

AGREEMENT

Between

AIR SYSTEM COMPONENTS, **INC.**
LEBANON, INDIANA

And

UNITED STEEL, PAPER AND FORESTRY, RUBBER,
MANUFACTURING, ENERGY, ALLIED INDUSTRIAL &
SERVICE WORKERS INTERNATIONAL
ON BEHALF OF LOCAL NO. 1999

Effective

August **9, 2010**

Through

August **11, 2012**

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ARTICLE 1
RECOGNITION AND REPRESENTATION

Section 1. THIS AGREEMENT is entered into by and between Air System Components LP, Lebanon, Indiana (hereinafter the “Company”) and United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial & Service Workers International on behalf of its Local No. 1999 (hereinafter the “Union”).

The Company recognizes that the Union has been certified by the National Labor Relations Board on, October 27, 2005, in Case No. 25-RC-10303 as the exclusive bargaining agent with respect to rates of pay, wages, hours of employment and other conditions of employment for all employees in the following appropriate bargaining unit, who are the employees covered by this Agreement:

“All full-time and regular part-time production and maintenance employees employed by the Company, but, excluding all office clerical employees, professional employees, managers, and guards and supervisors as defined in the Act.”

Section 2. It is the intent and purpose of this Agreement to promote good relations between the Union, the Company and its employees, to provide orderly collective bargaining relations, to provide a procedure for the prompt and equitable disposition of grievances, and to set forth the basic agreement covering wages, hours of work and other working conditions.

The parties recognize that in order to provide opportunities for continuing employment, favorable pay and benefits, and good working conditions, the Company must be in a competitive position and operate as efficiently as possible. The Company and the Union agree that they will cooperate in supporting full work time utilization, quality of workmanship, work place safety, and controlling absenteeism.

ARTICLE 2
UNION SECURITY AND DUES CHECK-OFF

Section 1. Union Security. All employees in the bargaining unit who are members of the Union on the date of the

execution of this Agreement shall remain members of the Union during the life of this Agreement as a condition of continued employment. All employees in the bargaining unit who are not members of the Union on the execution date of this agreement, and all employees hired after that date, shall become members of the Union not later than the one-hundred twentieth (120th) day of employment following execution of this Agreement or the one-hundred twentieth (120th) day following their date of hire, whichever is later, and shall remain members of the Union during the life of this Agreement as a condition of continued employment. The foregoing provisions shall be effective in accordance and consistent with applicable provisions of federal and state laws.

Section 2. Dues Check-Off. The Company, for each member of the Union within the bargaining unit who has completed one hundred twenty (120) days of employment and who has on file with the Company an individually signed authorization form complying with all provisions of federal and state law, shall deduct from the pay of such employee and

transmit to the Union the periodic due and initiation fees uniformly required as specified by the International Secretary-Treasurer in accordance with the International Constitution as a condition of acquiring or retaining membership therein. Such deductions will be made weekly from the pay of said employees and remitted monthly to the International Secretary-Treasurer of the Union, Five Gateway Center, Pittsburgh, Pennsylvania, 15222, together with a list of the names of the employees to whom said monies are to be credited. The Union agrees to indemnify the Company and hold harmless for any claims, suits, demands and liabilities for damages and penalties that may arise out of or by reason of any action that is taken by the Company for the purpose of complying with the foregoing provisions.

ARTICLE 3
MANAGEMENT RIGHTS

Except as modified by a provision of this Agreement, the Company retains the rights and authority which it had prior to the

signing of this Agreement and prior to the inception of any relationship, legal or otherwise, between the Company and the Union. These management rights shall include but not be limited to the following rights:

The right to determine the size and composition of the workforce.

The right to assign employees to their jobs and/or classifications.

The right to establish and maintain the standards for the work quality and the work quantity of employees collectively or individually.

The right to determine and control the machines, tools, equipment and material with which employees do their work, including the right to introduce new equipment and machines and when doing so, determine the appropriate wage rate for such machines and equipment, subject to the Union's right to grieve the reasonableness of such wage rates.

To contract or subcontract with an outside contractor or any other plant or division of Tomkins to perform any of the work

currently performed by the employees covered by the terms of this Agreement. This right to subcontract is unlimited in regard to reason, volume or type of work so long as such subcontracting does not cause the displacement or layoff, or prevent the recall, of employees who have the skills, qualifications, and abilities to perform the functions of the subcontracted work. However, nothing in this provision shall limit the Company's right to permanently close, discontinue, transfer, relocate or outsource all or any part of the operations or work performed in Lebanon, Indiana for any reason. This shall not be considered a waiver of the Union's right to bargain over the effects of such action.

To establish, change, combine or discontinue job classifications and prescribe job duties and content for each of the jobs to be performed by employees covered by this Agreement.

To establish hours and shifts of work, including length of shift and work schedules, and to change such as it determines is appropriate.

To establish and implement and to modify as and when it decides appropriate, reasonable rules and policies, such as safety and attendance rules, the current drug and alcohol policy, and similar subjects related to employee conduct or performance.

Where an employee's physical condition is at issue as it relates to the essential functions of the job, the safety of the workplace, or the receipt of benefits under this Agreement or under state or federal law, the employee shall promptly comply with physical examinations as required by the Company; provided, the Company shall pay for all such examinations.

These enumeration's of management rights and functions shall not be deemed to exclude other functions not enumerated and any of the rights, powers and authorities which management has relating to management functions are retained exclusively by the management of the Company, except as may be specifically limited by the terms and provisions of this Agreement.

ARTICLE 4
NO STRIKE/NO LOCKOUT

During the term of this Agreement, the Union, its members, and all employees within the bargaining unit represented by the Union, individually and collectively, will not permit, encourage, instigate, cause or take part in any strike, sympathy strike, slowdown, boycott, picketing or other concerted refusal to work or interference with the Company's work. Likewise, the Company agrees not to engage in a lockout. The Union shall be held liable for any violation of this Section committed by individual employees or members unless the Union has not authorized, caused, encouraged, sanctioned, or condoned such violation by the Union or its officers and unless it is clear the Union has taken affirmative steps to bring an end to such violation including communicating with the employee suspected of being in violation of this Article that he/she is to immediately cease any activities constituting a violation and that the Union does not authorize such

action. The Parties recognize the right of the Company to take disciplinary action, including discharge, against any employee who participates in violation of this Section, whether such action is taken against all of the participants or against only a selected participant or participants. Any employee so disciplined, including discharge, will have recourse to the provisions of the grievance and arbitration procedure.

ARTICLE 5 **SENIORITY**

Section 1. Definition of Probationary Period. Seniority is an employee's length of continuous service with the Company in years, months and days dating from the last date of hire. New employees shall work under the provisions of this Agreement but shall be considered probationary for one-hundred and twenty (120) calendar days, after which their seniority shall date back to the date of hire. Probationary employees shall not have seniority and may be laid off, discharged, or otherwise terminated by the

Company and such action shall not be subject to the grievance procedure of this Agreement.

Section 2. Tie in Seniority. Unless otherwise noted in this Agreement, seniority shall be plant-wide. Employees with the same date of hire shall have seniority preference based on alphabetical order (from A to Z) of their last name as of the first date of hire. The Company will maintain a complete seniority list of all employees, which will be updated monthly. A copy of the seniority list will be provided to the Unit President annually, with updates of any new hires being provided quarterly.

Section 3. Loss of Seniority. Seniority and the employment relationship shall be broken and terminated when an employee:

- (a) Quits;
- (b) Is discharged for just cause;
- (c) Is absent for three (3) consecutive working days without notifying the Company;
- (d) Fails to report for work after a layoff within five (5) working days after being recalled by direct telephone contact with the employee, or written notice of recall is

sent by the Company by overnight mail or certified mail (in the Company's discretion unless the employee has previously designated a preference in writing) to the employee at his last address of record on file with the Company;

- (e) Is laid off or leave of absence for more than twelve (12) months, or the length of service whichever is less;
- (f) Engages in other employment during a leave of absence without permission of the Company in writing, or obtains a leave under false pretenses.

Section 4. Labor Grades and Classifications.

10	Field Service Tech
9A and B	Maintenance
8A and B	Welder
7A and B	Machinist
6A and B	Fabrication
5	Inspector
5	Tester
5	Shipping/Receiving Clerks
4A and B	Assembler
4	Balancer
3	Painter
2	Maintenance Helper
1	Janitor/General Labor/ Carpenter/Shop/Wash

Group leaders will be appointed by the Company and will be paid the Group Leader premium in addition to the rate of pay for their actual classification.

Section 5. Vacancies. In the event of a new job or a job vacancy which the Company chooses to fill, the Company shall post notice of the vacancy on the bulletin board for three (3) working days. The job posting will include the job title, duties, qualifications, and the expiration date of the posting. Interested employees shall **sign the attached bid sheet**. Employees within the same classification, but on a different shift than posted, may bid and will be considered first, if senior, for the purpose of shift preference. Employees who expect to be absent from work for extended periods due to vacations or otherwise may file a written request in the Human Resources office indicating their desire to be considered in the event a vacancy occurs in a particular classification during their absence, and this shall have the same effect as making a written bid for the job during the posting period. At the close of the posting period, the Company shall award the job as follows:

- (a) For jobs in labor grade 6A or above, the position will be awarded to the bidder with the greatest plant-wide seniority who has the qualifications and skill and ability to perform the job.
- (b) For jobs in labor grade 6B or below, the position will be awarded to the bidder with the greatest plant-wide seniority who has the ability to perform the work. An employee awarded a job in labor grade 6B or below will be subject to a training/qualifying period of fifteen (15) working days during which the Company may rescind the job award if the employee fails to demonstrate the ability and skill to perform the job, or the employee may voluntarily disqualify from the job within the first five (5) working days on the new job. In either event, the employee will be returned to his last held job or a job of equal pay on the same shift. The Company will not be required to re-post the job, and may proceed to fill the job from the original bid list of bidders so long as eligible applicants remain.

A successful bidder will be moved into the new job within fourteen (14) calendar days unless the bid is cancelled due to a change in business conditions. The only exception will be where training requirements or new hire replacements associated with back-filling the job of the successful bidder cannot be accomplished within the fourteen (14) day period, in which case the Company agrees to discuss the delay with the employee, and

the Unit President of the Local and in no event will the move be delayed more than a total of thirty (30) days. A successful bidder is not eligible to bid for another job for **six (6) months, except that it is agreed that the waiting period will be waived for such ineligible bidders before hiring from the outside.**

If the bidding procedure does not satisfactorily fill the vacancy, the Company may hire an employee from another source, except that if the Company intends to train an applicant for the job, then regular bargaining unit employees with the basic skill and ability to do the job will be given an opportunity to re-bid on the job by plant-wide seniority for training purposes.

Section 6. Layoff and Recall. In the event of a reduction in the workforce those employees in the affected classification(s) will be laid off according to their plant-wide seniority, provided the remaining employees in the classification can perform the available work. The laid-off employee(s) may then displace the least senior employee in another classification according to the following:

- (a) To “bump” a less senior employee in labor grade 6A or above, the employee must have the qualifications and skill and ability to perform the job. However, a brief orientation period will be provided to the qualified employee.
- (b) To “bump” a less senior employee in labor grade 6B or below, the employee must have the ability to perform the work, subject to a fifteen (15) day training/qualifying period.

“Bumping” into a classification may be delayed if it would cause an inadequate number of trained employees to remain in the classification to perform the necessary work. An employee will receive the rate of pay of the job into which the employee has bumped. In the event of recall or increase in the workforce, laid-off employees will be recalled in reverse order according to the criteria above. Any layoffs for a period of five (5) working days or less shall be considered a temporary layoff and the provisions of Section 4, 5 and 6 of this Agreement shall not apply to temporary layoffs.

Section 7. Employee Information. It is the obligation of every employee including those on layoff to keep the Company

informed in writing of his current home address and telephone number. The Company's obligation in connection with the recall shall end with a notice of recall sent by the Company per Section 3(d) above.

Section 8. Return to the Unit. If a bargaining unit employee with seniority status accepts a position outside the bargaining unit, the employee may return to the bargaining unit with seniority intact within the first thirty (30) days after leaving the bargaining unit. After this thirty (30) day period, the employee's seniority rights shall terminate.

Section 9. Temporary Employees. The Company may hire up to ten (10) percent of the active bargaining unit, as temporary employees whom shall not acquire seniority and shall not be provided any benefit of this Agreement. The Company agrees that no temporary employee may work more than sixty (60) work days in any calendar year.

Section 10. Temporary Transfers. Employees may be temporarily transferred from one classification/department to another. In the event the Company temporarily transfers an employee from one classification/department to another, the least senior employee with the skill and ability to perform the required work shall be transferred. Any employee temporarily transferred, at the Company's request, will be paid the higher of his rate of pay, or the rate of pay of the job transferred to, for all hours worked in the job to which he is transferred.

The Company will not transfer another employee to perform the work of the employee temporarily transferred. Employee(s) temporarily transferred from their classification/department to another shall be eligible for overtime in accordance with Article 9, Section 3 of the Collective Bargaining Agreement, as it pertains to Daily Overtime. For Saturday overtime, an employee will be

obligated to follow the overtime posted on Thursday for the classification/department they have been temporarily transferred to, if they are in that classification/department both when the overtime is posted on Thursday afternoon, and all day Friday. Otherwise, the employee would be obligated to follow the posted overtime in their “home” classification/department.

In the event an employee(s) is temporarily transferred for more than thirty (30) days, the Company and Union will meet to discuss the necessity to fill a permanent position.

ARTICLE 6

GRIEVANCE AND ARBITRATION PROCEDURE

Section 1. “Grievance” within the meaning of this Agreement shall be any complaint as to the application of a provision of this Agreement to a particular situation involving an employee or group of employees. The following procedure shall

be the exclusive procedure for filing and processing grievances under this Agreement.

Step 1. In the event of a grievance, it must first be presented in a verbal discussion between the employee(s) involved and the Union Committee-member and the **immediate Supervisor or Human Resources**, within **five (5)** working days of the occurrence of the event giving rise to the grievance.

Step 2. In the event the grievance has not been adjusted to the satisfaction of the employee in Step 1, the Union may, by the end of the fifth working day after the occurrence of the event out of which the grievance arose, reduce the grievance to writing and present it to Human Resources or such representative as Human Resources may designate. The grievance must state the nature of the incident, the provision of this Agreement on which the grievance is based, the relief sought, and it must be signed by the employee and Union Committee-member. Human Resources, or its designee, will give reply to the grievance by the end of the third working day after the day upon which it was received.

Step 3. If settlement is not reached in Step 2, the grievance may, by the end of the fifth working day after the day upon which the answer in Step 2 is received by the employee, be presented in writing by the Union, to the Plant Manager or designated representative. The Plant Manager, or designee, and the Union International Representative, or designee, will meet and discuss the grievance at a mutually convenient time (which shall be not more than thirty (30) days from the Company's second step answer). Each party may also include up to three¹ (3) other participants at the meeting. The Company shall give an answer within five (5) working days after such meeting is held.

Step 4. In the event a grievance as defined in this Article has been processed through the procedure set forth above without agreement, the Union may require the grievance be submitted to an impartial arbitrator, only if it gives written notice to the Company within ten (10) calendar days after the Union has

¹ The intent is to have the 3 member committee present so that all shifts are advised as to the status of any grievance or any communication between the Company and the Union.

received the Company's written answer in Step 3 of the grievance procedure.

The matter shall then be jointly referred to the Federal Mediation and Conciliation Service within ten (10) calendar days to submit a panel of seven (7) arbitrators, each of whom shall be a member of the National Academy of Arbitrators and each of whom shall maintain an office in Indiana or one of the contiguous states. The arbitrator shall be selected from the panel by the parties alternately striking names. Each party may request an additional panel. The decision of the arbitrator regarding a grievance which is properly arbitral under the provisions of this Agreement shall be final and binding upon the parties. Separate grievances may not be joined in one arbitration proceeding except by mutual agreement of the parties. The parties agree that once the case has been appealed to arbitration, the party making such appeal shall obtain the panel from the Federal Mediation and Conciliation Service within thirty (30) days from the day of appeal.

Section 2. Any grievance not presented or processed by the grievant and/or Union in accordance with Steps 1, 2 or 3 shall not be entitled to consideration after the non-compliance and any grievance not timely appealed from one step of the grievance procedure to the next shall be considered settled on the basis of the Company's last answer. Should the Company fail to comply with any of the time requirements of this procedure, then the grievance will be automatically moved to the next step of the procedure.

Section 3. The parties will share the costs of requesting the arbitration panel. The fees and expenses of the arbitrator will be borne by the losing party. The expenses of the arbitration hearing will be shared by the parties. Each party shall be responsible for paying their own attorneys' fees and any fees or expenses for the calling of their witnesses.

Section 4. The Arbitrator shall apply the terms of this Agreement to the particular case presented to him, but he shall have no authority to add to, subtract from, or in any way modify or

depart from the terms of this Agreement. In any grievance involving a potential back pay award against the Company, such liability for back pay shall not be retroactive for any period prior to the date on which the grievance was reduced to writing. The amount of any back pay award shall be reduced by the amount of income the employee has received from other employment or unemployment compensation.

Section 5. In a circumstance where a discharged employee files a grievance asserting that he was discharged in violation of the collective bargaining agreement, such grievance shall be filed within five (5) days of the date of discharge. The grievance shall state the nature of the incident, the provisions of the Agreement on which the grievance is based, the relief sought. The grievance shall be filed with the plant manager or his designee who shall process such grievance as if it has previously proceeded through Steps 1 and 2 of the grievance procedure.

Section 6. The Union shall have the final authority to dispose of any grievance at any step of the grievance procedure

in any manner deemed by it to be most prudent, including refusal to process the grievance further, and the Company may conclusively rely on any such disposition. Grievances settled by the parties at Step 1 or Step 2 shall be without precedent with respect to any other grievance or fact situation unless noted to the contrary in the settlement language.

ARTICLE 7 **UNION REPRESENTATION**

Section 1. Union Committee. The Union shall have the right to appoint a Plant Committee comprised of up to three (3) employees. The names of the Plant Committee members will be provided to the Company. The Plant Committee members will be permitted **up to two (2) hours each per week**, with no loss of pay, during working hours, **to investigate and handle** grievances, provided, advance permission must be obtained from supervision prior to leaving the job, and permission will not be

unreasonably denied. Such handling of grievances shall not interfere with the operations or work of the plant.

Section 2. Employee Discipline. A Union representative shall be present when discipline is being assessed unless the employee declines Union representation.

Section 3. Bulletin Board. The Company agrees to provide a bulletin board within the facility for the Union's sole and exclusive use for its communication with the Union membership concerning Union meetings, Union elections, Union-sponsored social functions, and Union legislative updates. The Union agrees that nothing will be posted that would demean, slander or otherwise harm the Company's business or management.

Section 4. Access to Plant. The International Representative of the Union **or his designee** shall have access to the plant in order to transact official union business related to the enforcement and administration of the terms of this collective bargaining agreement and to the representation of the employees. Advance approval, stating the reason for the visit,

must be obtained from the Human Resources Manager or the Plant Manager, which will not be unreasonably denied. The International Representative shall then be allowed access to the plant or to a private area designated by the Company in order to meet privately with an employee for the purpose of discussing concerns arising under the collective bargaining agreement. Such activities shall not interfere with the operation or work of the plant.

ARTICLE 8 **HOURS OF WORK**

Section 1. Work Week and Hours of Work. The normal workweek consists of five (5) consecutive days, Monday through Friday, each week, and the normal work day consists of eight (8) hours. Nothing in this Agreement shall be construed as a guarantee of hours of work per day or week or days of work per week. The Company will determine the number of shifts.

Section 2. Shift Schedules. The normal shift start times fall within the following windows: First shift 6:00 a.m. - 7:00 a.m.; Second shift 2:30 p.m. - 3:30 p.m.; Third shift 9:30 p.m. - 10:30 p.m. The work hours Sunday evening between the hours of 10:30 p.m. and 12:00 a.m. are considered Monday work hours. Once established, a shift starting time will not be adjusted without two weeks' advance notice to the Union and the affected employees. The Company shall continue to provide employees on the second and third shift with a premium of \$0.20 per hour for all hours worked during their shift.

Section 3. Lunch Periods. A thirty (30) minute unpaid lunch period shall be provided on each shift, to be scheduled in a manner that does not interfere with production requirements. Employees shall be permitted to leave the Company premises during their lunch period. The parties agree that a practice exists concerning "wash up" and "clean up" period prior to the lunch break and at the end of the shift, and the parties agree that this practice will be continued for the term of this Agreement.

Section 4. Break Periods. Two paid break periods of ten (10) minutes each shall be provided during each shift, to be scheduled in a manner that does not interfere with production requirements. In the event of overtime anticipated to be two (2) hours or more at the end of the regularly scheduled shift, the employee shall be provided a third paid break period of ten (10) minutes at the start of the overtime period.

Section 5. Call-Back Pay. An employee who has finished work and left the Company premises, and is called back by the Company to work on a non-scheduled basis, shall receive a minimum of two (2) hours pay at their straight-time rate, and the employee may be assigned work by the Company during this period.

Section 6. Show-Up Pay. In the event the Company does not follow established procedures for announcing a closing and fails to notify an employee not to report for work, then an employee who reports for work at their regular time will receive a minimum of four (4) hours pay at their straight-time rate, and the

employee may be assigned work by the Company during this period. This provision shall not apply where failure to put the employee to work is caused by failure of public utilities, major breakdown of equipment or act of God.

ARTICLE 9 **OVERTIME**

Section 1. Overtime. The following provisions will apply to overtime work. Nothing in this Agreement shall be construed as a guarantee of overtime work, and overtime pay (premium rates) shall not pyramid (be paid twice for or in respect of the same hours).

Section 2. Weekend and Holiday Overtime. The Company will post by Wednesday a notice requesting employees to volunteer for weekend or holiday overtime. In the event that less than an entire department is needed for such overtime work, employees who have volunteered for such overtime and who have the present qualifications to perform the work **in the**

department will be scheduled to work, beginning with the most senior volunteers. **If there are no qualified volunteers in the department, the plant wide volunteer list will be used to assign the available work assignment to the senior qualified employee.** If an entire department is needed for such overtime work, or there are not a sufficient number of volunteers who have the present qualifications to perform the work, the Company will post notice of scheduled overtime by 3:30 p.m. on Thursday (by 7:00 a.m. Thursday for third shift employees). **If less than an entire department is needed for posted weekend and holiday overtime and there are not enough qualified volunteers, the lowest seniority employees in the department who have the present qualifications to perform the work will be the first ones required to work the overtime.** If employees have been given notice of such scheduled overtime, and the overtime is then cancelled later than 7:00 a.m. Friday morning, the employees who were scheduled but cancelled shall not be required to work overtime the next week-end.

It is understood that the following list of departments apply only to the provisions of this Article 9, Section 2, Weekend and Holiday Overtime. These departments are subject to change depending upon the then-present business demands of the Company, in which event the Company will provide advance notice to the Union and meet to discuss the changes.

Fab Department	Assembly Department	Machining Department	Wheel Weld Department	Shipping Department	Housing Weld Department
Fab	Assembly	Machine Shop	Balance		
Amada	Touch Up	Okuma & VTL			
Laser	Fan Test	Shaft Machining			
AKS	Carpentry				
Blade Form Cell					
Wash & Paint Department	Maintenance Department	Receiving/ Warehouse Department	Inspection Department		
	Janitor				

Section 3. Daily Overtime. Daily overtime work will be offered first to the employee who has been performing the work during the work day and if additional employees are needed, the Company will ask for additional volunteers among those

employees who have the present qualifications to perform the work. Daily overtime work will be voluntary unless a notice has been posted at least twenty-four (24) hours in advance of the overtime period. If less than an entire department is needed for posted daily overtime, the lowest seniority employees who have the present qualifications to perform the work will be the first ones required to work the overtime.

Section 4. Premium Pay. Employees will be paid time and one-half (1 ½) their regular hourly rate of pay for all hours worked in excess of forty in a work week. Paid holiday hours, approved paid vacation hours, and hours missed by the employee due to being sent home by the Company for non-disciplinary reasons will count toward the forty hour requirement. Hours worked on Sunday will be paid at two (2) times an employee's regular hourly rate of pay.

ARTICLE 10
VACATION

Section 1. Amount of Vacation.

- (a) All employees who have completed at least one (1) year's seniority with the Company shall be entitled to one (1) week vacation with forty (40) hours pay.
- (b) All employees who have completed at least two (2) years' seniority with the Company shall be entitled to two weeks' vacation with eighty (80) hours pay.
- (c) All employees who have completed at least ten (10) years' seniority with the Company shall be entitled to three weeks' vacation with one-hundred and twenty (120) hours of pay.
- (d) All employees who have completed at least eighteen (18) years' seniority with the Company shall be entitled to four (4) weeks' vacation with 160 hours of pay.

Section 2. Vacation Pay. Vacation pay is 40 hours at the employee's straight time hourly rate, including shift premium.

Section 3. Vacation Scheduling. The employee shall provide notice to his/her supervisor by the end of the shift on the day before the employee desires to take vacation. Vacation will be scheduled on a first-requested, first honored basis. The Company shall have the right to limit the number of employees

eligible to take vacation in order to ensure production needs are met. An employee may use vacation in increments of eight (8) hours each or one or more weeks (see also Section 5 below).

Section 4. Pay in Lieu of Vacation. All employees must take their full vacation by their anniversary date of each year, except not more than one week's pay in lieu of vacation may be granted by mutual agreement between employee and management to handle emergency conditions for the Company.

Section 5. Vacation Increments. An employee may, with Company approval obtained by the end of the prior work day, also use vacation in 2 hour or 4 hour segments. Approval will be based on business needs and will not be grievable. Use of vacation in 2 hour or 4 hour increments will be limited to the beginning or end of the employee's work day, and generally will not be approved for the end of the shift on the day preceding a holiday.

ARTICLE 11 **HOLIDAYS**

Section 1. Holidays Defined. The following days shall be considered holidays during which no regular Production or Maintenance work shall be performed.

- New Year's Day
- Memorial Day
- July 4
- Labor Day
- Thanksgiving
- Day after Thanksgiving
- Christmas Eve
- Christmas Day
- New Year's Eve
- One floating holiday (to be scheduled as pre-approved vacation)

Section 2. Holiday Pay. Each seniority employee shall receive eight (8) hours' pay at the straight time hourly rate, including shift premium, of his regular job classification for each of the above holidays.

Section 3. Pay for the Holiday Worked. Each employee who consents to work on a holiday shall receive double time pay for work performed in addition to the holiday pay.

Section 4. Holiday Occurring During Vacation.

Employees, at their option, who are on vacation during the week in which a holiday occurs shall receive an additional day of vacation pay, or an additional day of vacation.

Section 5. Eligibility Requirements. A seniority

employee shall be entitled to the above listed holidays and pay, provided the employee has worked the last scheduled work day prior to a holiday and the first scheduled workday following a holiday, except if the employee is absent for any excused absence under the company's Attendance Policy.

ARTICLE 12
LEAVES OF ABSENCE

Section 1. No employee is eligible for a leave of absence until completion of the probationary period. An employee must make written application with Human Resources for a leave of absence in the event of absence in excess of three (3) continuing

working days. Leaves may be granted by the Company for the following reasons:

- (a) Personal – When production requirements permit, unpaid personal leave for compelling reasons may be granted for a period or periods not to exceed thirty (30) calendar days. The employee will be required to have used all available earned vacation time prior to any personal leave of absence being considered for approval by the Company. Prior to beginning the leave, the employee must make arrangements with the Company to pay the employee's applicable share of the premium in order to maintain group insurance coverage during the leave.
- (b) Medical Leave – Unpaid medical leave of absence shall be granted by the Company for the duration of the employee's illness or injury, provided no leave shall be granted for more than a total of one year and provided the Company has received a qualified physician's statement of the nature and extent of the illness or injury. The employee shall not return to work unless and until he files with the Company a qualified physician's statement that he is able to return to work. The initial period of any medical leave shall run contemporaneously with any FMLA leave to which the employee is entitled by law. If leave extends beyond the period of FMLA leave, the employee upon return may be placed by the Company in any available job. Except for FMLA leave of more than three consecutive days, an employee will be required to use available vacation as a condition of being granted a medical leave. Group insurance coverage will be maintained during a medical leave of absence provided the

employee timely pays the employee's applicable share of the premium.

- (c) Military Leave - Will be provided as required by law.
- (d) Union Leave - Two employees, up to one day per month for each employee, may be excused from work without pay for the purpose of attending Union meetings, and two employees may be excused from work without pay for up to **ten (10) days** per year for the purpose of attending training. At least **two (2)** week's advance notice is required and the Company and the Union will cooperate to minimize disruption of business.

Failure of an employee to maintain and pay for their portion of the premium during any leave will result in insurance coverage being cancelled.

Section 2. Any employee returning to work prior to the expiration of his leave of absence may do so after notifying the Company forty-eight (48) hours in advance of his intention to do so and subject to approval of the Company.

Section 3. The Company shall not be liable for the payment of any benefits or wages during leave of absence except as required by state or federal law.

Section 4. The Company may, when business conditions permit, temporarily adjust an employee's work schedule or hours to accommodate a medical restriction.

Section 5. Jury Leave. Employees who have completed their probationary period and are summoned to jury duty by state or federal court shall be excused from work for the duration of the jury service and will be paid for time lost from regular scheduled hours of work, inclusive of shift premium, up to a maximum of eight (8) hours per day Monday through Friday not to exceed fifteen (15) days' pay. Payment will be reduced by any pay received from the court, and will be conditioned on the employee producing appropriate documentation from the court.

If first shift employees are discharged from jury duty by 11:00 a.m. they will be expected to report by 12:30 p.m. that afternoon. If third shift employees are summoned to report for jury duty, they will be released from their third shift work schedule for the same day of the jury duty. Should the third shift employee

be discharged from jury duty by noon, they will be expected to report for work at their regular starting time that evening.

Section 6. Funeral Leave. Employees who have completed their probationary period and are actively at work shall, upon request, be granted three (3) days' pay for time lost from work for the purpose of making funeral arrangements and attending funeral services for loss of one of the following: employee's spouse, children, stepchildren, grandchildren, parents (or step-parents with whom the employee lived as a child), brothers, sisters, grandparents or spouse's parents. Pay shall consist of eight (8) hours at the employee's basic hourly wage rate exclusive of premiums. Proof of attendance at the services and relationship to the deceased may be requested.

Section 7. Short Term Disability. The Company will continue its existing Short Term Disability Plan during the term of this Agreement.

ARTICLE 13
MISCELLANEOUS

Section 1. Safety Committee. A Safety Committee will be comprised of up to three management representatives, one member of the Union Plant Committee as selected by the Union, one bargaining unit employee appointed by the Union, and one bargaining unit employee appointed by management. It is the intent that the appointed bargaining unit employees will be rotated quarterly to provide fresh input. The Safety Committee shall normally meet once each month during working hours on a standing date that may be changed by mutual agreement. The Safety Committee will be responsible for discussing safety matters in the plant, safety awareness promotions, coordination of departmental and plant inspections, and review of safety incidents and accidents.

Section 2. Pay for Lost Time Due to Injury. In the event an employee is injured while performing assigned duties for the Company and this causes the employee to lose time from work,

the Company will pay for such lost time on the day of the injury at the employee's regular straight time hourly rate, including shift premium where applicable, but exclusive of overtime.

Section 3. Payday. Employee Pay will be deposited on Fridays, either via Direct Deposit or Pay Card or other functional equivalent of cash.

Section 4. Direct Deposit. Employees will have the option of direct deposit of **pay at** the banking institution of their choice **or via Pay Card**, provided no bank transaction fees or similar additional costs are incurred by the Company. It is understood that due to fund transfer provisions in place at the employee's particular bank, funds may not be accessible on the date payroll **is distributed**, and that manual individual payroll checks will not be issued in the event of an error or delay in direct deposit. Any issues related to direct deposit **or Pay Card** will not be subject to arbitration.

Section 5. Inventory. During inventory, if less than all employees are needed for inventory, the most senior qualified

employees shall have the first opportunity to work inventory. Likewise, the Company may require inventory work of those employees with skills necessary for the inventory. Employees who are not qualified to take inventory may be temporarily laid off for the inventory. Employees who volunteer or are scheduled for inventory are required to work until cleared to leave.

Section 6. Supervisors Working. Supervisors shall not perform operations normally assigned to bargaining unit employees, except:

1. For the purpose of instructing or training employees, or
2. When production or maintenance difficulties are encountered, or when bargaining unit employees are not available, provided such work shall not displace any bargaining unit employee, or
3. In situations involving the trial, trouble-shooting or testing of tools, equipment or processes.

Section 7. Union Label. Products manufactured under the terms of this Agreement may display the appropriate Union label. It is understood that the label is the property of the Union. Permission to display the label may be revoked by the Union for

contract violations, as established through the grievance and arbitration procedure.

Section 8. Past Practices. Past practices preceding the date of this Agreement shall not be binding on either party.

ARTICLE 14 **INSURANCE**

On the first day following completion of the probationary period, or such earlier date as may be determined by the Company, an employee will be eligible to participate in the group health program offered to bargaining unit employees. It is understood that the terms of this program are subject to change, in which event the Company will provide advance notice to the Union and meet to discuss the changes. The Company shall pay seventy-five percent (75%) and the employee shall pay twenty-five percent (25%) of the applicable monthly premium for the medical plan. Dental and vision benefits are voluntary plans paid for by the employee. Employee contributions to the health program shall be made under applicable IRS Section 125

regulations. The obligation of the Company for payment of its share of group health costs shall cease immediately in the event the employee quits, is discharged, or participates in a strike or work stoppage, and shall cease at the end of the month in which a Company-initiated layoff occurs. Group health coverage during an approved leave of absence will be determined by the leave of absence section of this Agreement.

ARTICLE 15
RETIREMENT SAVINGS (401 K PLAN)

Bargaining unit employees who have been employed at least one year and worked at least 1,000 hours during the twelve months are eligible for participation in the Tomkins Retirement & Savings Plan. Contributions will be made for employees who are employed on December 31 each year, and will equal 3% of the employee's compensation during the year, after the one year eligibility requirement is met. There is a five year vesting schedule for Company contributions: 2 yrs - 25%; 3 yrs - 50%; 4

yrs - 75%; and 5 yrs - 100%. Employees may also contribute pre-tax earnings up to 6% of compensation, with a Company match of 25%. The specific terms of these plans are described in the plan documents.

ARTICLE 16

WAGES

Effective August 9, 2010, the hourly rates of pay for bargaining unit employees who have completed one year of service are as follows:

	8/07/2006	8/10/2009
Field Service Tech	\$19.50	\$20.55
Maintenance	\$16.77	\$17.82
General Maintenance	\$16.31	\$17.36
Welding Tech A	\$16.31	\$17.36
Fabrication Tech A	\$15.58	\$16.63
Machinist	\$15.58	\$16.63
Inspector	\$15.58	\$16.63
Tester	\$15.49	\$16.54
Assembler Tech A	\$15.32	\$16.37
Balancer	\$15.32	\$16.37
Shipping/Receiving/Clerks	\$15.32	\$16.37
Painter	\$15.04	\$16.09
Carpenter	\$13.13	\$14.18
Maintenance Helper	\$13.13	\$14.18
Janitor/General Labor	\$13.13	\$14.18
“B” Jobs - All employees hired on or after 8/7/06		
Welder B	\$15.58	\$15.58 - \$16.63
General Fabricator B	\$14.00	\$14.00 - \$15.05
General Machining B	\$14.00	\$14.00 - \$15.05
General Assembler B	\$14.00	\$14.00 - \$15.05

Bargaining unit employees hired on or after August 7, **2010** upon completion of one year of service will receive the following rates of pay. The Company will determine the new hire rate and the 120-day rate for such new hires. Employees in these “B” jobs may bid on the higher-rated “A” job in the event of a job opening, subject to qualifications, per the job bidding procedure in Article 5 Section 5 of the labor contract:

Welder B	\$15.58
General Fabricator B	\$14.00
General Machining B	\$14.00
General Assembler B	\$14.00

The two Machinists running CNC machines as of August 7, 2006 will be grandfathered with a \$.50 cents per hour premium.

Group leaders are appointed by the Company and will be paid a Group Leader premium of \$.50 cents per hour in addition to the rate of pay for their actual classification.

Effective August 9, 2010, all bargaining unit employees on the company seniority list as of that date will receive a one-time lump sum amount of two-hundred dollars (\$200).

ARTICLE 17
TERM OF CONTRACT

This Agreement shall be effective August **9, 2010** and shall expire at midnight on August **11, 2012**.

IN WITNESS WHEREOF, the parties have hereunto set their hands effective this **28th** day of **July, 2010**.

UNITED STEEL, PAPER AND FORESTRY, RUBBER,
MANUFACTURING, ENERGY, ALLIED INDUSTRIAL
& SERVICE WORKERS INTERNATIONAL,
LOCAL NO. 1999

AIR SYSTEM COMPONENTS, **INC.**
LEBANON, INDIANA

By: Leo Gerard, /s/
International President

By: Stacy Winsett, /s/
Director, Human Resources

Stan Johnson, /s/
International Secretary-Treasurer

Jon Adams /s/

Tom Conway, /s/
International Vice President

Kristin Thomas /s/

Fred Redmond, /s/
Int'l Vice President

Jim Robinson, /s/
District Director

Randy McKay, /s/
Sub-District Director

James C. Adcock, /s/
Staff Representative

Dustin Martin, /s/
Unit President

Tony Wines, /s/
Committee

Dale Funk, /s/
Committee