, less any costs or expenses associated with the Profit Sharing Plan set forth in Article Nine, Section E - Profit Sharing of the Basic Labor Agreement between the parties, calculated on a consolidated basis in accordance with United States Generally Accepted Accounting Principles (GAAP), with the following exclusions:
 - (1) income or loss related to any charges or credits (whether or not identified as special credits or charges) for unusual, infrequently occurring or extraordinary items, including credits or charges for plant closures, business dispositions and asset sales that are not normal operating charges or credits of the Company;
 - (2) any expense attributable to the allocation or contribution of stock to Company employees; and
 - (3) any payments, fees or other expenses that are not in the normal course of business paid directly or indirectly to any person or entity who directly or indirectly owns or controls any equity or equity-like interest in the Company.
 - b. Tons Shipped shall be defined as tons of steel products sold to third parties.

Section D. Review of Contributions

Upon the close of each fiscal quarter, the Company shall provide the Union for its review a detailed report of the amount of any Company Contribution including, any Settlor Expenses to be credited against any contribution under Section C-1-c, and in cases where the Company claims that no contribution is due under either Section C-1-b or C-1-c above, the information supporting such a claim by the Company. The Union shall have the right to review and audit any information, calculation, or other matter concerning a Company determination under this Exhibit A-6 affecting its amount of contributions. The Company shall provide the Union with any information reasonably requested in connection with such review.

Section E. Adoption of the Plan

The Company will adopt and maintain the International Steel Group, Inc, Retiree Welfare Benefits Plan (the "Plan") document providing the terms and conditions of the Benefits described in exhibits thereto.

Section F. Benefits

The Company will determine the Benefits to be described in, and provided under, the Plan (the "Benefits"). For purposes of this Exhibit A-6, Benefits will include, without limitation, which beneficiaries will receive which benefits, the amount of the benefits, the funding of the benefits, whether the benefits will be insured and by what insurer, and the method by which the benefits will be delivered and by which provider.

Section G. Plan Administration

The Company, or its designee, will administer the Plan and manage the Trust.

Section H. Trustee and Service Providers

The Company will designate a financial institution to serve as the trustee. The Company will retain professional service providers as may be necessary or appropriate to keep the Plan and Trust in compliance with the law and to invest the Trust's assets.

Section I. Expenses

The reasonable costs of administering the Plan and managing the Trust will be paid out of the assets of the Trust. The reasonable costs of establishing the Trust, adopting the Plan and determining the Benefits (“Settlor Expenses”) will be paid by the Company and credited against the Company’s Variable Contribution due under Section C-1-c.

Section J. Bargaining Obligations

1. The Company will bargain with the Union regarding the fulfillment of its obligations under Sections A, E, and F. Initially, the Company and the Union will bargain over the terms of the trust agreement, the Plan document, and the Benefits. Thereafter, the Company and the Union will bargain over the terms of any necessary or appropriate modifications of the trust agreement, the Plan document, and the Benefits.
2. To facilitate ongoing bargaining the Company and the Union each will designate three representatives who will meet quarterly, or more frequently as necessary or appropriate, to bargain on their behalf. In addition, Company and the Union will arbitrate any dispute among the representatives on an expedited basis. As soon as a deadlock is declared by either set of representatives, the matter will be set for arbitration without regard to the procedures set forth in Article Five of the Basic Labor Agreement. The parties shall have 30 days from the date of any declaration of deadlock to submit a statement and whatever evidence that they wish the arbitrator to consider in support of their respective positions. After receiving the statements of both parties, the arbitrator may request a face-to-face or telephonic meeting with representatives of the parties, but in all events the arbitrator shall have no more than 30 days from receipt of the parties’ statements within which to determine which of the parties’ positions is in the best interests of the beneficiaries. The arbitrator may only select one of the parties’ positions, not an independent alternative position. The Company and the Union will designate one permanent arbitrator and one alternate arbitrator for this purpose. If neither arbitrator is available, the representatives may agree to waive the time limits or select a temporary arbitrator.
3. The Company will furnish the bargaining representatives with regular periodic reports on the fulfillment of its obligations under Sections G and

- H, including without limitation, audit reports, valuations, actuarial reports, necessary or appropriate analytic studies, and any additional reports that would be necessary for the representatives to design necessary or appropriate Benefits modifications.
4. The Company and the Union will bear their own costs in fulfilling their obligations under this Section J.

401(k) SAVINGS PLAN

The Company shall offer Employees the opportunity to participate in a 401(k) Savings Plan in accordance with the following:

1. Eligibility

Employees active on October 15, 2002 and those hired after October 15, 2002 who have completed their probationary period will be eligible to participate in the Plan.

2. Elections

Participants may elect to make, increase or decrease contributions as of the first day of each month.

3. Plan Administration

The Plan shall be administered by the Company. The Company shall bear the payroll administrative costs associated with the Plan. The per participant, trustee, recordkeeping, transaction and other administrative fees will be borne by the Plan. Selection of the recordkeeper, trustee and selection of investment vehicles will be made by the Company after consultation with the Union and reasonable efforts to accommodate the Union's concerns.

4. Vesting

Participants shall be fully vested in their contributions.

5. Withdrawals and Distributions

Withdrawals will be available at age 59-1/2 or in the event of hardship (as determined by facts and circumstances) as set forth by the Internal Revenue Service. Distributions will be available at retirement, death, disability or termination.

6. Additional Requirements

The Plan will accept eligible rollover contributions from eligible qualified plans and IRA accounts subject to Internal Revenue Service rules.

7. Investment Options

The Plan will offer at least six (6) investment options, including a broad range of investment objectives and risk. Participants will be able to change investment options or transfer funds among options as frequently as permitted by the recordkeepers.

8. Plan Funding

Participants may defer from one percent (1%) to thirty-five percent (35%) (subject to Internal Revenue Service regulations) of their earnings. Participants shall have the option to direct that any portion of any bonus/profit sharing or other similar payment(s) be allocated to their accounts. Contributions to the Plan shall not exceed the maximum permissible by law.

9. Loan Provision

The minimum loan shall be \$1,000. The maximum loan shall be fifty percent (50%) of the participant's account balance or \$50,000, whichever is less. No more than one (1) loan shall be outstanding at any time. Loan repayment will be through automatic payroll deduction or an agreed upon alternative for Employees on layoff, disability or in the event of a labor dispute.

10. USWA 401(k) Plan

In the event that the USWA establishes a multi-employer 401(k) savings plan, the Company will not unreasonably withhold its participation.

11. Documentation

All documents necessary to the establishment of the Plan will be reviewed with the Union and the Company shall make reasonable efforts to accommodate the Union's issues and concerns.

JOB DESCRIPTIONS

Position Title: Senior Operating Technician

Labor Grade 5

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

Position Title: Maintenance Technician (Mechanical or Electrical)

Labor Grade 4

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

Position Title: Operating Technician

Labor Grade 3

Operates and assists Senior Operating Technician and other crew members in tasks on producing units necessary to assure maximum production, quality, inspection and maintenance of material and equipment. Performs and assists in maintenance tasks as directed by Senior Operating Technicians and Maintenance Technicians as required.

Position Title: Plant Transportation Specialist

Labor Grade 2

Operates various types of plant mobile equipment including trucks, heavy equipment, dozers, front end loaders, boom trucks, mobile cranes, etc. If

required, Class A CDL and required endorsements in plants where necessary. Fuels, inspects and performs preventative maintenance on all types of mobile equipment.

Position Title: Service Technician

Labor Grade 2

Performs all work which support operations of the various producing units. Operates material handling equipment, overhead electric cranes and tractors (various sizes and types) and directs the flow of material to be processed to and from producing units and performs functions necessary to support operations. Works with materials and equipment necessary to transport and process product and materials. Supports and assists in maintenance activities in their area and in support of operating units.

Position Title: Utility Person

Labor Grade 1

Performs any type of general labor and light mobile equipment operation required to maintain plant operations.

Office and Technical Job Descriptions

Position Title: Technician
Labor Grade 3

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

Position Title: Plant Technician
Labor Grade 2

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

Position Title: Administrative Technician

Labor Grade 1

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

INCENTIVE PLANS

The local parties have negotiated individual Incentive Plans at each Plant location. Any changes or modifications of the Plans will be governed by Article Nine - Section B of this Agreement.

Memorandum
between
International Steel Group, Inc.
and
United Steelworkers of America, AFL-CIO-CLC
Concerning
Acquisition of Bethlehem Steel Assets
Understandings between the Parties Regarding the Effects of the
Acquisition on the Union-Represented Workforce of Bethlehem

A. ICD (Institute for Career Development)

ISG agrees that the currently approved 2003 ICD budgets shall remain in effect at all locations, subject to the budget review process in the normal course of business by the Local Joint Committee.

B. Letter of Agreement

Certain portions of the December 15, 2002, letter of agreement between David McCall and Thomas Wood, shall not be applicable to the Bethlehem facilities in the Acquisition. Specifically, the restrictions relative to the number of weeks of Vacation an Employee may schedule in any given year and the modification to Article Five, Section C. 6, will not be applied to Employees of the Bethlehem facilities. However, the Parties recognize that Alternative Work Schedules can be conducive in supporting the redesigned work structures and the effectiveness of workplace enhancements in the CC-CBA. The Parties agree to establish a process between the Chairmen of the Negotiating Committee to identify areas where by mutual agreement Alternative Work Schedules would be effective. At the Bethlehem facilities, during the 18-month period from the Effective Date wherever such schedules may provide such enhancements, the Co-Chairs of the Negotiating Committee shall identify and mutually agree to such areas of opportunity. The implementation of such Work Schedules will require approval of a simple majority of the affected Employees at a former Bethlehem plant and will remain installed for a period of up to 12 months.

C. O&T Positions

All office and technical work falling within the scope of the Recognition and Coverage section of Article Two of the Combined Company CBA will be converted to an hourly rate of pay and will be designated into three (3) job classifications as either Technical, Plant Technical or Administrative Technical. The parties have developed appropriate job descriptions (attached as Exhibit A-9). Technician Employees will receive Pay Grade 3, Plant Technician Employees will receive Pay Grade 2 and Administrative Technician Employees will receive Pay Grade 1.

The parties have developed specific departmental lines of progression (LOP's) in the plants that include, the jobs of Technician, Plant Technician or Administrative Technician Employees. The Office and Technical labor agreement will be eliminated, and all bargaining unit Employees at the plant will be covered under the scope and full terms of the Basic Labor Agreement and its related Benefit and Pension Agreements. It is understood that during the development of the lines of progression certain technical functions were most appropriate for inclusion in the plant Production and Maintenance (P&M) line of progression in a specific department. Where the parties identify and agree upon such inclusion, those Employees incumbent to those positions may become incumbent to the appropriate P&M LOP's.

The Technician jobs not incorporated into a P&M LOP but who continue to work in the Department shall receive the same percentage incentive coverage as that paid to the units they support. The parties shall meet to determine an incentive plan for those Technician Employees who do not directly support an individual unit but whose duties are more plant-wide in nature. Such plan development shall be based on an average of the payments made to those Plant and Administrative Technician Units who have directly measured plans.

The parties, as part of the restructuring described in the second paragraph above, will use Plant Service dates as the date for unit placement and bidding in all instances where formerly separate O&T and P&M seniority units are blended as part of the merging of O/T and P&M work into a single contract bargaining unit.

D. Incentive/Rates of Pay Issues

Effective with the date of Closing, the parties have agreed to preserve the same incentive earnings for each Employee at the level of performance that he or she had in a representative period (as defined in Article V section 2(d)(4) of the Bethlehem Collective Bargaining Agreement) prior to the Closing. In addition, such protection shall include such things as red circled rates, personal incentive additives, and personal out of line differentials. The preservation and protection provisions of this paragraph shall apply to the extent they would exceed what would otherwise be the result under the principles of A-C below.

In addition, a Corporate-wide Incentive Task Force (CITF) will be established. The CITF will consist of four (4) members, two (2) appointed by the Chairman of the Union's Negotiating Committee (under the terms of Article Six Section C of the BLA) and two (2) appointed by the Corporate Manager of Labor Relations. In addition, at each facility, the CITF will be supplemented by two (2) additional participants, one (1) appointed by the Local Union President and one (1) by the General Manager of the plant. The purpose of the CITF will be to develop and implement, only after securing mutual agreement, new incentive plans to achieve the following objectives:

1. A significant reduction in the number of incentive plans;
2. Incentive pay that is a percentage addition to the Base Rate of Pay of each Employee (discontinuation of the ICR);
3. An average incentive opportunity of 20% above the Employee's Base Rate of Pay;

The Parties realize that the red circled rates, personal incentive additives, personal out of line differentials (Protected Rates) must be addressed before implementation of said plans. The remedies must be mutually agreed to and may include but are not limited to the following options:

1. A buyout of the Protected Rates with mutual agreement or;

2. A termination date (sunset clause) for the Protected Rates which will be mutually agreed to by the affected Parties.

Furthermore, the Parties recognize that the preserved earnings for each Employee during the interim period may be adjusted if the shipping levels at a particular plant are significantly lowered due to business conditions beyond the control of the management. Such adjustments to the preserved earnings will be incrementally decreased based on mutually agreed upon criteria as developed by the CITF within thirty (30) days of the Effective Date. In addition, the CITF will develop at each plant, criteria within thirty (30) days of the Effective Date to allow for increases in the preserved earnings should business conditions or productivity significantly increase.

The CITF shall begin meeting to discuss development of new Incentive plans within sixty (60) days of the ratification. Such meetings shall also include a timetable and priority list of plans to be developed.

E. Lines of Progression/Seniority Units

The Lines of Progression (LOPs) and the Seniority Units and Departments that the LOPs are applicable to have been negotiated by the local parties at each location/Plant.

F. 401-K

The 401 (k) program offered by ISG will be modified to accept enrollment of participants upon being hired. Additionally the program will be modified to allow loan rollovers for those rolling over an existing 401 (k) under the Bethlehem plan.

G. Bargaining Unit Work

The Parties have agreed the following provisions shall apply at the Bethlehem facilities with respect to Bargaining Unit Work:

1. Objective: The parties recognize that there exists a significant amount of work inside the Combined Company's Bethlehem plants that is being performed by Outside Entities that does

not currently meet an exception provided for in the CC-CBA. The Parties are committed to having all work inside the Combined Company's plants performed by Employees as is required by the CC-CBA.

2. **Work Subject to Transfer:** The Parties agree that under the provisions of Article Two, Section F (Bargaining Unit Work) there is a substantial level of work inside the Bethlehem facilities that is currently (as of the Effective Date) being performed on a full-time basis pursuant to agreement or by practice by Outside Entities (such work, Work Subject to Transfer or WST).
3. The Company agrees that such WST will be transferred to Employees pursuant to the procedures in paragraph 5. Below unless the Company can clearly demonstrate that the work meets both of the exceptions outlined below.
4. **Exceptions:**
 - a. The Outside Entity performing such work has a significant (in the context of the relevant Company facility and the number of Outside Entity employees performing the WST) investment in either equipment, facilities, proprietary technology, or business and administrative infrastructure; and
 - b. That to transfer such WST to Employees would, under all the circumstances, subject the Company to a material economic disadvantage measured over time and taking into account the size of the initial required investment (and without comparing wage and benefit costs).
5. **Joint Implementation Committee:** Within one hundred eighty (180) days of the Ratification Date, the parties shall establish a Joint Implementation Committee (JIC). The Co-Chairs of the respective Negotiating Committees will each name a Co-Chair who will lead the work of the JIC. The JIC may consult with and involve the Bargaining Unit Work Committee at each plant.

6. Information and Resources: The Company shall provide the members of the JIC with any relevant resources or information including arranging meetings with Outside Entities.
7. Work of the JIC: Within six (6) months of the establishment of the JIC pursuant to paragraph 5 above, the JIC will:
 - a. Identify Outside Entities who have employees performing WST;
 - b. Examine the type and amount of WST done by each Outside Entity and identify the contract termination dates of any contracts between the Company and such Outside Entities;
 - c. Identify those Outside Entities which meet the exception outlined in paragraph 4 above.
 - d. Develop plans to transfer the WST to Employees. In developing such plans, the objective of the JIC shall be to do so as expeditiously as possible without interfering with the orderly operation of the plant.
8. Report of the JIC: After completing the tasks set forth in paragraph 7 above, the Parties will develop schedules to transfer any WST which does not meet the exception outlined in paragraph 4 to Employees. Progress on such schedules will be monitored quarterly. Any WST shall be resolved by no later than 12 months from the final report. Remaining items on which the parties disagree and the reason for such disagreement shall following receipt of the report and consultation be documented and sent to the Co-Chairs. Should either Co-Chair conclude that a dispute cannot be resolved, he or she may refer the dispute to Arbitration under the terms of the CBA.

In addition, the JIC shall monitor compliance with the provisions of this Agreement.

May 2, 2003

Mr. David McCall
District 1 Director
United Steelworkers of America
777 Dearborn Park Lane - J
Columbus, OH 43085

Re: Bethlehem Roll Technologies (BRT)

Dear Mr. McCall:

This will confirm our understanding on the above captioned matter.

The assignment of Sparrows Point Employees to BRT as described in the 2/10/98 letter to David Wilson from John Klutz and the Draft #9 Memorandum of Agreement signed by John Ostrosky and David Wilson will continue after the Closing with ISG assuming the role of Bethlehem Steel for Employees assignment purposes.

Within ninety (90) days after the Closing Date, the parties will meet to review both the aforementioned documents with the purpose of discussing the renewal of such Agreements.

Sincerely,

Thomas F. Wood
Corporate Manager Labor Relations

Confirmed: _____
David McCall

May 2, 2003

David McCall
District 1 Director
United Steelworkers of America
777 Dearborn Park Lane - J
Columbus, Ohio 43085

RE: Letter of Understanding Concerning Burns Harbor Plant Slab Mill

Dear Mr. McCall:

The Parties have agreed that before hiring any new employees at the Burns Harbor facility, ISG will give first consideration (in accordance with the employee's former Bethlehem Continuous Corporate Service) for employment at the Burns Harbor facility to all the employees from the Burns Harbor Plant Slab Mill who accepted a Bethlehem shutdown pension benefit. Such employees who accept employment with ISG will be considered new hires for all purposes under the ISG Labor Agreement.

Sincerely,

Thomas F. Wood
Corporate Manager Labor Relations

Confirmed: _____
David McCall

May 2, 2003

Mr. David McCall
District 1 Director
United Steelworkers of America
777 Dearborn Park Lane - J
Columbus, OH 43085

Re: Chesapeake Heavy Machine Services LLP (#2 Machine Shop)

Dear Mr. McCall:

This will confirm our Understanding on the above captioned matter.

Within ninety (90) days of the Effective Date of the CC-CBA, the USWA and ISG shall meet to determine how the facility known as Chesapeake Heavy Machine Services will be operated. During this ninety (90) day period:

1. The current USWA represented employees will be Employees of ISG, covered by the CC-CBA.
2. The facility will be covered under the provisions of Article Two, Section D (Successorship).

Sincerely,

Thomas F. Wood
Corporate Manager Labor Relations

Confirmed: _____
David McCall

May 2, 2003

Mr. David McCall
District 1 Director
United Steelworkers of America
777 Dearborn Park Lane - J
Columbus, OH 43085

Re: Lackawanna Plant Interim Incentive

Dear Mr. McCall:

This will confirm our understanding on the application of the incentive, for the Lackawanna plant, contained in Appendix B, Paragraph 6, Incentive/Rates of Pay Issues in the Memorandum concerning the Acquisition of Bethlehem Steel Assets. All the positions at the Lackawanna plant will be placed on an interim rate of 20% above the new Base Rates until such time as the new incentive plan is installed in accordance with the agreement. Once the new incentive plan is installed, a one (1) year delta (based on 2080 hours) between the interim rate on 20%, and the calculated Protected Rate as defined by the Agreement will be calculated and paid in four (4) equal quarterly installments beginning in January of 2004 to the affected Employees.

Sincerely,

Thomas F. Wood
Corporate Manager Labor Relations

Confirmed: _____
David McCall

May 2, 2003

Mr. David McCall
District 1 Director
United Steelworkers of America
777 Dearborn Park - J
Columbus, Ohio 43085

Dear Mr. McCall:

The below confirms our understanding on the following miscellaneous matters:

1. In regards to the Letter of Agreement dated January 6, 2003 concerning Transition Assistance Program (TAP), the Parties agree that any unused TAP funds may be utilized by ISG for purposes as determined by the Company.
2. The Parties agree to amend the ISG Drug and Alcohol Policy to include that any Employee who incurs an extended leave of absence (except Union leave) of greater than ninety (90) days may be required to submit to a drug and alcohol test as part of a return to work physical.
3. The Parties agree that the Burns Harbor Plant Training Coordinator will also coordinate the Training Program for the Lackawanna Plant.
4. The Parties agree that there will be one (1) Training Coordinator responsible for the Training Program for the Coatesville Plant and the Conshohocken Plant.
5. The Parties agree that Employees on the former Bethlehem Lackawanna Coke Plant who have recall or placement rights in accordance with the Bethlehem IJOP or SLTE understandings to a Bethlehem facility will be recalled to an ISG/Bethlehem facility when an opening occurs. Such Employees will be offered employment to an ISG/Bethlehem facility in order of their Bethlehem Corporate Continuous Service and considered Day One Employees upon their acceptance of a recall.
6. The Parties have agreed to amend Article Five, Section I 3 a. (i) of the ISG Agreement. The word "Employee" shall be changed to "employee".

Sincerely,

Thomas F. Wood
Corporate Manager Labor Relations

Confirmed: _____
David McCall

May 2, 2003

Mr. David McCall
District 1 Director
United Steelworkers of America
777 Dearborn Park Lane - J
Columbus, Oh 43085

RE: Bethlehem Salary Bonus

Dear Mr. McCall:

This will confirm our understanding on the above captioned matter.

ISG will establish a maximum pool of \$350,000 dollars to be distributed in the following manner:

1. An Employee must have been active in one of the Bethlehem Salary bargaining units on December 18, 2002.
2. An Employee must have had a minimum of 5 years in the bargaining unit as of December 18, 2002.
3. The agreement will include eligible Employees who have accepted the TAP conditions and have left the employ of the company.
4. The distribution will include eligible Employees at the following plants: Burns Harbor, Sparrow Point, Pennsylvania Steel Technologies and Lackawanna.
5. The pool will be distributed equally among all eligible Employees in accordance with the Bethlehem CBA in the fourth quarter of 2003.

Sincerely,

Tomas F. Wood
Corporate Manager Labor Relations

Confirmed: _____
David McCall

May 2, 2003

Mr. David McCall
District 1 Director
United Steelworkers of America
777 Dearborn Park Lane - J
Columbus, OH 43085

Re: Steelton Facility

Dear Mr. McCall:

This will confirm our understanding on the above captioned matter.

In recognition of the continuous progress that the Parties at the Steelton facility have made to cooperatively restructure and redesign work in order attain long-term viability the following process will be developed:

1. A Joint Determination Committee (JDC) consisting of the Steelton Plant Manager and the Local Union President will be established.
2. The JDC shall continue to discuss modifications to the current Lines of Progression (LOPs), manning levels and assignment practices in order continue implementation of efficient and effective utilization of the workforce. Such discussions shall also focus on safety issues, capital investment opportunities, facility utilization and quality of work life issues.
3. The Chairmen of the Negotiating Committee will resolve any disputes that may arise within the JDC.

Sincerely,

Thomas F. Wood
Corporate Manager Labor Relations

Confirmed: _____
David McCall

May 2, 2003

Mr. David McCall
District 1 Director
United Steelworkers of America
777 Dearborn Park Lane - J
Columbus, OH 43085

Re: Lines of Progression Issues

Dear Mr. McCall:

This will confirm our understanding on the above caption matter.

The Parties agree that should any issue arise relating to Lines of Progression (LOP), the Local Union and Division Management shall meet immediately to resolve such issue. If however, such issue cannot be agreed upon at the local level it shall be appealed to the Chairman of the Negotiating Committee and the Corporate Manager of Labor Relations for resolution.

Sincerely,

Thomas F. Wood
Corporate Manager Labor Relations

Confirmed: _____
David McCall

May 2, 2003

Mr. David McCall
District 1 Director
United Steelworkers of America
777 Dearborn Park Lane, - J
Columbus, OH 43085

Dear Mr. McCall:

This will confirm the understandings reached in conjunction with the negotiations of the Basic Labor Agreement dated December 15, 2002.

- There will be a six (6) month waiver on the voicing of contracting out agreements as required by Article Two, Section F.
- The company may contract out non-core functions, including janitorial, mail activities, landscaping, snow removal, garbage and trash removal, track repair and general plant housekeeping.
- The Parties agree that any incumbents in the jobs listed above will continue to perform such work until such time as there is a permanent vacancy for them in the plant. Additionally, in the case of a lay-off situation, Employees shall be assigned to such work (if being performed) before being laid-off.

Sincerely,

Thomas F. Wood
Corporate Manager Labor Relations

Confirmed: _____
David McCall

Memorandum of Agreement Concerning the Incorporation of the ISG Railroads, Inc. and South Chicago Indiana Harbor Railroad into the Combined Company Collective Bargaining Agreement between International Steel Group, Inc. and the United Steelworkers of America

1. On May 2, 2003, International Steel Group, Inc. (“ISG”) and the United Steelworkers of America (“USWA”) reached agreement on a Combined Company Collective Bargaining Agreement (“CC-CBA”), which applied and adapted the ISG Collective Bargaining Agreement to certain of the former facilities of Bethlehem Steel Corporation (“BSC”).
2. Exhibit C of the May 2, 2003 Agreement provided for modification and changes to existing USWA collective bargaining agreements of wholly owned railroad companies acquired from BSC by ISG.
3. Subsequent to the CC-CBA, the USWA was certified by the National Mediation Board (“NMB”) to be the duly authorized representative of certain other employees of said acquired railroads.
4. ISG and the USWA have negotiated to include the employees of the below listed railroads into the CC-CBA. The employees covered by collective bargaining agreements with the USWA and those employees certified by the NMB on the railroads listed below (“Covered Railroads”) are hereby incorporated into the CC-CBA at the steel plants associated with such railroad.

ISG Railroads

Patapsco and Back River Railroad
 Lake Michigan and Indiana Railroad
 Steelton and Highspire Railroad
 Brandywine Valley Railroad
 Upper Merion and Plymouth Railroad
 South Chicago Indiana Harbor Railroad

Associated ISG Plant

Sparrows Point
 Burns Harbor
 Steelton
 Coatesville
 Conshohocken
 Indiana Harbor

5. The above listed railroads will be considered part of the associated plant(s) as recognized in Article One, Section A, “Parties to the Agreement,” of the CC-CBA.

6. The terms and conditions of the CC-CBA shall be applicable to such employees except as provided in the side letter relative to the Cleveland Works Railroad of the ISG-CBA, which shall be applicable as long as the railroads are governed by the Railroad Retirement Act.
7. The represented employees of the Covered Railroads will be incorporated into the CC-CBA in the same fashion as those represented employees formerly employed by BSC.
8. Each Covered Railroad has met with the representatives of its corresponding Local Union and has concluded on various location implementation issues. It is agreed that any ongoing local implementation issues will be referred to the Co-Chairs of the ISG-USWA Bargaining Committee.
9. As a result of the restructuring of the railroad work, ISG will provide a Transition Assistance Program ("TAP") to the represented employee of: 1) Patapsco and Back River Railroad; 2) Lake Michigan and Indiana Railroad; 3) Steelton and Highspire Railroad; 4) Brandywine Valley Railroad; 5) Upper Merion and Plymouth Railroad; and 6) South Chicago Indiana Harbor Railroad, ("TAP Eligible Railroads").
10. This Agreement shall be effective upon ratification of the CC-CBA by the represented employees of the Covered Railroads.