2002-2006
AGREEMENT

between

TRANE
Tyler, Texas

and the

INTERNATIONAL UNION OF
ELECTRONIC, ELECTRICAL, SALARIED,
MACHINE AND FURNITURE WORKERS/COMMUNI-
CATION WORKERS OF AMERICA
(AFL - CIO/CLC)

Duration: 6/15/02 - 6/16/06

LOCAL 86782
THIS BOOK CONTAINS:

2002 - 2006 AGREEMENT

Duration: 6/15/02 - 6/16/06

between

TRANE, a business of American Standard Companies

Tyler, Texas

and the

INTERNATIONAL UNION OF ELECTRONIC, ELECTRICAL, SALARIED, MACHINE AND FURNITURE WORKERS/COMMUNICATION WORKERS OF AMERICA

(AFL – CIO/CLC)

Local 86782

and the

2002 - 2006 WAGE AGREEMENT
AGREEMENT

Agreement effective June 15, 2002 by and between TRANE, a business of American Standard Companies for its plants located at 6200 Troup Highway in Tyler, Texas, hereinafter referred to as the "Company" and the INTERNATIONAL UNION OF ELECTRONIC, ELECTRICAL, SALARIED, MACHINE AND FURNITURE WORKERS - COMMUNICATION WORKERS OF AMERICA (IUE-CWA) and its LOCAL UNION 86782 hereinafter collectively referred to as the "Union".
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ARTICLE I
Recognition and Purpose

1. The Company recognizes the International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers – Communication Workers of America (IUE-CWA), and its Local 86782, Tyler, Texas, as the exclusive bargaining agent for those employees defined in Section 2 hereof, for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment and other conditions of employment.

2. The term "employee" as used herein shall mean all production and skilled trades employees of the Company at its manufacturing plant in Tyler, Texas, including plant clerical employees, but excluding all office clerical employees, production schedulers, production coordinators, professional employees, guards and Supervisors as defined in the National Labor Relations Act.

3. This Agreement shall be binding on any and all successors and assigns, who by purchase, lease, transfer of stock or merger, acquire control of the Company's plant operations in Tyler, Texas.

4. The Company will conduct a minimum of one business review with the Executive Board each quarter.

ARTICLE II
Union Security

1. The Company, for each of its employees included within the bargaining unit recognized by the Company pursuant to Article I hereof, who individually, in writing, duly authorizes his Company Paymaster to do so, will deduct from the earnings payable to such employee a sum equal to the weekly dues (including initiation fee, if any) for such employee's membership in the Union and shall remit promptly to the Union all such deductions. The Union and management are authorized to negotiate...
variations from this check-off procedure with respect to the frequency of dues deductions (including monthly dues deductions), and to modify check-off authorization forms in accordance with any supplementary agreement.

2. The authorization for the Company to deduct a sum equal to dues from the employee's earnings may be revoked according to its terms by the employee, if the employee gives notice.

3. Individual authorization executed after the effective date of this Agreement shall be signed cards in the form set forth below, executed by the employee and transmitted to the Company Paymaster. Dues deduction authorized by such signed cards will commence as soon as possible, but no later than the third paycheck following the receipt of the individual authorization by the Personnel Office.

4. All new employees will be advised that the parties have entered into this agreement and will be furnished with a copy of it. In addition, the employee will be given a copy of a list, provided to the Company by the Union, of Union officers and department stewards. The steward in each new employee's department will be noted on the list of officers and stewards. A statement will be given as to the reason why this information has been provided.
INTERNATIONAL UNION OF ELECTRONIC, ELECTRICAL, SALARIED, MACHINE AND FURNITURE WORKERS – COMMUNICATION WORKERS OF AMERICA – AFL-CIO/CLC

I hereby request and accept membership in the International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers – Communication Workers of America, AFL-CIO/CLC, and hereby authorize the International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers – Communication Workers of America, AFL-CIO/CLC, its agents and representatives, to act for me as my collective bargaining representative in all matters pertaining to rates of pay, hours of employment, or other conditions of employment, and to negotiate and enter into contracts with my employer covering all such matters.

This authorization supersedes any and all other authorizations of prior date.

Date __________ Signature ____________________________________________

Pay
No. __________________ Address __________________________________________

Employed By:

Company ___________ Social Security No. _____________________________

Plant __________________ Department __________________________

Telephone ___________ Initiation Fee $ ______________ paid

Received by ________________________________________________________
CHECK OFF AUTHORIZATION

International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers – Communication Workers of America — AFL-CIO/CLC

TO: ________________________________ Employer

I hereby assign, from my earnings now or hereafter payable to me from the Employer, to Local No 86782 of the International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers – Communication Workers of America, AFL-CIO/CLC, a sum equal to Union membership dues and, if owing by me, an initiation fee, as certified to the Employer by the Local.

This Assignment and Authorization is voluntary made in consideration of the costs of representation and collective bargaining and is not contingent upon my membership in the Union.

Pursuant to this assignment and irrespective of my present or future membership status in the Union, I authorize and direct you to deduct, while I am employed in the represented bargaining unit of the Employer, a sum equal to membership dues and, if owing by me, and initiation fee, as certified to the Employer by the Local.

Regardless of my membership status, this Assignment and Authorization shall be irrevocable until a date one year from its effective date, or until the date on which the current collective
bargaining agreement between the Employer and the Union is terminate, whichever is earlier. I agree and direct that this Assignment and Authorization shall be automatically renewed, and shall be irrevocable for successive periods of one (1) year each from its effective date, or for the period of each succeeding applicable collective bargaining agreement between the Employer and the Union, whichever period is shorter. This Assignment and Authorization may only be revoked by written notice by individual registered or certified mail, given by me to the Employer and the Union, postmarked not more than twenty (20) days and not less than ten (10) days prior to the expiration date of each one-year period, or the termination date of each applicable collective bargaining agreement between the Employer and the Union whichever date is earlier.

This Authorization and Assignment supersedes all previous Authorizations and Assignments.

______________________________
Signature of Employee
ARTICLE III

Working Conditions

1. The Company shall make the fullest possible effort to provide a safe and healthy work environment on its premises. This will include, on an "as needed or required" basis, safety inspections, training, safety devices, guards, and medical services to prevent accidents and eliminate health hazards on the premises.

2. The Safety Committee shall consist of not less than three (3) members from the bargaining unit and three (3) members from the Company, which will include the Chairman of the Union Safety Committee and the Plant Safety Engineer. The committee membership may be increased and/or subsequently decreased upon mutual agreement of the parties. The Committee will meet formally on a monthly basis.

3. The function of the Safety Committee shall be to advise management concerning safety and health matters. In the discharge of their functions, the Safety Committee shall: (a) consider existing practices and rules relating to safety and health, (b) formulate suggested changes in existing safety practices and safety rules, and (c) recommend to the Company the adoption of new safety practices and safety rules. In the event the Safety Committee believes the Company has not given proper consideration to a safety recommendation, the Committee may submit their recommendations to the Business Leader, Tyler operations for final consideration.

4. Where major changes are being contemplated the Safety Manager will review the proposals with both the Safety Committee and the Union President or his designee. If he deems necessary, the President can ask the Company to give a review to the Executive Board.

5. It is recognized by the Company and the Union that the concept of Demand Flow Manufacturing is critical to the competitive position of the Company, and it is agreed that both parties will continue working
towards making modifications to the labor agreement which are consistent with the introduction, implementation, and concepts of Demand Flow Manufacturing through collective bargaining.

The Company may establish a DFM classification, which at no time shall exceed eighteen (18%) percent of the total active workforce. This classification shall be staffed solely by (1) recall of inactive employees from layoff or in the case where there are none, hiring of new employees, and (2) designation by the Company of up to eighteen percent (18%) of the least senior employees on each shift as DFM employees. In the event that total plant active employment reduces below 1250 employees, no employee hired before January 1, 1992 shall be assigned to such DFM classification, regardless of recall status. This change will become effective January 1, 2000.

**ARTICLE IV**

**Discrimination and Coercion**

1. Neither the Company nor any of its Supervisors, Managers, or other agents or representatives, shall discriminate against any employee because such employee is a member, Steward, Officer, or other agent or representative of the Union or of the Local.

2. Neither the Union, nor any Steward, Officer, or other agent or representative of the Union, shall intimidate or coerce any employee, nor solicit any employee for union membership or union funds during his working time.

3. (a) The Company and the Union shall not discriminate on account of race, color, sex, creed, marital status, age or national origin.

   (b) The Company and the Union shall not discriminate against any employee because of physical or mental handicap or because he or
she is a disabled veteran or veteran of the Vietnam Era in regard to any position for which the employee is qualified.

Whenever the pronoun "he" is used in this agreement, it is deemed to include the pronoun "she".

ARTICLE V

Working Hours: Straight Time -- Overtime

1. Workweek

A. Regular Week

The regular working week for the employees shall be 40 hours per week, 8 hours per day, 5-day week, from Monday to Friday inclusive. The workweek on multiple shifts may be less than 40 hours.

An employee's workday is the twenty-four hour period beginning with his regularly assigned starting time of his work shift, and his day of rest starts at the same time on the day or days he is not scheduled to work. His workweek starts with the start of his regularly assigned work period on Monday of that workweek. Upon commencing work on Monday at a newly assigned starting time which is earlier than his starting time during the preceding week, the workday immediately preceding such Monday shall end provided the employee has had a 24-hour period of rest prior to the newly assigned starting time.

Variations in hours of work and schedules of hours of the several shifts, including multiple shifts where the workweek starts late Sunday night and where such hours on Sunday are considered as part of the Monday workday, are subjects for negotiations.
B. 4-Day Week

The working week for the employees shall be 40 hours per week, 10 hours per day, 4-day week, from Monday to Thursday inclusive.

An employee's workday is the twenty-four hour period beginning with his regularly assigned starting time of his work shift, and his day of rest starts at the same time on the day or days he is not scheduled to work. His workweek starts with the start of his regularly assigned work period on Monday of that workweek. Upon commencing work on Monday at a newly assigned starting time which is earlier than his starting time during the preceding week, the workday immediately preceding such Monday shall end provided the employee has had a 24-hour period of rest prior to the newly assigned starting time.

C. 3-Day Week

The working week for the employees shall be 36 hours per week, 12 hours per day, 3-day week, from Friday to Sunday inclusive.

An employee's workday is the twenty-four hour period beginning with his regularly assigned starting time of his work shift, and his day of rest starts at the same time on the day or days he is not scheduled to work. His work week starts with the start of his regularly assigned work period on Friday of that workweek. Upon commencing work on Friday at a newly assigned starting time which is earlier than his starting time during the preceding week, the workday immediately preceding such Friday shall end provided the employee has had a 24-hour period of rest prior to the newly assigned starting time.

D. When a change is made in the hours of work or working schedules of substantially all employees of the plant or a department thereof, management will notify the employees
affected and the Union at least one week in advance of the effective date of such change. When a change is made in the hours of work or working schedules of various individuals or smaller groups of employees, the Supervisor will give the affected employees and their Union Steward as much notice as possible. Any grievance resulting from the establishment of a new working schedule will be handled through the regular grievance and arbitration procedure.

E. Should work requirements cause needs for new workweek schedules during the life of the contract the parties, by mutual agreement, can negotiate new schedules.

2. Overtime Work

Because of the nature of the Company's business, overtime work will at times be necessary and employees may be required to perform such work.

(a) However, an employee shall have the right to refuse to perform overtime work where:

(1) the Company can find another qualified employee in the cost center and on the shift to perform the required overtime work;

(2) the employee presents an excuse which is acceptable to the Company; or

(3) the overtime to be worked is during the regular workweek; or

(4) the employee is scheduled to work a Sunday shift; or

(5) an employee has worked on an overtime basis the previous Saturday and is scheduled to work a second consecutive Saturday shift, except however this limitation shall not apply if the employee volunteered to work the previous Saturday; or
(6) the overtime to be worked is on a Saturday that follows the observance of a Friday holiday or that precedes the observance of a Monday holiday.

(b) All Saturday overtime requested after four hours after the regular start of the shift on Monday will be voluntary with the employees so requested.

(c) No employee will be required to work more than eight (8) Saturdays in a calendar year, except however, any Saturday for which an employee volunteers to work shall not be counted as one of the eight (8) Saturdays for which he can be required to work.

(d) Approved vacation on a Friday shall include the weekend. Approved vacation that is scheduled before the company scheduled Saturday overtime shall be granted.

3. Overtime Pay

A. Regular Week

The Company will pay an employee for overtime as follows:

(a) At the rate of time and one-half for hours worked either

(1) In excess of 8 hours in any single workday; or

(2) In excess of 40 hours in any given workweek; or

(3) In excess of 8 hours in any continuous 24 hours beginning at the starting time of the employee's shift; or
(4) After working his regular schedule of 7 hours on his Tuesday through Friday workdays on the third shift; or

(5) On his Saturday.

(6) During the employee's regular shift worked on a holiday.

(b) At the rate of double-time for hours worked either

(1) On his Sunday; or

(2) In excess of 12 hours in his workday; provided that an employee who shall have worked in excess of 12 hours in any single workday, and who shall be required to continue at work beyond that workday, shall continue to be paid at the double time rate for hours worked until he shall have been relieved from work; or

(3) Outside the employee's regularly scheduled shift on a calendar Sunday.

(c) At the rate of double time and one-half for hours worked

(1) Outside the employee's regularly scheduled shift on any of the calendar holidays listed in Article VII as paid holidays.

B. 4-Day Week

The Company will pay an employee for overtime as follows:

(a) At the rate of time and one-half for hours worked either

(1) In excess of 10 hours in any single workday; or
(2) In excess of 40 hours in any given workweek; or

(3) In excess of 10 hours in any continuous 24 hours beginning at the starting time of the employee's shift; or

(4) On his first day worked during non-scheduled time (in excess of 40 hours); or

(5) On his Saturday; or

(6) During the employee's regular shift worked on a holiday.

(b) At the rate of double-time for hours worked either:

(1) On his Sunday; or

(2) In excess of 12 hours in his workday; provided that an employee who shall have worked in excess of 12 hours in any single workday, and who shall be required to continue at work beyond that workday, shall continue to be paid at the double-time rate for hours worked until he shall have been relieved from work; or

(3) Outside the employee's regularly scheduled shift on calendar Sunday.

(c) At the rate of double-time and one-half for hours worked:

(1) Outside the employee's regularly scheduled shift on any of the calendar holidays listed in Article VII as paid holidays.

C. 3-Day Week
The Company will pay an employee for overtime as follows:

(a) At the rate of time and one-half for hours worked either

(1) In excess of 10 hours in any single workday; or

(2) In excess of 40 hours in any given workweek; or

(3) In excess of 10 hours in any continuous 24 hours beginning at the starting time of the employee's shift; or

(4) On the day prior to or day after the employee's regular scheduled workweek.

(5) During the employee's regular shift worked on a holiday.

(b) At the rate of double-time for hours worked either:

(1) In excess of 10 hours on his scheduled Sunday workday.

(2) In excess of 12 hours in his workday; provided that an employee who shall have worked in excess of 12 hours in any single workday, and who shall be required to continue at work beyond that workday, shall continue to be paid at the double-time rate for hours worked until he shall have been relieved from work; or

(3) On his 2nd or 3rd regularly scheduled day off.

(c) At the rate of double-time and one-half for hours worked:
(1) Outside the employee's regularly scheduled shift on any of the calendar holidays listed in Article VII as paid holidays.

D. An employee who is transferred from his regular established shift to another and who is thereafter returned to his original shift during the same week, or during the immediately succeeding week, shall be paid at the rate of time and one-half for the first 8 hours worked following the first such transfer, except where either or both such transfers (i) results from the failure of another employee or employees to report for work; or (ii) is made in connection with a lack of work situation; or (iii) is made at the employee's request; or (iv) results from an emergency breakdown of equipment or machinery; or (v) is made in connection with an established program of shift rotation.

4. General

(a) Listed holidays referred to above shall mean those holidays listed in Article VII of this Agreement.

(b) Computation of overtime shall be in accordance with the day as defined in 1(a) above and shall be allowed under only one of these overtime provisions for any given hours.

(c) In cases where the Company instructs employees to report ahead of schedule and/or remain after the regular schedule to change clothes, etc., employees involved will be paid for such additional time.

5. Night Shift Differential

An employee hired prior to June 23, 1984, who is assigned to a recognized second or third shift operation shall be paid a premium of ninety-five cents ($0.95) an hour in addition to his regular straight-time hourly rate for all hours worked on such shift. However, where an
employee's night shift rate of record on June 22, 1984, exceeded ninety-five cents ($0.95) per hour, he shall continue to be paid the higher premium rate for as long as he remains on a night shift. If such employee voluntarily transfers to a day shift and is subsequently assigned to a second or third shift, he will be paid the ninety-five cents ($0.95) an hour premium following such assignment to second or third shift.

An employee hired after June 23, 1984, who is assigned to a recognized second or third shift operation shall be paid a premium of fifty cents ($0.50) an hour in addition to his regular straight-time hourly rate for all hours worked on such shift.

Recognized second and third shifts shall in all cases be those beginning between 12 noon and 3:30 a.m. In exceptional cases, the starting times for a recognized second shift may be earlier by mutual agreement between the Union and the management.

6. Other Special Payments

(a) Early Reporting and Call-In

(1) Employees who are called in outside of their regular schedule of hours will be paid at the applicable premium rate, but not less than the equivalent of four hours pay at their straight-time rate.

(2) Day shift employees who are called back after the end of their regular day shift (or told to report prior to their regular starting time) will be paid at the rate of time and one-half for hours worked outside their regular schedule, up to midnight and at the rate of double-time for hours worked after midnight and up to the beginning of the regular day shift.

(3) Employees on the second or third shift who are called back after the end of their regular shift (or told to report prior
to their starting time) will be paid at the rate of time and one-half for hours worked up to the beginning of their regular shift.

(4) Subsections (1), (2) and (3) above are not applicable where an employee continues to work into the next shift following his normal quitting time.

(b) Report-In Time

Employees who report for work in accordance with their regular schedules, and, without previous notice thereof, neither their regularly assigned nor any reasonable comparable work is available, will receive not less than four hours pay at the rate applicable had they worked. This subsection (b) shall not be applicable where the inability of the Company to supply work is the result of fire, snow storm, flood, power failure or work stoppage by employees in the same Company location.

(c) Dispensary Time

Employees will be paid at their applicable rate for the time spent in attending the Company dispensary for examination or treatment of any injuries arising out of and in the course of their employment, whenever such time would otherwise have been spent by the injured employee on the work assigned to him. Employees who are directed not to return to work as a result of their injury shall be paid at their straight time rate to the end of their scheduled work shift.

The Company will arrange for third shift employees to make dispensary appointments within one-half hour following the end of their shift, if such appointments are required by the Company. If a third shift employee is required to attend the appointment later than one-half hour after the end of the shift, the employee will be paid at the applicable rate, not to exceed two (2) hours.
7. Division of Overtime

(a) Overtime shall be divided as equally as proficient operations permit among the employees who are performing similar work in the group. A record of the overtime worked by employees (or credited to them) will be posted in designated locations and updated weekly by the Supervisor for his group and will be available for examination by the appropriate Union Steward upon request. Overtime records, when posted weekly, will include the cumulative total for each employee.

The Company and the Union will monitor overtime records on a monthly basis. A copy of overtime records will be distributed to the Union monthly.

The Supervisor and Steward must keep an ongoing dialogue regarding daily overtime situations to resolve any problems at the time they occur. The Supervisor and the steward will initial the monthly overtime record indicating the record has been reviewed and the proper overtime procedures have been followed.

Where the Supervisor has empowered a Team Leader, (by Mutual agreement of Team Leader) to administer the contractual overtime provisions, the responsibility for adhering to the contractual provisions remain with the Company and the Company shall remain liable for any inadequacies or failure to comply with overtime provisions.

The Company will make the fullest possible effort to maintain an equal balance of overtime among the shifts, in a group, in a department.

(b) In effecting the provisions as negotiated in Section 7, it is agreed as follows:

(1) General
(i) "group" is defined to mean a job classification under a Supervisor, within a specific process area, within a specific cost center. Employees assigned to the DFM classification will be considered a part of the group and classification to which they are currently assigned.

(ii) "similar work" means work that an employee can perform satisfactorily without additional training.

(iii) when an employee is transferred on a permanent basis from one job classification to another in the same or a different cost center, or returns from long-term absence, he shall be credited with the average overtime in the group in the classification to which he is transferred.

(iv) at the end of December 2002, all employees will be charged with zero overtime and the previous record will be null and void.

(v) The employee who is low on overtime within his group will be the first solicited for overtime work for which he is qualified to perform until he is caught up with the group.

To facilitate the performing of projects in lieu of subcontracting, overtime may be solicited for the entire project. In such case, the employee who is low on overtime within the group will be solicited for the entire project. If he declines, he will be charged for all of the overtime work declined (entire project).

When there is a scheduled absence and overtime is needed to cover the absence the Supervisor will first solicit the employee who is low on overtime, in the
same job classification of the absent employee. Scheduled absences are where the employee notifies the Supervisor prior to the end of the shift of his absences(s) for the following scheduled workday(s).

(vi) if, after soliciting all employees within a given classification in his group, the Supervisor is still unable to fill his needs for overtime work, he will in successive steps:

• solicit the qualified employee in the group at the same TR rate, then:

• solicit the qualified employee in the same group at the next lower TR rate, then:

• repeat the first step above until the lowest TR rate is reached,

• solicit remaining qualified employees in the successive higher TR rates, in the employee's group.

• In the event overtime needs within the group have not been met by qualified employees, the Supervisor may utilize qualified employees in the other groups within the cost center, and finally, outside the cost center.

• The Company will solicit qualified volunteers for overtime outside an employee's cost center for each job classification. This list will be circulated among all Supervisors, Stewards, and Chief Stewards.
• All such overtime worked outside an employee's cost center shall be charged to that employee's group.

• All overtime requested which is refused during the last fifteen (15) minutes of the shift will not be charged to the employee.

(vii) Where there is a recurring complaint that an employee is not being called at home for overtime work, the steward will verify the solicitation.

(viii) In selecting employees to work overtime, due consideration will be given by management to the potential safety problems inherent in having a single employee working alone in a particular area of the plant.

(ix) The Company and the Union will assist in developing cross-training and skills information to help in identifying employees who are qualified on certain job tasks and will develop a program of cross-training for all employees.

(2) Notification

(i) The Supervisor shall notify the employees affected and their Steward as far in advance as possible when overtime work is required. Reasonable notice is construed as meaning that notice is given just as soon as practical following the Supervisor's knowledge that overtime is required.

(ii) When the need for overtime develops suddenly, as may be occasioned by machine breakdowns, sudden
schedule changes, etc., the Supervisor will so advise the employees being asked of the emergency nature of such overtime.

(iii) If more than one (1) hour overtime is to be worked into the following shift and a break period was not provided at the end of the employees shift or beginning of the overtime period, every effort will be made to provide a break within the first hour of overtime.

(3) Charging of Overtime

An employee will be charged with all overtime available to him whether or not he works or refuses such overtime. However, no employee on vacation or Executive Board member off work on official Union business (i.e. an absence covered by a lost time letter from the Union), will be charged with overtime that would have been available to him had he not been on such vacation or such Union business.

Overtime will be charged by hours paid instead of hours worked. One hour paid at time and one-half will be charged as 1.5 hours and one hour paid at double-time will be charged as 2.0 hours.

ARTICLE VI
Wage Rates

1. The Company shall furnish the Union with information concerning all hourly job classifications, definitions, rates and progression schedules, and changes therein, for all jobs included within the bargaining unit. It is understood that the job classifications and definitions referred to above are merely for purposes of identification and general description and do not purport to be all-inclusive or exhaustive of the actual requirements of
any job so classified or defined. In addition, upon request of the Union, the Company will furnish to the Union a copy of the currently applicable wage structure for the plant.

2. The job classification and the placing of such classifications in the wage rate structure in effect on the date of this Agreement shall remain in effect throughout the term of this Agreement.

3. The Company shall have the right to establish new job classifications or to change existing job classifications and to place such classifications within the wage structure when a new job has been introduced or there has been a major change in existing jobs during the term of this Agreement which may require a new classification or placement in a different level of the wage structure. Jobs in the maintenance, tool room and model shop cost centers which are classified as skilled trades will not be assigned to a DFM classification.

4. The Company will notify the Union of any new or changed job classification and the Union shall have the right to challenge the placement of any such classification within the various labor grades by resorting to the Grievance and Arbitration Procedure for a period of thirty days after such notification.

5. When an employee is hired or transferred through the Company Personnel Department, he will be given written information showing his job classification and job rate to the job for which he is hired or to which transferred.

6. Group Leaders shall be paid two steps above the highest job rate in the group or 80¢ per hour, whichever is higher.

7. The regular straight-time hourly rate of pay shall be determined in accordance with the 2002-2006 Wage Agreement.
ARTICLE VII

Holidays

1. **Listed Holidays:**
   - New Year’s Day
   - Thanksgiving Day
   - Memorial Day
   - The day before Christmas Day
   - Independence Day
   - Christmas Day
   - Martin Luther King Birthday
   - Labor Day

   Two additional listed holidays will be mutually selected by the Union and Management prior to December 31 of the year preceding the year in which the holiday will occur. In the absence of mutual agreement by such December 31, the holidays will be designated by management.

2. **Hourly Employees**

   (a) An hourly employee will be paid, for each of the above listed holidays, up to eight hours at his straight-time hourly rate, for a number of hours equal to his regular daily working schedule during such week, providing each of the following conditions are met:

   (1) Such employee has been employed at least 30 days prior to any such holiday.

   (2) Such employee works his last scheduled workday prior to and his next scheduled workday after such holiday within his scheduled workweek. This condition shall not prevent payment of holiday pay to:

   (i) an employee who has been absent from work because of verified personal illness for not more than three months prior to the week in which the holiday occurs and who works or reports for the Company’s physical examination the next scheduled workday following the holiday; or
(ii) an employee who has been continuously absent from work for not more than two weeks prior to the week in which the holiday occurs and who is not at work either or both such workdays due to approved absences for personal illness or emergency illness at home, death in his family, layoff or union activity; or

(iii) an employee who is not at work on either or both such workdays solely due to military encampment or jury duty; or

(iv) an employee who is absent from work on either the last scheduled workday prior to double consecutive holidays (when such double consecutive holidays have been arranged under the provisions of Section 4 thereof) or his next scheduled workday after such double consecutive holidays if he works the last scheduled workday prior to that holiday, but not the scheduled workday after the second holiday; and he will be entitled to holiday pay only for the second of such double consecutive holidays if he fails to work the last scheduled workday prior to the first of such double consecutive holidays but works the next scheduled workday after the second of such double consecutive holidays.

(b) Hourly rated employees who are receiving the night shift differential pursuant to Article V, Section 5, shall have the same added to any holiday pay received by them under this Article.

3. Any of the above listed holidays falling on Sunday shall be treated for all purposes under this Agreement as falling on the following Monday and shall for such purposes be observed on that Monday only. In like manner, any of the above-listed holidays falling on Saturday shall be treated for all purposes under this Agreement (including the purposes of Article V, Section 3, as falling on the preceding Friday and shall for such
purposes be observed on that Friday only. However, Management and
the Union may, in writing, substitute a day other than the preceding
Friday for any such holiday which falls on Saturday.

4. Other Workweek Schedules

When any of the above listed holidays fall on an employee's scheduled
day off, the employee will receive holiday pay as provided for in Section
2 of this Article with no additional time off from work.

5. Management and the Union may agree in writing to substitute a different
holiday in place of any of the above listed holidays for all purposes.

ARTICLE VIII
Continuity of Service—Service Credits

1. Definition of Terms

(a) "Continuity of service" designates the status of an employee who
has service credits totaling 52 or more weeks.

(b) "Continuous service" designates the length of such employee's
continuity of service, and shall equal the total service credits of an
employee who has "continuity of service."

(c) "Service credits" are credits for periods during which the employee
is actually at work for the Company or for periods of absence for
which credit is granted. (As provided in Section 3.) All employees
in the bargaining unit who are terminated for transfer by General
Electric Company on September 15, 1982, shall begin service with
Trane with the same service credits as such employee had on that date with General Electric Company.

(d) "Absence" is the period an employee is absent from work either with or without pay (except a paid vacation period), computed by subtracting the date following the last day worked from the date the employee returns to work. Each separate continuous period away from work shall be treated as a single absence from work.

(e) "Illness" shall include pregnancy, whenever the Supervisor is notified prior to absence from work.

(f) "Probationary employee" designates the status of an employee who has service credits totaling less than four months.

2. Loss of Service Credits and Continuity of Service

(a) Service Credits previously accumulated and continuity of service, if any, will be lost whenever the employee:

(1) Quits, resigns, or is discharged.

(2) Is absent from work for more than two consecutive weeks, without satisfactory explanation.

(3) Is absent from work because of personal illness or accident and fails to keep the Company notified monthly, stating the probable date of his return to work.

(4) Is notified within one (1) year from the date of layoff that he may return, but fails to return seven (7) calendar days from the receipt of notice, or within the seven (7) calendar days fails to give satisfactory notice of why he cannot return.
(5) Is absent from work without satisfactory explanation beyond the period of any leave of absence granted him by the Company.

(6) Is absent from work for a continuous period of more than one year for any reason, other than (a) a leave of absence granted in advance, or (b) an absence due to a compensable accident (up to 18 months) or compensable illness (up to 18 months), including employees on lack of work status due to a compensable accident (up to 18 months) or compensable illness (up to 18 months).

(b) Individuals in a DFM classification who at the time of layoff had at least six (6) but less than twelve (12) uninterrupted months of service shall, despite loss of service as a result of such layoff, be retained on the recall list and be eligible for re-employment in accordance with the layoff and recall procedure for a period equal to one (1) month for each full month of uninterrupted service not to exceed twelve (12) months. Individuals who at the time of layoff had one (1) but less than three (3) years of continuous service shall, despite loss of service as a result of such layoff, be retained on the recall list and be eligible for re-employment in accordance with the layoff and recall procedure for a period of thirty (30) months following layoff; or, in the case of individuals with three (3) but less than four (4) years continuous service at the time of layoff, for a period of forty-two (42) months; or in the case of individuals with four (4) but less than five (5) years continuous service at the time of layoff, for a period of fifty-four (54) months; or, in the case of individuals with five (5) or more years of continuous service at the time of layoff, for a period of sixty (60) months or a period equal to one-half (½) of such individual's continuous service at the time of layoff, whichever is greater.

(c) Individuals who have lost their service due to absence for illness or injury for more than one year (up to 18 months in the event such absence is due to compensable injury or illness) shall be eligible for
re-employment if they have the required service in accordance with the schedule in (b) of this section, and provided further:

(1) The individual reports promptly to the Personnel Office upon recovery.

(2) The individual meets Company health requirements.

Such individual shall be re-employed in his former job providing he is able to perform such job and normal seniority provisions permit. If he cannot be so re-employed, he shall be placed in the workforce in accordance with Section 1 (a) of Article XI.

(d) If the Company re-employs an employee of the Tyler Plant who has lost service credits and continuity of service because of layoff due to lack of work or because of absence due to illness or injury for more than one year, such employee shall have such service credits and continuity of service automatically restored if his continuous service at the time of his layoff or first day of illness was greater than the total length of such absence.

(e) The service record of each employee laid off and re-employed after layoff or re-employed following illness or injury, will be reviewed by the Company at the time of this re-employment and in each case, such employee will be notified as to his service credits and continuity of service if any.

(f) Employees of the Tyler Plant who have left (or who will leave) the Company with vested rights under the Trane Pension Plan and who return to the Company with such vested rights still intact (but not eligible to automatic service restoration under Section 2 (c)), will have their prior Trane service, to the extent such service is covered by their vested benefits, restored after completing six months of service following their return to the Company. However, such restoration of service shall be contingent upon the employee's full repayment of Income Extension Aid benefits if such benefits were paid either under the sixty (60) day lump
sum termination option of the Income Extension Aid Plan or as a result of a plant closing termination which occurred within six months prior to the date of re-employment.

(g) If the Company re-employs a former employee of the Tyler Plant who had accumulated five or more years of continuous service at the time of a previous termination of Company employment (and the employee is not eligible for automatic service restoration under Section 2 (c)), the Company shall restore each continuous service after the employee has completed six months of service following re-employment.

Such service restoration will be contingent upon the employee’s full repayment of Income Extension Aid benefits within a reasonable time after rehire, if such benefits were paid either under the sixty-day lump sum termination option or as a lump sum due to a plant closing termination which occurred within six months prior to the date of re-employment.

Restoration of benefits attributable to employee contributions under the Pension Plan shall be contingent on the employee’s full repayment of required Pension Plan contributions plus interest within a reasonable time after rehire.

3. Service Credits

Service credits for each employee shall be granted for periods during which the employee is actually at work for the Company, and service credits for absences shall be added to an employee’s service, after re-employment with continuity of service or with prior service credits, as follows:

(a) Employees without continuity of service, when re-employed with prior service credits following absence due to a compensable accident or compensable illness will receive service credits for such lost time up to a maximum of six months. For all other absences of two weeks or less, such employees will receive service credits but,
if absent more than two weeks, no service credit will be allowed for any part of such absence.

(b) Employees with continuity of service, when re-employed with continuity of service following absence due to illness, accident or layoff, will receive service credits for up to a total of the first twelve months of such absence. Where the absence of an employee, with continuity of service, is due to a compensable accident or compensable illness (including lack of suitable work due to a compensable accident or compensable illness), and the employee is re-employed without loss of continuity of service, service credits will be granted for the period of his absence in excess of twelve months up to a maximum of six additional months. For all other absences of two weeks or less, such employees will receive service credits but, if the absence is longer than two weeks, no service credits will be allowed for any part of such absence.

If an employee who has lost prior service credits or continuity of service is re-employed, he shall be considered a new employee and will not receive service credits (unless all or part of prior service credits are restored) for any time prior to the date of such re-employment. However, if an employee who has previously completed his probationary period is re-employed after layoff due to lack of work, he will be eligible for restoration of prior service credits after successful completion of a 45-day evaluation period.

ARTICLE IX
Vacations

1. Paid Vacation Periods

Vacations with pay will be granted in each calendar year (hereinafter called the "vacation year") to eligible employees as follows:
Years of Continuous Service  Vacation

1  1 week  
2  2 weeks  
5  2 1/2 weeks  
7  3 weeks  
15  4 weeks  
20  5 weeks  
30  6 weeks

2. Eligibility Requirements

An employee whose continuity of service is unbroken as of December 31 or his last scheduled workday in the last week of the year immediately preceding the vacation year shall qualify for a vacation or vacation allowance under the provisions of this Article if he:

(a) Actually performs work as an active employee of the Company during the last full calendar week of the year immediately preceding the vacation year; or

(b) Receives earnings from the Company directly applicable to all or part of such week.

If an employee has not qualified under (a) and (b) above, but returns to work without loss of continuity of service during the vacation year, he will become entitled to a vacation or vacation allowance in the vacation year after he shall have worked in the vacation year for one month or for a period equal to that of his absence if his absence was less than one month. Any such employee re-employed too late to work for one month in the vacation year will be paid his vacation allowance and may have a portion of the time out considered as the vacation to which he is otherwise eligible.

3. Determination of Paid Vacations
(a) Basic (or Guaranteed) Vacations

The basic vacation period of an eligible employee shall be based upon his length of continuous service as of December 31 of the year immediately preceding the vacation year.

(b) Additional (or Initial) Vacation

An eligible employee whose continuing accumulation of service credits during a vacation year entitles him to an additional vacation under the provisions of Section 1 (or who completes his first year of continuous service during the vacation year) will receive such additional vacation (or his initial vacation), provided that an employee shall not be entitled to any such vacation in a vacation year unless he shall actually perform work as an active employee of the Company during such vacation year after having qualified for such vacation. EXCEPTION: Where a plant shutdown is scheduled for the last week of the year employees who would have qualified for vacation payment during the shutdown will receive such payment if they return to work (or report for physical examination and are approved for employment) the first scheduled workday following the shutdown or were at work the last scheduled workday immediately preceding the shutdown.

4. Termination of Employment

An employee who quits, is discharged, dies or retires will promptly thereafter receive the full vacation allowance to which he may then be entitled. In the case of employees who died, vacation allowances will be treated as wages owed the employee, and payment made accordingly.

5. Use of Vacation Time for Absences of Employees

(a) Leave of Absence
An employee who is granted a leave of absence may have the first portion of such leave designated as the period of any vacation to which he may then be entitled, if the Manager shall approve.

(b) Extended Illness, Accident or Layoff

An employee who is absent because of illness or accident, or because he is laid off for lack of work may (except in a plant or part thereof which is scheduled for an annual shutdown) have the first portion of such absence designated as the period of any vacation to which he may then be entitled, if the Manager shall approve.

(c) Incidental Absences

An employee whose absence is excused because of personal illness, personal business, holidays that are unpaid, temporary lack of work, or short workweeks (of one (1) hour increments) may (with the Manager's approval) utilize extra vacation time to which he is entitled in excess of the scheduled shutdown or in excess of two weeks where there is no shutdown for such absences in the form of vacation days. This time may be paid out in one-(1) hour increments.

(d) Other Absences

An employee who is absent from work for any reason other than those reasons listed above will not be entitled either to have his vacation scheduled or to receive a vacation allowance during the period of such absence.

(e) Vacation Payment Guarantee

An employee whose absence from work continues beyond the end of a vacation year and who did not receive in such vacation year the full vacation pay for which he had qualified, shall receive at the end
of such absence or upon prior termination of service, a vacation allowance in lieu of any vacation to which he was still entitled at the end of the vacation year.

6. Computation of Vacation Pay

(a) Basic Formulas

Vacation pay for each week of vacation to which an employee is entitled will be computed by multiplying the appropriate weekly hour-multiplier as determined by subsection (b) below, by the appropriate rate-multiplier as determined by subsection (c) below. (Vacation pay for any extra day or half day of vacation to which an employee may be entitled will be determined by (i) dividing by five or ten respectively the weekly hour-multiplier determined for him under section (b) below and (ii) multiplying such daily equivalent by the appropriate rate-multiplier determined by subsection (c) below.)

(b) Determination of Weekly Hour-Multiplier

The weekly hour-multiplier for vacation pay computations for all employees will be 40 hours except as noted in the following paragraphs of this subsection (b).

(i) Short Schedules:

The weekly hour-multiplier of an employee whose regular weekly schedule at the time his vacation begins is less than 40 hours will be the greater of either (A) his scheduled hours per week at the time the vacation begins, or (B) his scheduled hours per week during the last fiscal week, as determined by the Company fiscal calendar, worked by him during the year preceding the vacation year, but in any event will not be greater than 40 hours.
Multiple-Shift Short Schedule:

Notwithstanding the provisions of (i) above, the weekly hour-multiplier for an employee who is on a multiple shift operation and whose regular weekly schedule of hours if not less than 37 1/2 hours shall be not less than 40 hours.

Extended Schedules

The weekly hour-multiplier of an employee who shall have worked an average of more than 40 hours per week during the week paid in the calendar year which immediately precedes the vacation year will be determined in accordance with the following schedule:

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<th>Average Weekly Hours</th>
<th>Weekly Hour-Multiplier</th>
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NOTE: For the purposes of the foregoing schedule, average weekly hours will be computed by dividing the total number of hours actually worked by the employee during the weeks paid in said year by the number of weeks in such year, except that the following listed types of time lost from work will be counted as times worked:

(A) Time spent on union activity;
(B) A listed or observed holiday;
(C) Jury duty service;
(D) Military Service for which service credits are granted under Article XXIII;
(E) Annual shutdowns and vacation periods;
(F) Employee's personal absences for which pay is granted;
(G) Time paid for death-in-family absence;
(H) Time lost due to a compensable accident or compensable illness.

(c) Determination of Rate-Multiplier

The rate-multiplier for employees will be as follows:

Rate-Multiplier

The greater of:

Current Rate (including night-shift bonus for employees who are regularly scheduled on a night shift)

Year-End Rate (including night-shift bonus for employees who are regularly scheduled on a night shift.)

Regular hourly rate in effect at time his vacation begins

Regular hourly rate in effect during the last full calendar week worked during year preceding vacation year
(d) Payments for Incidental Absences

The payments described in Section 5(c) will be paid on the same basis as outlined above.

7. Scheduling of Vacations

(a) Scheduling

In December the Company may announce vacation shutdown periods for the following calendar year, and during such shutdowns, the vacation for eligible employees shall be considered to run concurrently. One (1) week vacation schedules can be for the month of July or August and/or one (1) week vacation during Christmas time. Exceptions for certain departments or individuals by reason of the requirements of the business shall be at management's discretion. With respect to other scheduled shutdown periods, employees entitled to vacation time in excess of the shutdown periods, may elect to take the time off without pay as though on temporary layoff for lack of work and take his remaining vacation at some earlier or later date including the week immediately preceding or following the shutdown period. Vacations taken at times other than during shutdown periods will be scheduled to conform to the requirements of the business at the Manager's discretion. For any part of a shutdown period for which an employee is not eligible or does not become eligible for vacation pay during the vacation year, and during which he has no work available, he will be deemed to be on temporary layoff for lack of work.

(b) Postponement or Division of Vacation
It will not be permissible to postpone vacations from one year to another. No vacation will be divided unless it is vacation that exceeds the scheduled vacation shutdown time announced in December.

(c) Employees may give up vacation that exceeds any vacation shutdown scheduled for the year for "in lieu of" payments. This must be requested in increments of one or more full days and can be requested any time between January 1 and the end of November of each calendar year.

8. Time of Vacation Payment

Except as otherwise provided in this Article, vacation allowances for full weeks shall be paid to an employee on or about the last day worked by him prior to the beginning of the vacation scheduled for him (except payments under 5(c)). An employee who takes his vacation prior to the date upon which he becomes eligible will receive payment (computed in accordance with Section 6 above) after he becomes eligible. Additional day or days for which an employee may qualify later in the year may be taken at the time of the regular vacation and payment for such time (computed in accordance with Section 6 above) will be made after the employee has qualified.

9. Holiday in Vacation Period

When the vacation period of an employee includes one of the holidays listed in Article VII, an additional day of vacation will be granted with pay if the holiday occurs during the scheduled workweek of the employee. In such case, the extra day must be taken immediately before or after as an extension of the vacation.
ARTICLE X

Transfers

1. (a) In the case of employees who are laid off from their regular jobs for lack of work, every effort will be made to transfer them to related jobs having an equal rate or to available openings on jobs having a higher rate within their product unit/process area.

(b) Employees permanently transferred to lower rated jobs will receive either one week's advance notice of such transfer or payment for the first week's work after transfer at their rate immediately prior to transfer.

(c) An employee may be temporarily transferred to a different shift or cost center because of production or training needs, or because his specific skills are needed on that shift or cost center. When a 2nd or 3rd shift employee is transferred temporarily to 1st shift by the Company for production or training needs, the employee will continue to receive the night shift differential pay until he returns to his former shift.

When such a transfer occurs, the Supervisor will:

(1) Solicit for volunteers that qualify to perform the specific skills.

(2) Least senior qualified employees in the Job Classification, group, and department involved will be transferred to a different shift or cost center if no volunteers.

An employee so transferred, will not be required to stay on a shift or in a cost center for more than ten (10) working days, except however, this ten (10) day limitation shall not apply to any employee assigned to a DFM classification.
2. Whenever an employee with seniority is permanently transferred by the Company to a lower job rate because he is not performing his job in a satisfactory manner or because of physical or mental inability, the Union President or Plant Chief Steward will be provided advance notification of such transfer.

(a) When an employee is inabilited within a classification due to a physical or mental inability, this will not prohibit the employee from being transferred to an available opening, as defined in Article XI, Section 3(e), for which he is qualified to perform. The factor of ability shall be applied first on his current shift and job classification, then sequentially as described in Steps 2, 5, 7 and 9 of Article XI, Section 1(d).

3. Section (2) above notwithstanding, an employee who is transferred to a job that he formerly held on a permanent basis will be transferred at not less than the step rate he was paid at the time he held such job.

4. Minimum Starting Rate

In any case where the transfer rate as provided above is less than the minimum starting rate of the job to which transferred, the minimum starting rate will be paid.

5. Progression to Job Rate

If after transfer, an employee is on a progression schedule and receiving less than the job rate of the job to which transferred, he will progress to job rate in accordance with the provisions of Article VI.
PRODUCT UNITS

A process area is defined as an area within cost center, as determined by the Company.

COMPRESSOR PRODUCT UNIT - Process Areas

- Cost Center K28  Process Area: Small Parts Machining
  Crankshaft Machining
- Cost Center K35  Process Area: Shell Fabrication

UNITARY PRODUCT UNIT - Process Areas

- Cost Center 638  Process Area: Tube Fabrication
  Spine Fin
- Cost Center 639  Process Area: Sheet Metal Fabrication
- Cost Center 641  Process Area: Paint Hang and Mezz
  Paint Un-Hang
- Cost Center 644  Process Area: Line 1
  Line 2
  Line 3
  Line 4
  Line 5
  Mezzanine 3 & 4
  Floater Pool
- Cost Center 647  Process Area: Wiring
NON-PRODUCT UNIT

Cost Center 605  Process Area: Shipping
Cost Center 621  Process Area: Tool Room/Model Shop
Cost Center 622  Process Area: Maintenance
Cost Center K25
Cost Center 623  Process Area: Quality Control
Cost Center K23
Cost Center 624  Process Area: Materials
Cost Center 625  Process Area: Facilities
Cost Center K24  Process Area: Materials

FOR IDENTIFICATION PURPOSES ONLY
ARTICLE XI

Reduction or Increase in Forces

1. Whenever there is a reduction in the working force or employees are laid off from their regular jobs, total length of continuous service, applied on a plantwide seniority basis shall be the major factor determining the employees to be laid off or transferred (exclusive of upgrading or transfers to higher rated jobs). However, ability will be given consideration.

Notwithstanding the foregoing, the Company shall have the right to layoff affected employees in a DFM classification in a cost center by least seniority within the cost center for up to a maximum of twenty (20) working days in a calendar year, in order to maintain production productivity and effectiveness in other cost centers at the time of the workforce reduction. Upon subsequent increase of the workforce in the cost center, those DFM employees who were laid off, will be recalled by order of seniority to the cost center they were assigned immediately prior to the layoff and placed as otherwise provided in this article. Senior employees assigned to the affected cost center who have not been recalled by the end of said twenty (20) day period will be recalled and placed in the manner described in the rest of this article.

(a) The factors of continuous service and ability shall be applied: first within a cost center, then plantwide.

(b) Employees not having sufficient seniority to stay in their cost center will displace the shortest service employees in their classification plantwide, if unable to displace in his classification, then the employee shall displace the least senior employees in successive lower classifications before being laid off. When a temporary lack of work develops, the hours of employees in the affected cost centers may be reduced to thirty-two (32) hours by mutual agreement between the Company and Union.
(c) Employees shall be allowed to displace plantwide with the following procedure:

(i) Whenever there is a reduction in the working force, the employee with the shortest service in the classification affected on that shift within the cost center shall be removed.

(a) If the employee has less than four months service credits, he will be considered for placement on available openings for which he is qualified, either in the cost center or elsewhere in the plant. If there are no such openings, the employee will be laid off for lack of work.

(b) If the employee affected has four months or more service credits, such employee will be referred to the Personnel office for placement on a job which he is qualified to perform in a satisfactory manner with a minimum amount of training, in accordance with the following plantwide procedure. Each step of this procedure will be followed successively until the employee has been placed or laid off for lack of work.

Step 1. Assignment to an available opening on the same shift having the same job classification as the employee's latest classification.

Step 2. Assignment to an available opening on the same shift having the same job rate as the employee's latest classification.

Step 3. Displacement of the shortest service employee on the same shift having the same classification as the employee's latest classification.

Step 4. Displacement of the shortest service employee on the same shift in another classification, having the same job rate as the employee's latest classification.
Step 5. Assignment to an available opening on any shift having the same job rate as the employee's latest classification.

Step 6. Displacement of the shortest service employee on any shift having the same job rate as the employee's latest classification.

Step 7. Assignment to an available opening on the employee's same shift on the next lower rated job classification.

Step 8. Displacement of the shortest service employee in the next lower rated job classification on the employee's same shift.

Step 9. Assignment to an available opening in the next lower rated job classification on any shift.

Step 10. Displacement of the shortest service employee in the next lower rated job classification on any shift.

Step 11. Steps 7, 8, 9, and 10 shall be followed progressively through lower rated jobs until the displaced employee has been placed on a job or laid off due to lack of work. However, in the event the lower rated job is more than two step rates below the employee's latest classification, the employee may refuse the job and be laid off for lack of suitable work, unless the employee has requested shift protection as outlined in Section 7.

(e) When a temporary (two weeks or less) lack of work develops which may be localized in specific areas, groups, or cost centers within the plant, the individuals affected may be placed on available work or temporarily laid off for lack of work, however, a senior employee in a temporary lack of work situation may volunteer to his supervisor to be laid off rather than a less senior employee provided his skills are not needed, and provided further that the less senior employee so retained is qualified to perform
the needed work. No employee will be temporarily laid off out of seniority for more than ten (10) working days in a calendar year. This time may be extended by mutual agreement between the Company and Union.

An employee who has been laid off for more than two weeks, as outlined above, may notify his supervisor of such in advance of any further temporary layoff, and request available work in accordance with this provision.

(f) Total length of continuous service shall be the major factor governing rehiring if the employee is qualified to perform the available work in a satisfactory manner after a minimum amount of training. No new employee shall be hired until all laid off employees have had an opportunity to return to work as long as there are laid off employees qualified to perform such work. The Company will notify laid off employees to return to work by telephone, telegram, or by registered or certified mail with a copy to the Union.

2. General Conditions

(a) Recall of the employee who has been laid off as provided in paragraph 1(a) (Step 11) above will only be made in case an opening occurs in any cost center within two step rates of the employee’s latest classification. If the employee subsequently notifies the Personnel Office of his willingness to accept any opening, he will be considered for rehiring pursuant to the procedure in paragraph 1(c) above.

(b) The employee who refuses a job offered for reasons other than because it is more than two step rates below the job rate of his former classification will be informed in writing that his service credits and continuity of service as described in Article VIII, Section 2, of this Agreement are lost.
(c) Changes in the work force pursuant to this Article will not be made where subsequent changes involving employees in similar work are foreseeable.

(d) The provisions contained herein shall not be made retroactive.

(e) Nothing contained in this Article shall be deemed to impose upon either party the obligation to take any action or refrain from taking any action in violation of any existing or future law or rule, regulation or directive issued by a government department or agency.

3. Definitions

(a) "Cost Center" means all of the employees assigned to a plant operation designated by a cost center number.

(b) "Plantwide" means the unit of employees for whom the IUE (AFL-CIO) was designated as the collective bargaining agent in National Labor Relations Board Certification Case Number 16-RC-1975 or as it may hereafter be changed by any subsequent order of the National Labor Relations Board.

The Plant shall have within it two product units which will comprise the majority of employees. The two product units are Compressors and Unitary.

(c) "Employee," whenever so underlined, means the active employee who is being considered for either layoff or placement under this Article.

(d) "Job Classification" shall mean a work assignment identified by a job definition.

(e) "Available Opening" is a job for which no displacement is necessary.
(f) "Displacement" means the removal of an employee with less continuous service.

(g) "Qualified to Perform" means that the employee is able to do the work required by the job without any training.

(h) "Qualified to Perform in a satisfactory manner with a minimum amount of training" means that training required for a job assignment in which an employee can utilize his past experience and only needs instruction to attain efficiency within a period not to exceed two weeks.

(i) For the purpose of this Article, the total length of continuous service of employees hired into the Bargaining Unit from non-bargaining unit jobs shall be only their length of continuous service in the Tyler Bargaining unit.

(j) Employees who, after October 3, 1966, are transferred to jobs outside the bargaining units may be returned to their former classification in the bargaining unit in accordance with their total length of continuous service at the time they left the unit plus the number of years outside the unit up to a maximum of five such years outside the unit provided seniority permits such placement. If they cannot be so returned they shall be placed in the workforce in accordance with Section 1(a) of the Article.

4. An employee who retires as provided in the Company Pension Plan shall cease to have any rights under the provisions of this agreement. (However, this agreement shall continue to be applicable to retired employees returned to active employment by the Company.)

5. Employees will be given at least one week's notice and one week's work at the prevailing schedule before layoffs are made due to decreasing forces. Where affected employees are asked to leave earlier than a one-week period they will be paid at job rate for hours they do not work during this one-week notification period.
6. An employee with continuity of service out due to illness for a period not exceeding one (1) year who returns to work shall be re-employed in his former job classification and position provided such position can be determined and provided further that he is able to perform the job and that normal seniority provisions permit such placement.

7. Shift Protection

Employees with 4 months or more service credits may upon written request elect to protect their current shift over job rate and classification under the provisions of Section 1(b).

Employees may submit their request to Personnel during the calendar month of January each year. A copy of these requests will be forwarded to the Union.

Employees who are awarded an upgrade to a different shift after the month of January may elect to protect their new shift by written request to Personnel when notified of their successful job bid.

At the time of layoffs, employees may indicate a shift of preference and/or a product unit of preference for purposes of recall under Article XI. Employees will be recalled to their shift of preference and/or their product unit of preference unless their specific skills/job knowledge are needed and he/she is the only qualified person available to fill an available opening on another shift, or the Company would be required to hire a new employee to fill the opening. An employee may change his shift preference/product unit preference request while on layoff by written notice to Personnel, which will become effective not later than five (5) days after receipt of such notice by Personnel.

Where possible shift protection for laid off employees, parties have agreed to view each circumstance where special conditions and circumstances will be detrimental to the employee returning from layoff at that time, and based upon the recommendation, with mutual agreement.
of the parties, the returning employee may forego recall at that time, in writing.

Copies of these requests will be forwarded to the Union President.

8. Medical Restrictions: Non-Occupational/Occupational Injuries

When an employee cannot perform work due to a disability or medical condition, the employee shall be transferred to an open job for which he is qualified to perform. The factor of ability shall be applied first within his process area, cost center, shift, product unit, and finally plantwide. These moves shall be made by Human Resources. When necessary Human Resources will confer with medical services for a medical opinion.

If no available opening exists for which they are qualified, the employee will then be placed on layoff for lack of suitable work. They will be recalled in line with their seniority to openings to which they are qualified to perform.

An employee who has been medically restricted and placed on a job in accordance with Article XI, will not be eligible to bid to another job for six (6) months from the date of placement. The employee's medical restrictions must be removed at least ten (10) calendar days before bidding on a job. Medical Services shall review all medical restricted cases.

In the event of a reduction in force, active employees with medical restrictions can exercise their bumping rights in accordance with provisions of Article XI.

The employee who has been injured on-the-job and cannot perform his job duties will be placed on the Alternate Work Program.
Upon mutual agreement, this provision may be altered to comply with the requirements of the Americans with Disabilities Act of 1991 and the Family and Medical Leave Act of 1993.

ARTICLE XII

Union and Local Representatives and Stewards

1. Layoff Deferment

(a) An employee who is an official of the Union, and who has accumulated six months or more of service credits shall, on written request of the Union, be deferred from layoff (except temporary layoffs) from his job classification and shift of the employees he represents so long as work for which he is qualified is available on such job classification and shift. If such work is not available on his job classification and shift, such an employee shall, to the extent necessary to defer him from layoff, be deemed to have sufficiently greater continuous service than other employees in the bargaining unit to entitle him to transfer to other work in the unit for which he is qualified. Such deferral from layoff will continue only so long as the employee retains his position as an official of the Union. This provision shall apply to a minimum of four and a maximum of six such officials.

(b) An employee who is a Steward of the Union and who has accumulated six months or more of service credits shall, upon written request of the Union, and if a majority of the group of employees he represents assents as certified in writing by the Union, be deferred from layoff (except temporary layoffs) from his job so long as work for which he is qualified is available on such job among the group of employees he represents. If such work is not available on his job, such employee shall, to the extent necessary to defer him from layoff, be deemed to have sufficiently greater continuous service than other employees he represents so as to entitle him to transfer to other work for which he is qualified.
within his group. Such deferral from layoff will continue only so long as the employee retains his position as Steward. This provision shall, in general, apply to a maximum of one Steward for each Company Supervisor.

(c) Paragraphs (a) and (b) hereof shall apply only to those Union representatives who are regularly involved in the processing of grievances and on-the-job contract administration and whose names and sections have been furnished in writing to the Company prior to the giving of notice of layoff by the Company and shall not apply to any such officials or Stewards who are on leave of absence pursuant to the provisions of Section 3 hereof.

2. Temporary Loan

A Union Steward will not be temporarily loaned to another Supervisor's group provided there is work available in his group which he can capably perform and which needs to be performed.

3. Leave of Absence

Upon written request of the International Union:

(a) Employees who are elected or appointed to full-time positions with the Union after signing this Agreement and who have at least one year of continuous service with the Company shall be granted one year's leave of absence by the Company. Such leave shall be limited to no more than six (6) employees at any one time, and may be extended from year to year upon written notification from the International Union prior to the end of each one year leave of absence.

(1) During any such leave(s), such employees shall accumulate continuous service.
(2) Such employees will be re-employed in work of the same or a similar character in the same or other departments of the plant, if qualified therefore, and if entitled thereto on the basis of their prior accumulated continuous service. In the case of employees who are officials of the Union who are granted a leave of absence after the effective date of this Agreement, such employees will be entitled to add to their prior accumulated continuous service the total period of any such leave of absence.

(b) Any employee elected or appointed as a Union officer or as a delegate to any labor activity necessitating leave of absence shall be granted such leave of absence for a period of two weeks. No more than three (3) employees shall be on such leave of absence at any one time except with mutual agreement of both parties.

4. Payment for Time on Union Activities

(a) Employees not on leave of absence pursuant to the provisions of Section 3 hereof will be paid by the Company at their respective rates then prevailing for absences from work while engaged in the following activities on Company premises:

(1) During each fiscal month, the number of weeks in such Company fiscal month multiplied by 1 1/2 hours per week for those stewards whose names and sections have been furnished to the Company pursuant to the provisions of Section 1(c) hereof, while engaged in processing grievances at Supervisor level pursuant to the provisions of Article XIII, Section 1(a).

Where the plant is regularly scheduled on a forty-eight hour per week basis, the above allowances will be based on 2 hours per week.
Payment to Stewards will be made on a weekly basis within the above limits.

(2) Up to a total of eight hours per week (exclusive of time payable under Section I hereof) for members of Local Executive Board or for Negotiating Committee members while engaged in processing grievances with representatives of management pursuant to the provisions of Article XIII, Section 1(b) and (c). Such Committee members or Executive Board representatives shall be limited at any one meeting to six representatives, unless the number is increased by mutual agreement of the Union and management. This does not limit the number of Executive Board members and does not prevent meeting of the full Executive Board members and does not prevent meeting of the full Executive Board with management when such meetings are arranged in advance.

(3) Grievance Committeemen will be paid for time spent in the regular monthly grievance meeting at their regular straight time hourly rate.

(b) Employees requesting payment pursuant to the provisions of Paragraph (a) hereof shall report all time spent on the handling of grievances to their respective Supervisor or other immediate Supervisor.

Chief Stewards will be permitted to contact Stewards in their respective departments when the officers of the Union deem such contact necessary. They will advise their own Supervisor before leaving their departments and also contact the Supervisor in the department which they are visiting before they contact the Steward.

The Company shall report their names, rates of pay and time absent from work to the Union, and shall in no event be required to make payments pursuant to Section 4(a) hereof, except to the extent that
such reports are approved by the Union, and such Section 4(a) is otherwise applicable.

(c) Whenever an EPA or OSHA inspection shall occur in a work area that includes employees represented by the Union, an employee designated by the Union who accompanies the EPA or OSHA inspector as the employees' representative will be paid for time lost from work during such inspection.

5. A Union representative may accompany, with prior approval, a member of management for the purpose of observing a job that has been affected by an adjustment in the production schedule or rebalance of a production line or a major job content change. Upon a request by the Union, management will review with the Union elemental job duty studies of the specific job in question.

6. Plant Visitation

The Company agrees to allow a representative of the International Union or Business agent to arrange meetings at the plant with the Manufacturing Relations Manager at mutually convenient times. Should such representative request to enter the production facilities or to contact any employee, necessary arrangements will be made by the Company.

7. Shift Assignment

An employee working on the night shift who is elected to the office of President or Plant Chief Steward shall be assigned to the day shift. Where necessary, such employee shall displace the least senior employee on the day shift in his cost center. Neither the President nor Plant Chief Steward will be placed on a night shift provided there is work available which they have the ability to perform on the day shift.
ARTICLE XIII
Grievance Procedure

1. Grievances may be filed by an employee, group of employees, or a Steward of the Union. Grievances of a general nature filed by the Union shall be initiated at the second step of the grievance procedure.

(a) Pre-Grievance Procedure

(1) Where a condition and/or action of Management gives rise to a grievance, the employee affected and/or his Steward may discuss the grievance with the employee’s Supervisor or other immediate Supervisor not longer than sixty (60) days immediately following the occurrence or first knowledge of the event which gave cause for the grievance. (If presented by the employee, he may also have his steward present.)

(b) Step One

Within five (5) working days after such verbal presentation, the employee affected and/or his steward may present the Process Leader a written grievance for discussion with the Shift Chief Steward.

The Process Leader will schedule with the Shift Chief Steward within five (5) working days of receipt of the grievance a mutually acceptable meeting date to discuss the grievance. The Process Leader will provide a written answer to the grievance within five (5) working days after the 1st step meeting. The grievance and answer will be given to the Shift Chief Steward.

(c) Step Two

If the Process Leader’s or designated representative’s answer does not settle the grievance in Step One it will be presented to the Human Resources Department within fifteen (15) regular workdays
of the Process Leader’s or designated representative’s answer. The grievance will be discussed at the monthly grievance meeting to be attended by the Union Grievance Committee and designated members of the Human Resources Department. Such meeting shall be held on the fourth Thursday of each month and upon request of the Union the Process Leader will attend. A representative of the International Union may also be present at this meeting.

The Company will answer the grievance in writing within five (5) regular workdays from the date of the scheduled grievance meeting at which it was discussed. Management agrees to answer all grievances in each step within the specified times; however, if management should inadvertently fail to make the required answer within the time limit prescribed in any step, then the grievance will automatically proceed to the next step. It is also understood that additional meetings between the parties may be held as agreed to by the Company and the Union. If the parties agree that it will be beneficial for the grievance to be returned to Step One for a discussion between the Process Leader and Shift Chief Steward, it can be returned one time. This grievance will be handled within the time-frame requirements explained at Step One. When the Union requests an emergency meeting on a particular grievance or grievances, such meeting will be held as soon as can be arranged after the Human Resources Department receives the request for the meeting.

(d) Step Three (Arbitration)

If the grievance is not satisfactorily settled after being processed through the steps listed above, and the Union decides to submit the matter to arbitration, then notice that such submission will be made and must be postmarked to the Company by the Union within fifteen (15) workdays after the Step II answer. If no such notice is given, the grievance shall not be subject to further action.
2. It is understood that the time limits in the above procedure may be extended by mutual agreement.

3. Discipline Based on Warning Notices

Before imposing a disciplinary penalty or discharge which is based upon the cumulative effect of written warning notices, the Company will notify the employee concerned one week in advance. The matter may be made a subject for grievance discussion, but such discussions shall not prevent imposition of the penalty pending their final outcome, and in the event it is determined that an employee has been improperly penalized, he will be reimbursed for any loss of wages sustained as a result of the imposition of the penalty.

When the disciplinary action is a suspension, pending further investigation the Union shall be notified in writing of the reason for suspension within twenty-four (24) hours. A final disposition will be made within ten (10) working days and the parties will be notified in writing. This time limit may be extended with notice to the Plant Chief Steward.

When final disciplinary action is taken toward an employee that results in a suspension, discharge, or termination, the Company will provide to the employee and the Union, in writing, the reason for such discipline before employee leaves the plant.

ARTICLE XIV

Arbitration

1. The notice of submission to arbitration after Step II of the grievance procedure of ARTICLE XIII hereof must be in writing and state the issue to be submitted to the arbitrator.

2. Within ten (10) working days following the Union's request to arbitrate a grievance, the parties will jointly request a panel of seven (7)
arbitrators from the Federal Mediation & Conciliation Service. If either party rejects such a panel in its entirety, the parties will request an additional panel. Following the receipt of the panel, the parties will, except by mutual agreement, within fifteen (15) working days either select an arbitrator from the panel by mutual agreement or if this is not possible, each party alternately shall strike one name from the panel until only one (1) name remains, and he shall be the arbitrator.

3. The arbitrator selected shall have no power or authority to amend, alter, or modify this Agreement, including any appendices hereto, but shall be limited to deciding whether or not a violation of its express terms has been committed. It is specifically agreed that no arbitrator shall have the authority to substitute his discretion for that of the Company in cases where the Company has retained discretion or the right to act under this agreement, provided however that the arbitrator shall have the authority to decide whether the Company had just cause to discipline or discharge an employee. It is further specifically agreed that no arbitrator shall have any authority to decide or change production standards or to decide questions involving general wage increases or the wage rate structure (except for job placement under Article VI, Section (4), or questions involving the establishment, administration, interpretation (except for agreed upon benefit levels) or application of any Company pension plan, insurance plan or other Company benefit plan not covered in the Agreement for which the employees are eligible to participate; or to hear any grievance involving the discipline or discharge imposed upon any probationary employee.

4. The award of an arbitrator on any grievance subject to arbitration as herein provided shall be final and binding upon all parties to this Agreement.

5. No more than one grievance may be submitted to or be under review by any one arbitrator at any one time unless by prior mutual agreement of the parties. The arbitrator’s fees and other arbitration costs shall be borne mutually by the parties.
Each of the parties shall pay the full cost of presenting its own case including payments to technical experts engaged for testimony and all other witnesses. Either party may tape record or cause a transcript to be made of the proceedings. In the event that either party intends to utilize a court reporter to prepare a transcript of the proceedings, it shall notify the other party not less than three days prior to the scheduled date of the hearing. Unless the parties otherwise mutually agree, any party recording or transcribing the proceedings shall bear its own costs and shall not be obligated to furnish a copy of the recording or transcript to the opposing party.

6. Any grievance which has been submitted to arbitration by the Union which is limited to a disciplinary penalty other than discharge covered by the supplemental arbitration procedure set forth below:

(a) The only issue before the arbitrator shall be whether the discipline was imposed for just cause.

(b) There shall be no transcript of the hearing, post-hearing briefs or other written arguments by the parties. However, either party may have a written opening statement of the issue and the facts.

(c) If either party so requests, there shall be a thirty (30) minute recess before any closing oral argument by the parties.

(d) The arbitrator shall render an award without an opinion within seven (7) days after the closing of the hearing.

(e) With mutual Company/Union written agreement the arbitrator will be instructed to render a bench decision. The arbitrator will be so instructed at the time that he is selected.

7. Time requirements stipulated in this article may be shortened or extended upon the mutual written agreement of both parties.
ARTICLE XV
Strikes and Lockouts

1. During the term of this Agreement, the Union agrees that it will not engage in, sanction, acquiesce, nor shall any employee engage in any strike, work stoppage, slowdown, sitdown, sympathy strike, or any other work interruption or interference with or against the Company, directly or indirectly, for any reason, whether in protest of alleged violations of this Agreement or matters or actions nor referable thereto and not within the normal bargaining relationship between the parties, whether foreseen or unforeseen at the time of execution of the Agreement, and whether based upon alleged violations of state or federal law, or for any other purpose whatsoever.

2. In exchange for the commitments of the Union contained in Section 1 above, the Company agrees that during the term of this Agreement it will not lockout employees covered hereby, provided, however, that discharges and suspensions for disciplinary reasons and partial or total shutdown, reductions in force and/or layoffs for business reasons shall not be construed to be lockouts within the meaning of this section. The foregoing list shall not be construed as exclusive but merely exemplary of the acts which shall not be construed as a "lockout."

3. The Union agrees that in the event of violation of any of the terms of Section 1 of this article by an employee, the Company may discharge or otherwise discipline any employee who takes part therein without prior warning, not withstanding any other provision of this Agreement.

4. In the event that any employee or employees engage in conduct in violation of Section 1 above, the Union agrees after being notified by the Company in writing of such conduct by one or more employees in the bargaining unit, it will cooperate with the Company in every way and otherwise use its best efforts to bring an end to such conduct as soon as possible. If the Union carries out its obligations as above stated herein, then the Union shall not be liable for breach of contract.
ARTICLE XVI
Posting

1. The Company will make bulletin boards available for the use of the Union for the posting of notices. All notices shall be subject to the Manager's approval and he will also arrange for posting.

The Company agrees to furnish Union informational boxes as required plantwide.

ARTICLE XVII
Notification and Publicity

1. The Company agrees to notify the Union of any matter affecting employees generally and concerning which the Union is the certified bargaining representative and not covered by this Agreement as soon as the Supervisors are notified. Such notices should be in writing and directed to the president of the local union.

2. On any grievance or other matter which has been negotiated between the Company and the Union, the Company will notify the Union of any decision or determination before it notifies the employee affected.

ARTICLE XVIII
Financial Support

1. The Company shall not give financial aid to or otherwise support any labor organization. This, however, shall not prevent both parties to
this contract from cooperating and exchanging such information essential for the furtherance of agreeable relations.

**ARTICLE XIX**

Information

1. **New Employees - Re-engaged Employees**

The Company will provide the Union, from information of record, with a monthly list of newly hired and re-engaged employees; the information will consist of name, home address, seniority date, occupation, department, Supervisor and checkoff status.

2. **Laid Off Employees**

The Company will provide the Union, on a monthly basis, with information on employees laid off for lack of work after notification has been given to the employees; the information will consist of the name, home address of record, continuous service date, occupation, department and Supervisor. The Supervisor will give to the Steward information on extended layoffs, whenever possible, one week before the employee is laid off. Additionally, the Company will furnish the union with a list of all laid off employees with no recall rights who have been determined to be ineligible for rehire. This list will be provided no later than one (1) month following the date of layoff.

3. **Transfers**

The Company will provide the Union with information on transfers which are made through the Personnel Office.

4. **Master List of Employees**

Quarterly, the Company, from information of record, will provide the Union with a complete list of all employees then in the bargaining unit.
and showing the name, home address, continuous service date, seniority date, occupation, department, job rate, paid rate, clock card number and checkoff status of each employee on such list.

5. Seniority Lists

Twelve (12) copies of the up-to-date seniority lists will be furnished the Chief Steward within thirty (30) days after the signing of this Agreement and each four (4) months thereafter for the following categories:

(a) A plantwide seniority list by seniority showing date of hire, classification and cost center.

(b) A cost center seniority list by seniority showing date of hire and classification.

The Union shall notify the Company of any apparent errors in such lists.

For purposes of applying seniority, the Union will be informed of present cost centers and changes thereof.

ARTICLE XX
Traveling Time and Expenses

Employees traveling at the request and with the prior approval of the Company will receive:

1. Payment at the rates applicable had they worked for all time spent in such travel; provided, however, that where transportation with sleeping accommodations is used, an additional one hour's pay at such rates for trip preparation shall be allowed, but no payment shall be made for traveling time between the hours of 6:00 p.m. and 6:00 a.m., or in excess of eight hours in any one day.
2. Reasonable expenses for transportation, meals and hotels wherever necessary. Where travel is by automobile not owned by the Company, such transportation expense shall be at the rate of twenty-eight cents per mile, provided use of such automobile has been specifically approved in advance by the Company.

Transportation expense shall be at the rate of thirty-five cents ($0.35) per mile, however, because of the increasing cost of transportation expense, rate per mile will be increased above the rate of ($0.35) by mutual agreement.

3. Traveling time and expenses shall be itemized and submitted to Management for approval.

ARTICLE XXI
Entirety of Agreement and Supplemental Understandings

1. (a) No subject or matter treated or referred to in this Agreement or which is not specifically treated or referred to, or is omitted hereby, shall be the subject of collective bargaining during the term of this Agreement, even though such subjects or matters may not have been within the knowledge or contemplation of either or both of the parties hereto at the time of negotiations, or at the time of the signing of this Agreement.

(b) However, this does not prohibit the parties from mutually agreeing to supplement or modify any portion of the Agreement during its term -- providing that any such supplement or modification which varies, waives or modifies any of the terms or conditions contained in this Agreement is made and executed in writing between the parties.
2. After the effective date of this Agreement, new supplemental understandings will be recognized and made effective only where set forth in writing, signed and approved by the Company and the Union.

3. The existence of, or any alleged violation of, a supplemental understanding shall not be the basis of any arbitration proceeding, unless such understanding is in writing and signed by the Company and the Union.

ARTICLE XXII
Job and Income Security

1. Definitions

(a) The terms "plant closing" and "to close a plant" mean the announcement and carrying out of a plan to terminate and discontinue either all Company operations at this plant, or those Company operations which would result in the termination of all employees represented by the Union at this location when those employees do not have displacement rights.

Such terms do not refer to the termination and discontinuance of only part of the Company's operations at this plant (except as specifically provided in the paragraph above) nor to the termination or discontinuance of all its former operations coupled with the announced intention to commence there either larger or smaller other operation. Any employee released by such latter changes will be considered as out for lack of work and will be subject to provisions applicable to those on layoff.

Also, such terms do not refer to the transfer or sale of such operations to a successor employer who offers continued employment to Company employees. Company employees who
are not offered continued employment by the Company or successor employer will be considered as out for lack of work and will be subject to provisions applicable for those on layoff.

(b) The term "plant closing date" means the date when benefits for and termination of represented employees begin because of plant closing.

(c) The terms "transfer of work," "to transfer work," and "work transfer" mean the discontinuance of ongoing production work at one location coupled with the assignment of the same work at a different location, including subcontracting the same work to another employer, if such assignment of work would directly cause a decrease in the number of represented employees performing such work at the first location.

(d) The term "robot" means a programmable multifunction manipulator designed to move materials, parts, tools or specialized devices through variable programmed motions for the performance of a variety of tasks.

(e) The term "automated manufacturing machine" means a device for doing production work which has programmable controllers (PC), numerical controls (NC), computer numerical controls (CNC), or direct numerical controls (DNC).

(f) A "week's pay" for hourly employees shall be calculated by multiplying the higher of (a) his straight time hourly rate (including any night shift bonus) which he was paid during the last week worked by him or (b) his straight time hourly rate (including any night shift bonus) which he was paid during the last full calendar week worked by him during the calendar year preceding the year in which his current layoff began times the number of hours in the employee's normal workweek up to 40 hours.

2. Plant Closing
(a) General

(1) Whenever the Company decides to close the plant, the Company shall give notice of its decision to the Union involved and the employees concerned. Thereafter, as the Company, in the course of such plant closing, no longer has need for the work then being done by an employee, his employment by the Company may be terminated, subject to compliance with the provisions of this Section 2.

(b) Severance Pay

(1) An eligible employee whose employment is terminated because of plant closing shall be entitled to Severance Pay in a lump sum, for which he is eligible as described below and the full vacation allowance for which he might have qualified for the calendar year in which his employment is terminated and any other accumulated allowances due him, provided that he:

(i) After the announcement of the plant closing, continues regularly at work for the Company until the specific date of his termination, or

(ii) Fails to continue regularly at work until the specific date of his termination due to verified personal illness or leave of absence, or

(iii) Is on layoff for lack of work at the time of the plant closing.

(2) Such employee may request that his date of termination be advanced so that he can accept other employment and the management will give due regard to his request.
(3) An eligible employee who will become eligible for retirement under the Pension Plan within one year either (i) from the time his employment would have been terminated as a result of the plant closing or (ii) from the time of his layoff if this is prior to the date of plant closing, and who meets the conditions specified in Sub-paragraphs (i), (ii) and (iii) of Subsection (b) (1), may receive any severance pay to which he is entitled under Section 2, and later elect retirement when he reaches retirement age. His service would be protected until such age.

(4) In lieu of any other benefits under this Section 2, an employee whose employment is terminated because of the plant closing and who had attained age and continuous service requirements as set forth in the table below at the time of such termination, may elect, prior to the date of termination for plant closing, to receive a monthly Special Continued Severance Pay benefit.

**TABLE OF AGE AND CONTINUOUS SERVICE REQUIREMENTS**

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Such benefit shall be paid under the following terms and conditions:
(i) The Special Continued Severance Pay benefit shall be paid monthly in an amount equal to the product of 2% monthly straight time earnings* multiplied by the number of full years of continuous service at the time of such plant closing, provided that in any event such amount shall not exceed one-half of the employee's normal monthly straight time earnings and such amount shall be reduced by the total Trane pension (including disability pension) including all supplements received for the month prior to age 62 and the total of the following amounts that are received by the employee during the month for which he is eligible to apply for and receive:

(A) any state or federal unemployment compensation;
(B) any Social Security retirement or disability benefits (primary insurance amount); (C) any Worker's Compensation indemnity payables; and
(D) any weekly sickness and accident benefits under the Trane Insurance Plan.

* Monthly straight time earnings equal weekly straight time earnings computed in Section 1 multiplied by 4.3472.

(ii) Such monthly benefits shall be paid only for months during which he is unemployed (and he so certifies) and only until he reaches the age when he is first eligible for reduced Social Security benefits or unreduced Trane pension, whichever is earlier.

(iii) In any event the total payable under this Subsection shall not be less than the amount that would be otherwise payable under Section 2, provided, however, that any balance remaining shall be payable in the event of the death of the employee or when the employee
reaches the age specified in Subsection (4) (ii), in which case the balance shall be paid in a lump sum.

(iv) An employee who elects to receive the Special Continued Severance pay benefit shall be treated as an employee whose employment is terminated at the time of plant closing.

(5) Notwithstanding the provisions of the Section 2, an employee who is affected by plant closing may elect, prior to the specific date of his termination for plant closing, to be placed on lack of work status. In such event, the employee will be paid benefits under Section 4 below, in lieu of any and all of the benefits set forth in the Section 2.

(6) Computation of Severance Pay

(i) An employee with four (4) or more but less than fifteen (15) years of continuous service will, in accordance with the provisions set forth above, be eligible for Severance Pay computed on the basis of one and one-half (1 ½) week's pay for each of the employee's full years of continuous service plus three-eighths (3/8) of a week's pay for each additional three (3) months of continuous service at the time of termination; provided that the amount of the Severance Pay benefit as computed under this paragraph shall be subject to a minimum benefit equal to 4 week's pay.

(ii) An employee with 15 or more years of continuous service will, in accordance with the provisions set forth above, be eligible for Severance Pay computed on the basis of two week's pay for each of the employee's full years of continuous service plus ½ of a week's pay for each additional 3 months of continuous service at the time of termination.
Employment Assistance Program

To assist employees terminated because of a plant closing to find new jobs and to learn new skills, management will establish an Employment Assistance Program following announcement of a decision to close the plant. The Employment Assistance Program will include job placement assistance and education and retraining assistance.

1. Job Placement Assistance

   (i) Job Placement Assistance will include job counseling as well as job information services. Examples of such services are counseling in job search and interviewing techniques, identification and assessment of skills, and employment application and resume preparation as well as providing employees information on placement opportunities.

   (ii) Union involvement will be encouraged in these activities and management may also use the expertise and resources of public and private agencies in providing these services.

2. Education and Retraining

   (i) An employee with four (4) or more years of continuous service who is terminated as a result of the plant closing will be eligible to receive Education and Retraining Assistance for courses approved by the Company which contribute to or enhance the employee's ability to obtain other employment provided that the employee begins the approved course within one year following termination. An employee hired prior to June 23, 1984, will qualify for benefits under this provision with two (2)
years of continuous service. Approved courses will normally be given at schools which are accredited by recognized regional or state accrediting agencies and may include:

...Occupational or vocational skill development;

...Fundamental reading or numerical skill improvement;

...High school diploma or equivalency achievement; and

...College level career oriented courses.

(ii) An employee will be reimbursed up to a maximum of $1,800 for authorized expenses which are incurred within two years following termination provided a passing grade is received in the course. Authorized expenses include verified tuition, registration and other compulsory fees, costs of necessary books, and other required supplies. However, if tuition or other authorized expenses are covered by government benefits, other employers, or scholarships, the Company reimbursement will not apply to that portion covered by such other plan.

(iii) An employee who elects to receive benefits under the Income Extension Aid layoff option in lieu of benefits under the Plant Closing section of this Article will not be eligible for Education and Retraining Assistance.

3. Rate Guarantee

An employee whose job is directly eliminated by a transfer of work, the introduction of a robot or the introduction of an automated manufacturing
machine and who is entitled to transfer or displace to another job shall be paid on any job to which transferred in the plant at a rate not less than the regular hourly rate of the job eliminated for up to 30 weeks immediately following the transfer.

4. Income Extension Aid

(a) Computation of Income Extension Aid

(1) An employee with four (4) or more years of continuous service will, in accordance with the provisions hereinafter set forth, have available Income Extension Aid computed on the basis of one week's pay for each of the employee's full years of continuous service plus $ of a week's pay for each additional three months of continuous service at the time of layoff. An employee hired prior to June 23, 1984, will qualify for benefits under this provision with two (2) years of continuous service.

(2) If the amount of Income Extension Aid available to any employee as computed in subsection (a) (1) has been reduced by payments under any of the options below, then, providing he has returned to work from layoff the total amount available as described in subsection (a) (1) shall be automatically restored. This subsection (2) shall not apply where payments have been made under Section 4 (b) (1) (iii) or under Plant Closing Section 2 where the employee is rehired within 6 months of termination, except, when an employee makes repayment of benefits paid under such Section 4 (b) (1) (iii) or Section 2, this Subsection (a) (2) shall apply when he returns to work with respect to a subsequent layoff.

(3) Minimum Benefit

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The amount of the Income Extension Aid benefit as computed under Section 4 (a) (1) shall be subject to a minimum benefit equal to 4 week's pay.

(b) Benefits Available at Layoff

(1) An eligible employee laid off for lack of work may elect from the following:

(i) The employee, while on layoff from the Company and so long as he is unemployed, may elect to receive a weekly payment from the Income Extension Aid payable to him, in such amounts and upon such conditions as set forth in this subsection. Payment may begin only after a one week waiting period following the commencement of layoff. The waiting week for Income Extension Aid shall coincide with the Texas State Unemployment Compensation waiting week.

Prior to the exhaustion of his entitlement to federal and state unemployment compensation benefits, the weekly payment shall be in that amount (if any) which, when added to the total federal and state unemployment compensation benefits received for that week, equals sixty percent of his weekly pay as defined in Section 1 (f), provided however, that payment shall be made only if the employee has applied for and received unemployment compensation benefits for that week and only if he has provided the Company with satisfactory proof of the total of such benefits received for the week, but further provided that in the event an employee seeking benefits under this Section 4 is denied unemployment compensation payment in whole or in part, solely because of the receipt of public or private retirement income, that employee shall be entitled to
weekly IEA payment as though there had been no such
unemployment compensation disqualification. An
employee who is ineligible for state unemployment
benefits for a week in which he is laid off from work
solely because his employment benefit year ended
during such week, will be eligible for an IEA benefit as
provided for under this Section 4, as though he had
received the maximum unemployment compensation
benefit for that week, and provided he would have
otherwise been eligible for an IEA benefit.

After exhaustion of his entitlement to federal and state
unemployment compensation benefits, the weekly
payment shall be in that amount which equals sixty
percent of his weekly pay as defined in Section 1 (f).

Payments shall be made only if the employee certifies
that he is still unemployed and they shall continue only
until the full amount for which the employee qualifies
under Section 4 (a) is paid.

Payments (in such amount and upon such conditions set
forth above) may also be made to an employee on lay­
off while he is unemployed and attending a recognized
trade or professional school or training course under the
Trane Individual Development Program, attendance at
which makes him ineligible for state or federal
unemployment compensation benefits.

(ii) In any event, at the end of one year on layoff, any
balance in the Income Extension Aid available to him
not theretofore paid will be paid in a lump sum to the
employee.

(iii) As a special option, he may choose, within the
appropriate 60-day period specified below, to terminate
his employment and thus forego recall rights. He can then collect the total amount of the Income Extension Aid available to him and any vacation or other accumulated allowances due him. This option (iii) will be available to an employee only (A) within a 60-day period after his layoff begins and management determines and notifies him at the time of such layoff that his layoff is expected to exceed six months or (B) if no such notice is given then within a subsequent 60-day period commencing on the date management first notifies him that his layoff is expected to exceed six months or (C) if no notice has been given as described in (A) or (B) then within a 60-day period after the date on which his layoff has continued for an uninterrupted period of six months.

(2) An employee will not be entitled to receive any payments under the Income Extension arrangement after he is retired.

(3) Income Extension payments made under Subsections (b) (1) (i) and (ii), above, shall not affect service credits previously accumulated, continuity of service and recall rights. It will not be necessary for an employee to repay any Income Extension Aid payable under said Subsections (b) (1) (i) and (ii) above.

(4) In the event an employee elects, as provided in Section 7(a) of Article IX of this Agreement with respect to a scheduled shutdown period, to take the time off without pay as though on a temporary layoff, the employee shall not be eligible for Income Extension Aid for that scheduled shutdown period.

5. Vested Rights Under Pension Plan
The receipt of Income Extension Aid, Severance Pay, or a rate guarantee will not affect any rights the employee may have under the Vesting Provision of the Pension Plan.

6. Lump Sum Payments

Service credits previously accumulated, continuity of service, and recall rights will be lost upon receipt by the employee of an Income Extension Aid payment in lump sum under Section 4 (b) (1) (iii), or payment of Severance Pay under the Plant Closing Section 2. However, in the event a subsequent rehire as a "new" employee within a period of time which does not exceed the length of prior service, service credits and recall rights previously lost shall be restored provided repayment of the Income Extension Aid is made by the employee within a reasonable time after rehire. However, service credits, continuity of service and recall rights lost at termination upon receipt of payments under Plant Closing Section 2, shall be restored automatically without repayment in the event of subsequent rehire more than 6 months after such termination. An employee who having received payments under Plant Closing Section 2, is rehired 6 months or less after his termination and who has made arrangements satisfactory to the Company providing for repayment shall, during such time as he is not in default of such arrangements and for the purpose only of layoff and recall, be deemed to possess the service credits, continuity of service and recall rights to be restored to him upon full repayment.

7. Non-Duplication

If any part of an employee's continuous service is used as the basis for an actual payment under any of the options of the Income Extension Aid or Severance Pay arrangement, that part of his continuous service may not be used again for such purpose, either during that period of layoff or any subsequent period of layoff or plant closing, unless repayment has been made as provided in Section 6, above.

8. Other
The provisions of this Article shall not be applicable where the Company decides to close a plant or lay off an employee because of the Company's inability to secure production, or carry on its operations, as a consequence of a strike, slowdown or other interference with or interruption of work participated in by employees. However, the operations of this Section shall not affect the rights or benefits already provided hereunder to an employee laid off for lack of work prior to the commencement of any such strike, interference or interruption.

9. A grievance arising under this Article may be processed in accordance with the grievance procedure set forth in Article XIII.

ARTICLE XXIII

Military Pay Differential

An employee with 30 days or more of service credits attending annual encampments of or training duty in the Armed Forces, State or National Guard or U.S. Reserves shall be granted a military pay differential, computed as set forth below, for a period of up to 20 days of such military service, during each calendar year. The employee shall be granted service credits for such 20 day period or portion thereof during which he is absent.

Such military pay differential shall be the amount by which the employee's normal straight time wages or salary, calculated on the basis of a workweek up to a maximum of 40 hours, which the employee has lost by virtue of such absence, exceeds any pay received for such absence from the Federal or State Government, recalculated to exclude the Government pay applicable to Saturdays and Sundays. Saturdays and Sundays shall be counted in computing the 20 day period. Such items as subsistence, rental and travel allowance shall not be included in determining pay received from the Government.

An employee with 30 days or more of service credits who does not exhaust the 20 calendar day period during the calendar year for his annual encampment or
training duty and who is required during the same calendar year to attend a weekend period of training shall be granted a military pay differential provided that the 20 calendar day period of military service in the same calendar year is not exceeded. Such military pay differential shall be the amount by which the employee's normal straight time pay, calculated on the basis of a non-premium workday, up to a maximum of eight (8) hours, which the employee has lost by virtue of such absence, exceeds any pay received for such day or days of absence from the Federal or State Government, recalculated to exclude the Government pay applicable to Saturdays and Sundays. Saturdays and Sundays shall be counted for the purpose of determining the extent to which the 20 calendar days of military service have been utilized in the same manner as annual encampment or training duty.

An employee with 30 days or more of service credits, who is called out by the National Guard or the U.S. Reserves to perform temporary emergency duty (other than duty under an order by the President or Congress activating members of units of the Reserves or National Guard) due to a fire, flood or domestic civil disturbance, or other such disaster will be paid a military pay differential calculated as described above, for the pay lost by reason of such emergency duty, for a period not to exceed four weeks in any calendar year, and shall be granted service credits for such absence up to four weeks.

An employee who has less than 30 days of service credits may also be absent for the reasons and periods set forth above without deduction of service credits for such absence, but shall not be eligible for the military pay differential.

Employees will be permitted to take a vacation and attend a military encampment at separate times and be granted both a vacation pay allowance and a military pay differential. However, an employee may not receive a vacation pay allowance and a military pay differential for the same period. An employee may, however, receive a military pay differential for the period, if any, by which the time spent in such encampment exceeds such vacation, but not exceeding the maximums specified above.

To be eligible for military pay differential as outlined above, an employee must provide the Company a copy of his orders three (3) days prior to his date of
military service; however, when an employee does not receive orders within three (3) days, he shall give as much notice as possible.

ARTICLE XXIV
Jury Duty

1. When an employee is called for service as a juror, he will be paid the difference between the fee he receives for such service and the amount of straight time earnings lost by him by reason of such service, up to a limit of 12 hours per day, including third shift employees who start work on Sunday night as part of the Monday workday, and 40 hours per week based upon his normal workday schedule.

2. Similar makeup pay as specified in Section 1 will be granted to an employee who loses time from work because of his appearance in court pursuant to proper subpoena, except when he is either a plaintiff, defendant or other party to the court proceedings.

3. Where an employee is called to jury duty while on paid vacation, he shall be paid as described above for such days he serves on the jury provided he would have been eligible for such pay had he been working and not on vacation. Furthermore, such employee may extend his time off work by the number of days he is eligible for pay provided he notifies his manager before he takes such extended time off.

4. To be eligible for pay, as outlined above, an employee must notify the Company of his scheduled jury duty no later than three (3) working days prior to the date of scheduled jury service or appearance in court.
ARTICLE XXV
Absence for Death in Family

An employee that has thirty (30) days of service may take off three (3) consecutive work days at full pay in the event of a death in their family, to be scheduled beginning with the date of death but not later than the date of the funeral. Exceptions may be made to attend to specific business related to the death which cannot be addressed during this timeframe (e.g. executor of a will). In the event that a holiday(s) occurs during this three-day period, the period of absence may be extended by the number of holidays.


With the approval of the Process Leader, employees may take off two (2) additional days, without pay, if necessary.

Where an employee is on paid vacation and a death occurs in his family, he shall be paid as described above provided he would have been eligible for such days had he been working and not on vacation. Additionally, such employee may extend his time off by the amount of days he is eligible for death-in-family pay provided he notifies his manager before he takes such extended time off.

ARTICLE XXVI
Sick and Personal Pay

1. An hourly employee with one (1) or more years of continuous service, absent because of (a) personal business, (b) a temporary layoff as a result of fire, flood, snow storm, power failure or physical inventory, or (c) personal illness for which weekly disability benefits are not payable under the Trane Insurance Plan, or under Workers' Compensation, will,
with the manager's approval, receive Sick and Personal Pay for each absence of a half day or longer, up to the number of days applicable in accordance with the following schedule:

<table>
<thead>
<tr>
<th>Continuous Service</th>
<th>Maximum Days of Sick and Personal Pay for Each Calendar Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 through 2 years</td>
<td>1 day</td>
</tr>
<tr>
<td>3 through 9 years</td>
<td>2 days</td>
</tr>
<tr>
<td>10 through 14 years</td>
<td>3 days</td>
</tr>
<tr>
<td>15 through 24 years</td>
<td>4 days</td>
</tr>
<tr>
<td>25 years and over</td>
<td>5 days</td>
</tr>
</tbody>
</table>

An employee may be paid Sick and Personal Pay for absence of a half day or longer in which case the employee may be paid Sick and Personal Pay for the actual scheduled hours of work during which he was absent. In no event will the payment for hours absent exceed the number of hours in the employee's established regular daily schedule nor will it be in excess of twelve hours daily.

An employee is expected to notify his Supervisor in advance of the absence whenever possible, in order that the Supervisor may have an opportunity to arrange for a replacement or to reschedule the work. Management approval, as provided herein, will not be unreasonably withheld. Sick and Personal Pay will be paid only for approved absences.

An employee may be paid Sick and Personal Pay for a scheduled absence of one (1) hour with the advanced approval of the Supervisor.

Employees who begin a leave of absence due to personal illness shall not be paid Sick and Personal Pay unless the employee requests such pay.

2. Accumulation of Sick and Personal Pay
An employee who has any unused Sick and Personal Pay remaining at the end of the calendar year will have such unused Sick and Personal Pay, up to a maximum of thirty (30) days, carried forward to the following calendar year for use in the event of approved absences.

However, in the month of December an employee may take pay in lieu of unused sick and personal time off.

3. Rate of Pay

The rate of pay applicable to absences covered under this Article will be current normal straight time hourly earnings in effect when last at work prior to the absence, including night shift bonus for employees who are regularly scheduled on a night shift.

4. Half Day Definition

A half day is defined as half of the number of hours in the employee's established regular daily schedule.

5. Maximum Hours

(a) The maximum Sick and Personal Pay hours payable for any one day of approved absence will be the number of hours in the employee's established regular daily schedule in effect when last at work prior to the absence.

(b) The maximum hours of Sick and Personal Pay payable to an employee in a calendar year will be calculated by multiplying the number of Sick and Personal Pay days based on the employee's continuous service by the number of hours in the employee's established regular daily schedule (up to a maximum daily rate of eight (8) hours).

(c) Employees may request during the month of January and the first fiscal week of April, July and October to receive pay in lieu of Sick
and Personal pay in increments of full days, up to their full Sick and Personal Pay entitlement. Employees may make up to three requests per year. Any amount paid will be included in the normal payroll processing.

In addition, any unused Sick and Personal Pay up to a maximum of thirty (30) days carried over from the preceding calendar year, will be available for payment of approved absences. Such thirty (30) day maximum will be converted to hours on the basis of the employee's established regular daily schedule of work hours (up to a maximum daily rate of eight (8) hours) in effect at the end of such preceding calendar year.

When the hours of an employee's established regular daily schedule are changed during the course of a calendar year, the maximum Sick and Personal Pay hours payable to such employee for that calendar year will be adjusted by determining the proportion of the maximum Sick and Personal Pay hours used by the employee prior to such change (based on the regular daily schedule of work hours in effect before the change), and then reducing by the same proportion the employee's revised maximum hours based on the regular daily schedule of work hours in effect after the change.

When an employee is terminated because of a plant closing, the employee will receive an allowance in lieu of unused sick and/or personal days.

If a death of an employee should occur, the employee's spouse or beneficiary will receive the unused Sick and Personal Pay.

**ARTICLE XXVII**

**Upgrading and Job Posting**

1. *Standard for filling open jobs and upgrading*
The Company will, to the extent practical, give first consideration for job openings and upgrading to present employees, when employees with the necessary qualifications are available. In upgrading employees to higher rated jobs, the Company will take into consideration as an important factor, the relative length of continuous service of the employees who it finds are qualified for such upgrading, except however, employees assigned to a DFM classification shall not be eligible to upgrade, bid, or pre-nom to a job opening covered by this article. DFM employees will be eligible to submit requests for shift transfer and to submit bids for posted jobs. If there are no other qualified bidders, the posted job will be awarded to the senior qualified DFM employee, as proficient operations permit. When filling a job opening by upgrading:

(a) A request by any employee in a higher-rated job classification to a lower-rated job shall be treated as though it were a request to be considered for a higher-rated job; provided that the employee has not previously so transferred in the last eight (8) months.

(b) Similarly, a lateral request by an employee in job rate TR 14 and above shall be treated as though it would be a request to be considered for a higher-rated job provided that the employee making such request has been assigned to his current job classification for eight (8) months. However, if such employee was transferred to his current position as a result of a reduction in force for lack of work, the eight (8) months limitation will not apply.

(c) An employee who desires a transfer to another shift within his product unit/process area may do by designating on the appropriate form and submitting a copy to the Personnel Department. As openings occur in his job classification on work for which he is presently qualified, consideration will be given his request along with others in accordance with his relative seniority provided, however, that the employee has not been granted a job bid, transfer or pre-nomination during the previous eight (8) months. Such transfers, however, shall not take precedence over the normal upgrading of qualified longer service employees and shall be
limited to one (1) such transfer in any eight (8) month period. However, if such employee was transferred to his current position as a result of a reduction in force for lack of work, the eight (8) month limitation will not apply. Exceptions to the above may be made in certain special cases by mutual consent.

2. Notice of Job Openings

   (a) Information concerning job openings to be filled under this procedure will be made available to employees by posting throughout the plant.

   (b) Only job openings in job classifications rated TR 16 and above will be posted.

   (c) Information posted on each available opening will consist of:

       (i) a job identification number
       (ii) date posted
       (iii) job title
       (iv) TR rate
       (v) cost center
       (vi) shift (or hours of work if different from normal shift)
       (vii) qualification requirements
       (viii) deadline date for accepting nomination

   (d) Job openings advertised under this procedure will be posted for a minimum of one work day, twenty-four hours.

3. Pre-nomination

   (a) Employees desiring to be considered for a specific job classification even though no opening may exist at the time, may so signify their interest to the Personnel Office by completing a pre-nomination form.
(b) In filling open jobs by the procedure outlined in this Article, Pre-nomination forms will be considered from employees who have completed six (6) months of employment.

(c) All pre-nomination forms shall remain active for the duration of the contract unless the employee revoked the pre-nomination five (5) days prior to the job opening or the employee receives a permanent upgrade to the job pre-nominated for. If an employee is awarded a job, all pre-nomination forms on file for that employee will be canceled, and the employee will be required to re-submit a pre-nomination form for any job for which he may wish to be considered.

(d) Employees who desire to be considered for upgrades may complete, in advance, up to six (6) pre-nomination forms and submit same to the Personnel Office. Each form will be dated and stamped, a copy given to the employee and the Union.

(e) The Company shall post on the bulletin boards a list of the ten (10) most senior qualified employees in the respective classifications.

(f) Where job openings occur for which no employee has pre-nominated and are not qualified, the Company may:

1. Select disqualified employees who did not pre-nominate for the job on voluntary basis via job posting.

2. Offer the job to the senior qualified employee in a DFM classification in the product unit. A qualified employee in a DFM classification may decline such upgrade with management approval. The Company will not be unreasonable if an employee shows good and proper cause in declining such upgrade.
3. If no employee assigned to a DFM classification who is working or on layoff is qualified to upgrade, a new employee may be hired and placed in the open job.

(g) Employees on lack of suitable work due to medical restrictions can pre-nominate for jobs that they can perform within their medical restrictions.

(h) Employees on sick leave can pre-bid a job. Employees on sick leave will be eligible for consideration to said job if they can prove their availability to fill the job on the date required. (Proof will generally mean a doctor’s statement and will be required when Personnel is making the job assignments.)

4. Pre-nomination Forms

(a) Pre-nomination forms will require that the employee shows which classification, shift, and cost center he is applying for. The employee may identify a specific process area if he so desires.

(b) Completed nomination forms will be collected and processed by the Personnel Office. Copies of all processed nomination forms will be sent to the Union President.

5. General Conditions

(a) Where (a) new classifications, (b) new schedules (i.e., flexible/alternative shifts), (c) training assignments, and (d) temporary jobs which also may include (a), (b), and (c) above the positions will be posted as soon as possible before filling through the pre-nomination system. In the case of (a), (b), and (c) the minimum shall be five (5) work days.

Temporary jobs are defined as those having an expected duration of 6-months or less due to short term production necessities. This time limit may be extended by mutual agreement. However, when
a job is posted as temporary to fill the absence of an employee off work due to illness or injury, the job will remain as temporary until the employee either returns to work or has service broken under the provisions of Article VIII.

When a temporary job is awarded to the successful bidder, his job shall be filled as a temporary job, however, the employee will return to his former job once the temporary job is eliminated or permanently filled.

(b) To be eligible for consideration for upgrading to a job opening under this procedure, an employee must not have been granted a previous job bid, transfer or pre-nomination for a period of eight (8) months or more. However, if such employee was transferred to his current position as a result of a reduction in force for lack of work, this eight (8) month limitation will not apply.

(c) It is understood and agreed that the Company is not restricted to filling open jobs solely by upgrading, transfers, or job postings as provided by this Article. The Company may fill jobs by other proper means including, but not limited to, employees affected by a reduction in force, recalling employees, qualified outside applicant, or employees returning to the bargaining unit. Additionally, this Article does not limit the rights that an employee or the Union may have to protest a selection.

ARTICLE XXVIII
Responsibility of the Parties

1. The Union recognizes and agrees that the Company has, and shall retain and exercise, the exclusive right to supervise, manage and conduct its business, operations and plant; that all rights, powers and authority possessed by the Company prior to the signing of this Agreement shall remain vested exclusively in the Company without limitation, except to the extent expressly modified by the provisions of this Agreement.
Without limiting the generality of the foregoing but subject to any limitations contained in this Agreement, such exclusive rights shall include:

(a) The direction of the working force;

(b) The hiring, re-hiring, assignment, transfer, promotion, laying off, recalling, suspension, discharge, and discipline of employees;

(c) The determination of the number of employees in any department, shift or job classification; the determination of the number and size of departments;

(d) The establishment, revision, suspension and enforcement of working schedules;

(e) The determination of the products to be manufactured, the location and quantity of such manufacture, and the market distribution of such products;

(f) The work to be subcontracted;

(g) The activities to be conducted in the plant, including the scheduling, methods, processes and means of manufacturing and distribution of all products; and

(h) The determination of reasonable levels of productivity and quality.

2. The Company and the Union agree that work normally performed by the bargaining unit shall not be performed by non-bargaining unit employees, except in cases of training, instruction, or emergencies.

3. The Company recognizes that it is the responsibility of the Union to represent the employees effectively and fairly.
4. This Article does not modify or limit the rights of the parties, or of the employees, under any other provisions of this Agreement or under any other agreement between the Company and the Union, nor will it operate to deprive employees of any wage or other benefits to which they have been or will become entitled by virtue of an existing or future agreement between the Company and the Union.

ARTICLE XXIX
Miscellaneous

1. Subcontracting Procedure

When the subcontracting of work within the plant is being considered, the Company in making its decision as to how such work should be performed under the rights reserved under Article XXVIII hereof, it's the Company's intent to have such work performed where possible by qualified bargaining unit employees; provided that performance by such employees is economically sound, the Company has the required tools and equipment in the plant or available from a rental agency, and maintenance personnel have the necessary hours reasonably available.

When any type of subcontracting work is planned for the plant, the Plant Services Shop Order Coordinator will review the work to be subcontracted to determine whether or not it can be performed by Maintenance and/or other bargaining unit employees. Jobs to be considered for subcontracting that are not discussed at the monthly subcontracting meeting will require a minimum of seven (7) working days notice to the Union or the Union subcontracting representative before being let, except in the case of emergencies or other unanticipated events.

If the Plant Services Shop Order Coordinator determines that the work cannot be performed by unit employees, he will meet with the Local Union President, or the President's designee in his absence, and explain the reason for his decision.
In determining whether or not the work should be contracted, the Plant Services Shop Order Coordinator will consider the following factors.

(a) Are sufficient bargaining unit employees available to perform the work?

(b) Do unit employees possess the necessary skills and ability to perform the work?

(c) Are tools and/or equipment necessary to perform the work available in the plant or available through a rental agency.

If cost is the major factor in the Company's decision to subcontract work, the following procedure will be followed:

(a) A study will be made by the appropriate management personnel to determine the cost of the work to be subcontracted.

(b) The Local Union President and the Human Resources Representative will be given a copy of the Company's cost analysis.

(c) If requested by the Union or Company, a meeting will be held between the Local Union President and his appropriate representative and the Manager of Human Resources to discuss the proposed subcontracting.

(d) If it is determined that the work can be performed by unit employees with a cost reasonably equal to the Company's subcontracting cost estimate, the work will be performed by unit employees.

(e) Any disputes arising under this subcontracting memorandum will be subject to the grievance procedure and where applicable to the arbitration procedure. In the event that disputes have not been successfully settled at Step 2 of the grievance procedure, the Union
may request a meeting with the Business Leader, Tyler Operations and the International Representative.

2. Company Approved Emergency Leave

(a) A special emergency leave of absence may be granted to an employee who has completed one year of continuous service if the application for such leave of absence is approved by the Company prior to the time off requested. Such an emergency leave will be without pay and will not exceed sixty (60) calendar days or less than five (5) working days. A special emergency leave will be considered only after the employee has made reasonable efforts to resolve his problem through other means.

(b) Upon special request from the Union, the Company will give consideration to extending such leave by up to an additional sixty (60) calendar days, but in no event shall such leave exceed one hundred twenty (120) calendar days in any one year period.

(c) An employee returning from such leave will be re-employed in his former job provided seniority provisions permit. If he cannot be so returned, he will be placed in the workforce in accordance with Article XI, Section 1 (a).

3. The Company will provide employees where appropriate the necessary training to maintain and enhance skills needed to stay abreast of technological advances in the workplace.

4. As negotiated in 1987, the Company will continue to utilize the Federally approved Apprenticeship Program when there is a need for additional apprentices.
ARTICLE XXX
Issues of General Application

This Agreement, the 2002-2006 Settlement Agreement, the 2002-2006 Wage Agreement and the 2002-2006 Pension and Insurance Agreement between the parties are intended to be and shall be in full settlement of all issues which were the subject of collective bargaining between the parties in collective bargaining negotiations in 2002.

With mutual agreement the parties can modify medical benefits during the life of the labor contract; however, the Company shall not unilaterally implement any changes without Union agreement.

Health Care Committee

The Company and the Union have agreed to establish a Joint Health Care Committee. The purpose of the committee is to monitor the cost and quality of health care service in the Tyler area and to make recommendations for improvement.

ARTICLE XXXI
Duration, Modification, & Termination of Agreement

1. This Agreement shall be effective June 15, 2002, and shall terminate at midnight on June 16, 2006. Unless either party serves written notice upon the other party of a desire to modify or terminate this Agreement no more than 90 days nor less than 60 days prior to that date or any successive anniversary date, the Agreement shall be extended for successive one-year periods.
Notice given under this section shall also be considered effective notice of a desire to negotiate with respect to a modification of the pension and insurance plans under the provisions of the Pension and Insurance Agreement.

2. In the event the notice provided for in Section 1 is given, within 15 days of such notice collective bargaining shall commence between the parties for the purpose of negotiating a new agreement by June 15, of the year in which notice is given, this Agreement shall expire unless extended by mutual agreement of the parties.
ARTICLE XXXII

Notices

All notices given under the provisions of this Agreement shall be in writing and shall be sufficient if sent by mail addressed as shown below. If either of the addresses change, then the new addresses will be furnished in writing to the Union or the Company.

TRANE, A BUSINESS OF AMERICAN STANDARD COMPANIES
UNITARY PRODUCTS GROUP
6200 TROUP HIGHWAY
TYLER, TEXAS 75711

INTERNATIONAL UNION OF ELECTRONIC, ELECTRICAL, SALARIED, MACHINE AND FURNITURE WORKERS/COMMUNICATION WORKERS OF AMERICA (AFL-CIO/CLC)
LOCAL 86782
P.O. BOX 598
WHITEHOUSE, TX 75791
JOB SECURITY PLAN

Regular Employees hired after June 14, 2002

Hire Rate $11.30
(& general increases on June 16, 2003, June 14, 2004 &
June 13, 2005)
Night Shift $.50

Wage Rate Progression (Hours Worked)

6 months $ .50
6 months $ .50
6 months $ .50
6 months $ .50
6 months $ .50
6 months $ .50
6 months $ Job Rate

Benefits while working: Same as current regulars

Benefits if laid off: Same as current regulars

Progression credit will be given for partial
months worked when laid off and recalled
from lay off, due to reduction/increase in
force, of one full month for each partial
month worked (applies to both current
and future hires). Employees in wage
progression who are regularly assigned to
a weekend shift will receive forty (40)
hours progression credit for each full
weekend schedule worked.

Contractual rights: Full
Employees with original hire date prior to June 11, 1999 will be progressed to full job rate effective June 17, 2002.

Employees working on a TR-rated position above a TR-14 will have their hourly rate increased by the difference of that regular employee TR level and the TR-14 level. (i.e. TR-16 = $0.095 increase, TR-17 = $0.185 increase).

Student Employees

Student Wages: $8.25/hour  Night Shift: $8.20/hour

OTHER AGREEMENTS

• Union can solicit membership at orientation.

Miscellaneous Benefits:

• Safety shoes and safety glasses programs, same as regular employee.
• Employee Assistance Program.
• Students -- when available they will be given hiring preference.
• All Employees with recall rights must be offered recall before students and new employees are hired.
The Company will provide wage increases as follows:

1. **General Increases**

   **Employee Wage Election Options:**

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Increase</th>
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<tbody>
<tr>
<td>6/17/2002</td>
<td>60¢ per hour</td>
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<tr>
<td>6/16/2003</td>
<td>40¢ per hour</td>
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<tr>
<td>6/14/2004</td>
<td>35¢ per hour</td>
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<tr>
<td>6/13/2005</td>
<td>50¢ per hour</td>
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   **OR**

<table>
<thead>
<tr>
<th>Effective Date</th>
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<tr>
<td>7/1/2002</td>
<td>$1,250* lump sum</td>
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<tr>
<td>6/16/2003</td>
<td>$1.00 per hour</td>
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<td>6/14/2004</td>
<td>35¢ per hour</td>
</tr>
<tr>
<td>6/13/2005</td>
<td>50¢ per hour</td>
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   *The equivalent ($0.60/hr) will be included in the calculation of overtime pay and vacation pay in lieu of time off. 401K contributions, employee stock purchase, and statutory deductions will be made.

2. **Additional Adjustments**

   Team Leaders: 20¢ per hour

   Co-Production Leaders: 80¢ per hour
Designated Educators -- 5% of straight-time hourly rate for training time.

Trainers – Two (2) steps above their job rate for specific Company-designated training due to the implementation of new technology or equipment. This trainer pay does not apply to ongoing daily production training.

3. Group Leaders

Two steps above the highest job rate in the group or $8.00 per hour, whichever is higher.

4. Skilled Trades Adjustment

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<td>6/14/04</td>
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<tr>
<td>6/13/05</td>
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The Company and Union will meet annually to review skilled trades’ wages relative to comparable jobs within the community.
5. Wage Structure Following General Increases and Skilled Trades Adjustment:

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<tr>
<th>Job Rate</th>
<th>Effective 06-17-02</th>
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<tr>
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<td>$16,320</td>
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6. Wage Protection

(a) All employees covered by this Agreement shall be eligible to receive wage protection allowances on 6/16/03, 6/14/04, and on 6/13/05. The amount of the allowances, if any, shall be determined as provided below on the basis of changes in the "Consumer Price Index for Urban Wage Earners and Clerical Workers," published by the Bureau of Labor Statistics, U.S. Department of Labor (CP1-W; Base 1982-84 = 100), hereinafter referred to as CPI.
(1) The First CPI is the CPI for April 2003, published May 2003.


(3) The Third CPI is the CPI for April 2005, published May 2005.

(4) Effective 6/16/03, the hourly rate of the employee will be in the amount of one cent ($0.01) per hour for each full one and three quarters tenths of one percent (.175%) by which the First CPI exceeds 184.6.

(5) Effective 6/14/04, the hourly rate of the employee will be increased in an amount equal to the sum of one cent ($0.01) per hour for each full one and three quarters tenths of one percent (.175%) by which the Second CPI exceeds 193.8 minus the increase paid under paragraph (4) above, if any.

(6) Effective 6/13/05, the hourly rate of the employee will be increased in an amount equal to the sum of one cent ($0.01) per hour for each full one and three quarters tenths of one percent (.175%) by which the Second CPI exceeds 203.5 minus the increase paid under paragraph (5) above, if any.

(b) In no event will the application of this wage protection plan result in a decrease in hourly rates otherwise payable under this Agreement. The amount of any wage protection allowance shall be included in computing overtime premium, holiday payment, call-in pay and vacation payments.

(c) No adjustment, retroactive or otherwise, shall be made in pay or benefits as a result of any revision which later may be made in the First CPI or Second CPI on the basis of which the wage protection allowance calculation shall have been determined.
(d) In the event that the Bureau of Labor Statistics (BLS) issues a new or revised CPI with either a conversion table, converted CPI or conversion procedure by which the present method is provided by the BLS following any revision of the CPI, the parties will promptly undertake negotiations solely with respect to agreeing upon a substitute formula for determining a comparable cost-of-living adjustment.

Dated this 15th day of June, 2002.
TYLER ATTENDANCE AWARD PROGRAM
EFFECTIVE MARCH 1, 2003

PERFECT ATTENDANCE PROGRAM:

- Eligibility: Employees on the active payroll for the entire beginning measurement period and each successive full measurement period.
- Measurement period: March 1 – February 28/29 of each annual period.
- Award: $1000 (gross) to eligible employees with perfect attendance during the measurement period, paid quarterly as follows: 1st quarter ($100), 1st/2nd quarter ($200), 1st/2nd/3rd quarter ($300), 1st/2nd/3rd/4th quarter ($400).
- Perfect attendance: no absences, tardies, early clock-outs during entire measurement period. Absences due to paid holidays, jury duty, court subpoena, short-term military leave, vacation, temporary lack of work, voluntary lack of work, paid death in family or union business shall not be considered as absences for determining eligibility under the program. An employee who is absent or tardy from work for any reason other than those outlined above will not be eligible for a perfect attendance award.
- Payment of award: Quarterly following conclusion of each measurement period for which award is determined (March 1 – May 31, June 1 – August 31, September 1 – November 30, December 1 – February 28/29).
TERMINATION REVIEW COMMITTEE

A Termination Review Committee will be established to review all termination grievances within thirty (30) days after the company's decision to terminate, and/or the date a grievance is filed, whichever is earlier. If however, the review is not scheduled within 30 days without mutual agreement, any subsequent backpay liability will be reduced by the period of time by which the review was postponed.

The purpose of the committee will be to review all of the facts and to insure that a full, fair and unbiased investigation was made and that the terminated employee received a fair hearing consistent with the principle of discipline and/or discharge only for just cause. The committee will make every effort to define all of the issues normally considered by arbitrators in determining whether the decision to terminate, under the circumstances, meets the test of just cause.

Both parties will be allowed full opportunity, and both will be expected, to present all of the facts and evidence gathered in their investigations. The terminated employee will be allowed to give a statement and both parties will be allowed to ask questions.

Either party can request that any witnesses be brought to the meeting and both parties will be allowed to ask questions. Either party may make a transcript and/or recording of the review meeting.

The Company and the Union will hold a pre-arbitration meeting within ten (10) days after the review meeting to discuss all of the facts and evidence and attempt to resolve the grievance.

If the parties fail to resolve the grievance, the Union can proceed to arbitration. If the grievance does proceed to arbitration, no new facts or evidence will be presented at the arbitration which was not presented at the termination review committee, unless first fully disclosed to the other party.
IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed to this Agreement by their respective duly authorized representa-
tives this 15th day of June, 2002.

TRANE, A BUSINESS OF AMERICAN STANDARD COMPANIES:

BECKY STEPH
Human Resources

CHRIS FARNSWORTH
Unitary Operations

RICK JOYCE
Unitary Operations

TONI PORTIER
Unitary Operations

ROBERT RHODES
Human Resources

WAYNE RICHEY
Unitary Operations

MIKE SIMMONS
Human Resources

SHERI SMILEY
Human Resources

WILL THOMAS
Compressor Operations
INTERNATIONAL UNION OF ELECTRONIC, ELECTRICAL, SALARIED, MACHINE AND FURNITURE WORKERS - COMMUNICATION WORKERS OF AMERICA (AFL-CIO/CLC)

TOM KEANE
IUE District 8

LOCAL 86782

RICKY HARRELL
President

CLARETTA ALLEN
Vice President

R.B. BIRDOW
Plant Chief Steward

MARK PARMER
1st Shift Chief Steward

GEORGE ELMORE
2nd Shift Chief Steward

CHARLES JONES
3rd Shift Chief Steward

ANTHONY MARTIN
Hourly Coach

JEAN FLOWERS
Recording Secretary

TONY HAYES
Skilled Trades Representative
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