

**A ROYAL GROUP COMPANY
INDIANA BOX COMPANY - GREENFIELD
COLLECTIVE BARGAINING AGREEMENT**

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AGREEMENT

This Agreement made and entered into as of the first day of **July, 2006** by and between Indiana Box Company, 2200 Royal Drive, PO Box 307, Greenfield, Indiana 46140, hereinafter referred to as the “Company” and **United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union**, AFL-CIO-CLC, on behalf of Local Union 1999, hereinafter referred to as the “Union”.

This Agreement does not apply to supervisors, inspectors, office and clerical employees notwithstanding anything hereinafter appearing to the contrary.

ARTICLE I - PURPOSE

The general purpose is to maintain a just and mutual understanding of the problems confronting the employer and employees, to promote and improve industrial and economic relationships between these parties, and to establish a basis covering general working conditions in the plant.

ARTICLE II - RECOGNITION

The Company agrees to recognize the Union as sole collective bargaining agency for all employees on all matters of wages, hours, and working conditions.

The Company agrees that as a condition of employment, all employees covered under the terms of this contract and while the contract is in effect, upon completion of the probationary period, are to become and remain Union members while in the employment of the Company.

The Union agrees that insofar as possible, it will cooperate with the Company and support its efforts to assure a fair days work by all employees, that it will discourage absenteeism and any other practice which restricts production. The Union further agrees that it will support the Company in its efforts to eliminate waste in production, conserve materials and supplies, and improve the quality of workmanship and prevent accidents.

ARTICLE III - PROBATIONARY PERIOD

There shall be a probationary period of **ninety (90)** working days for new employees, during which period the employer shall have the right to terminate the employment of said new employee for any reason whatsoever. At the end of the aforementioned period of **ninety (90)** working days the seniority of the new employee shall be backdated to **original hire date**.

Note: Applicable for employee hired after the ratification of this Agreement.

Sec. 1. There WILL be three members on the GRIEVANCE Committee representing the Union, who are employees of the Company.

Sec. 2. There shall be one regular meeting each month for the handling of grievances and the discussion of problems affecting management and employees. This meeting may be cancelled by mutual agreement.

Sec. 3. Any special meeting will be granted within three working days following the receiving, by the Manager or two committeemen, of a request for a special meeting that is signed by two committeemen and/or the Manager, stating the purpose of the meetings.

Sec. 4. The combined total of regular and special meetings is limited to two in any one calendar month. Such meeting shall be at the Company's plant office.

Sec. 5. The Company will pay for time lost to the three committeepeople for time spent in meetings called as outlined above for settling of employees' grievances. Committeepeople will not be granted pay for time spent in contract negotiations, or for meeting in excess of two each month.

Sec. 6. Representatives of the United Steelworkers of America shall have the right to be present in Union-Management meetings.

ARTICLE IV - REARRANGEMENT OF WORKING FORCE

Sec. 1. Seniority defined: The word seniority, as used in the following sections, shall mean length of continuous service with the Company with due consideration to the employees who have the ability to do the job.

Sec. 2. Seniority shall be observed as follows:

(a) Plant wide with due consideration given to the employees and ability to perform the job.

Sec. 3. When it is necessary to reduce the work force in a classification in any particular department, the junior employee of that classification shall be transferred out to any job and/or shift of his (her) choice provided her has the seniority and the experience and ability to perform the work. If this bumping entails a temporary shift change, the Company will make every effort to limit that temporary assignment to two (2) weeks.

In exercising his seniority as above, an employee displaces the junior employee of that classification into which he bumps and that second employee in turn exercises his seniority as above. An employee scheduled to work less than forty (4) hours per week shall be considered laid off for this purpose. The above procedure shall determine who, if any, will be laid off.

Exceptions to the above lay-off procedure shall be cases wherein an employee shall choose to take temporary lay-off because of hardship caused by the changing of shifts in mid-week.

Sec 3A. When an increase in the working force occurs, the Company shall call the senior employee who has previously been laid off, who can perform the required work.

Sec. 4. All vacancies and new jobs shall be posted within five calendar days from the date the job becomes vacant in order to give employees an opportunity to make application in writing for such jobs. Such position shall remain posted and open for a period of seventy-two hours. Applications shall be accepted from all eligible employees, but the job will be filled on

the basis of length of service and competence to perform the work. The successful shall have a trial period not to exceed 30 days on the job with an additional 30 days being available through joint agreement between Company and Union. After the trial period, if any employee is disqualified, the second eligible employee on the bid job will be given a trial period and the disqualified man will go back to his original job. The successful bidder cannot bid on any other job for a period of six calendar months except on a new job created after his last successful bid. Nothing herein shall prevent the Company filling a any job vacancy in any manner during the time for posting and filling from application as in the Section provided.

Sec. 5. In the case of seniority violation, respective to misplacement of any employee on a job, such employee will be entitled to any difference in pay between jobs in question, provided he accepts the job assigned and continued working and a written grievance is presented to the Management. No lost pay claim will be considered if the employee elects to refuse the job assigned and loses time thereby, or fails to present a grievance.

Sec. 6. The employees reinstated after unlawful discharge shall return to their former jobs and receive regular rate of pay for lost time. Employees losing time on account of seniority violation shall receive regular rate of pay for lost of time.

Sec. 7. An employee who is ill and so notified the Company and whose claim of illness is supported by satisfactory evidence shall be granted a sick leave for the duration of the specified time off by the physician. In the absence of a specific return to work date, the employee will be granted a sick leave for thirty (30) days. This leave shall be in writing and shall be signed by both the Union and the Company. Should the employee fail to make a reasonable effort to secure the additional leave of absence, he shall be considered as a terminated employee on the expiration date of the initial leave. Employees on sick leave shall retain seniority rights for a period of three (3) years or length of seniority, whichever is less.

Sec. 8. The Company may grant a leave of absence to any employee not to exceed thirty days. The leave of absence has to be at least a one week period. Any paid days that occur during the leave will not be paid. Every situation is different and will be looked at on an individual basis. Management has the last say on any leave. No vacation time will be used on a leave of absence.

Upon request, aforementioned leave of absence may be renewed if good reason is shown, and seniority shall accumulate during any leave of absence if mutually agreed upon. Approved copy of leave of absence shall be furnished to the employee and to the Union before such leave shall become effective. Any person overstaying a leave of absence shall be considered as having voluntary quit.

Sec. 9. The Company agrees to abide with Federal Law as it pertains to pregnancy. Nothing contained in this Agreement shall be deemed to restrict the Company's ability to comply with the provisions of the federal Family and Medical Leave Act, if and to the extent applicable.

Sec. 10. Employees, other than those on furlough, for whom work is available, will not retain seniority upon taking or continuing work elsewhere which prevents their working for the

Company full-time or which interferes with their work for the Company. If any employee quits or is justly discharged, he or she shall lose his or her seniority rights.

Sec. 11. When openings are to be filled from employees who do not have bid jobs, the supervisor in charge will make assignments in accordance with employees' seniority, job preference, and ability to do the work.

Sec. 12. An employee desiring to change shifts will notify the office in writing at least ten (10) days prior to January 1, May 1, and September 1. The change will be made the first Monday of January, May, and September.

Shift preference will be granted according to seniority and ability to do the work.

Sec. 13. The Company will furnish the Union, semi-annually, with an up-to-date seniority list of all employees in the bargaining unit. The seniority lists will be for the periods of January 1 through June 30, and July 1 through December 31.

No new employee shall be hired by the Company as long as there are properly qualified persons on the seniority list available. Any employee on temporary lay-off two (2) years shall be stricken from the seniority list.

Sec. 14. Any employees who is permanently promoted from the bargaining unit to a position (Company) which is excluded therefrom shall continue to accumulate seniority while in such excluded position for a period not to exceed six (6) months and may return automatically to the bargaining unit with such accumulated seniority. If such employee remains in the excluded position for more than six (6) months he may return to the bargaining unit at discretion of Company, but as a new employee, with no seniority other than for purposes of determining his eligibility for vacation. In no case shall he be permitted to return to the bargaining unit if he quits the Company or is justifiably discharged.

Sec. 15. Any provision of the Agreement to the contrary notwithstanding, the Company shall have the right to hire Summer temporary employees subject to the following:

- (a) Summer temporary employees shall be permitted to perform bargaining unit work only between Memorial Day and Labor Day. Summer temporary employees shall be subject to the provisions of Article XIV (Union Shop) of the Agreement. No Summer temporary employee shall be permitted to displace any regular bargaining unit employee. While Summer temporary employees are employed by the Company no regular bargaining unit employees will work less than forty (40) hours per workweek. Regular bargaining unit employees shall be afforded the opportunity to work all overtime hours available prior to a Summer temporary employee working overtime. Without written mutual agreement between the Company and the Union the total number of Summer temporary employees shall not exceed six (6) employees at any one time.

ARTICLE V - WAGES

Wages shall be paid in accordance with Exhibit A, a copy of which is attached hereto.

Whenever an employee is required to work on the second shift, he shall receive fifteen (15¢) cents in addition to his normal base rate and as part of the base rate for such shift. Whenever an employee is required to work on the third shift, he shall receive twenty (20¢) cents in addition to his normal base rate and as a part of the base rate for such shift.

ARTICLE VI - HOURS OF WORK

Sec. 1. The normal workday shall be eight (8) hours per day and the normal workweek shall be forty (40) hours per week. It is agreed that additional time may be worked to permit the operation, maintenance and protection of the plant. The workweek shall begin at 7:00 Monday morning.

Time and one-half shall be paid for all time worked over eight (8) hours in any one day, provided, however, that overtime worked in any one day shall not be counted again in computing overtime in the weekly basis. Starting time shall be subject to change by agreement between the Company and the Union.

Sec. 2. Employees will be paid on Thursday of each week.

Sec. 3. Employees on continuous work shall be given at least thirty (30) minutes for lunch.

Sec. 4. All employees shall be given a TWELVE (12) minute rest period in the morning and a TWELVE (12) minute rest period in the afternoon.

Sec. 5. Time and one-half shall be paid for Saturday work, provided the employee has not been absent during the week. An employee shall not be considered absent if he has a justifiable reason. Examples of justifiable reasons are defined as, but not limited, the employee's proof of sickness, civil duty, death in the immediate family, duty as a pallbearer or as a Union member on official business. Double-time shall be paid for Sunday work, provided it is the seventh (7th) workday overtime.

Probationary employees who are not eligible for holiday pay, but satisfy the attendance requirements of Article VIII, Section 6, will have the holiday hours count toward computation of sixth (6th) and seventh (7th) day overtime.

Sec. 6. The Union and the Company agree to cooperate in an effort to assure a work force sufficient to the needs of production schedule.

The Company may assign an employee to continue on his/her assigned job for daily overtime not to exceed 2 hours. **Employee with seniority shall be offered the opportunity to displace probationary employee, regardless of amount of overtime work available.** In assignment of overtime in excess of 2 hours on any given job, senior employees on the

respective shifts shall be given preference. If volunteers are insufficient, the least senior person who can do the work will be required work.

In order to assure a workforce is available on Saturday, the following rules will be followed:

- A. When the complete workforce is required notice will be given by noon on Thursday all personnel will be required to work. This may only occur once per calendar month.
- B. If a partial workforce is required notice will be given by noon on Friday and people will only be required after all personnel who can perform the work have been offered the chance to volunteer. If volunteers are insufficient, the least senior person who can do the work will be required to work. Each person will only be required to work on Saturday per month.
- C. In any case no one will be required to work more than one Saturday per month.

ARTICLE VII - REPORTING FOR WORK

Sec. 1. Employees called for work shall report at the time designated by the Company but shall not be disciplined or released if a satisfactory reason is given for not reporting.

Sec. 2. Changes of address must be reported to the office immediately. The Company is not responsible for notifying employees not to come to work who live outside the limits of Greenfield or its suburbs, except those employees who have personal phones and who have left their phone numbers at the office. Call notices to employees living beyond this area will be mailed to the last address on record. The Company is not responsible for lost time through indirect phone notices, or failure of timely receipt of notices timely mailed.

Sec. 3. Employees called for work, or rescheduled to work, will be given at least four (4) hours' work. This does not apply in the case of a breakdown causing curtailment of production. However, the Company must make a reasonable effort to notify incoming employees not to report to work.

Sec. 4. All employees must report on their respective shifts at regular starting time for the week to see if work is available. Exception: Employees off duty one week because of reduced working schedules shall be notified by the Company when to report to work.

Sec. 5. Before returning to work after any absence, the employee will notify his supervisor during the regularly scheduled shift of said employee prior to the shift when he intends to work. Should any employee fail to report in accordance with the above, his position may be filled with any other employee present or easily available for said shift only. Seniority governing in case of two or more being equally available.

Sec. 6. The status of seniority of a regular employee, together with all consequent rights and privileges of that status, shall terminate when an employee is absent from work for five (5) consecutive workdays without notifying the Company.

ARTICLE VIII - VACATIONS AND HOLIDAYS

Sec. 1. Employees having completed one year continuous service with the Company after the date of hire, will be granted a one week vacation with forty (40) hours pay.

After 2 years Work -- 1 week and 1 day
After 3 years Work -- 1 week and 2 days

Employees having completed four (4) years continuous service with the Company, after date of hire, will be granted two weeks vacation with eighty (80) hours pay.

After 6 years Work -- 2 weeks and 1 day
After 8 years work -- 2 weeks and 2 days
After 10 years Work -- 2 weeks and 3 days
After 12 years Work -- 3 weeks
After 14 years Work -- 3 weeks and 1 day
After 16 years Work -- 3 weeks and 2 days
After 18 years Work -- 3 weeks and 3 days
After 19 years Work -- 3 weeks and 4 days
After 20 years Work -- 4 weeks
After 21 years and over -- 1 additional day for each year of service

Maximum vacation that can be earned is six (6) weeks.

Sec. 2. Vacation pay will be computed at the regular straight time rate in effect at the time the employee's vacation check is issued, in order to quality for the vacation as outlined above.

Vacation pay will be paid in a single payment on the individual's anniversary date or paid out when they take their vacations as they schedule them. This will be at the employee's discretion but the employee must declare by January 31st of each year. If the employee does not declare their desire, they will be paid on their anniversary date.

Sec. 3. The vacation period shall be from January 1st to December 31st of each year. Vacations shall be arranged to comply with the employee's wishes wherever possible. However, final scheduling of vacation time shall be at the discretion of the Company in order that continuous and efficient operation of the plant may be assured. Requests for vacation made before February 28th of each year shall be granted based strictly by seniority. After February 28th, vacation shall be approved on a first come-first served basis.

To qualify for a vacation the employee must have worked a minimum of 1,200 hours in a twelve (12) month period prior to the employee's requested vacation. Hours lost due to layoff, occupational injury or illness, and vacation shall count as hours worked for the purpose of computing the 1,200 hours. People laid off more than six months shall not be qualified for vacation pay. Any employee hired after July 1st, 1992 would not during period of layoff or vacation accrue time toward the 1,200 hours necessary to qualify for vacation pay.

Sec. 4. In case of a labor shortage, emergency, vacations may be waived and employees receive payment in lieu thereof. When an employee is terminated for any reason except theft or destruction of property, he shall be paid the vacation which has been earned but not taken.

Sec. 5. New Years Day, Good Friday, Memorial Day, Fourth of July, Labor Day, Employee's Birthday, Thanksgiving Day, Day after Thanksgiving Day, Day before Christmas, Christmas Day, and the Day after Christmas Day shall be holidays.

Sec. 6. All employees, except probationary employees, who have performed work for the Company sometime during a period of ninety (90) calendar days prior to a holiday and, who have worked their scheduled day before and after the holiday, shall be paid for the holiday. Tardiness of two hours or more after the holiday will be cause for forfeiture of holiday pay, unless the employee has called in within one hour after starting time.

Exceptions: Persons on sick leave or who have a valid sickness need not work the day before or the day after a holiday. Any holiday not worked will be counted as eight (8) hours worked in the computing of overtime. Any holiday worked will be paid at the double time rate.

Sec. 7. A non-probationary employee will be allowed an absence of three (3) consecutive workdays (24 hours) during his scheduled workweek with pay at his usual base rate for death in his immediate family to attend funeral services and burial rites. Saturday and Sunday will be considered as part of the three consecutive days provided the employee uses these days to travel in order to attend the services and rites. Immediate family is considered to be: Father, Mother, Brother or Half-Brother, Sister or Half-Sister, Children, Wife, Husband, Mother-in-Law, Father-in-Law, Step-Father, Step-Mother, Step-Brother, Step-Sister, Grandchildren, Grandparents, Son-in-Law and Daughter-in-Law.

Sec. 8. Funeral leave pay will not be paid to any employee for any given day for which the employee is eligible to receive and is paid eight (8) hours of holiday pay or has been paid for and is on vacation.

Sec. 9. The Company agrees to carry Workman's Compensation Insurance consistent with the laws of the State of Indiana on the employees. In addition, the Company agrees that, should an employee be injured while working on the job, to the pay the employee at his regular rate of pay for the first seven (7) days not now payable under the present insurance provided the employee returns to work and accepts such work as he is able to perform. Should the attending physician advise against the employee returning to work, the employee shall not be denied this benefit.

Sec. 10. In recognition of the fact that a delay sometimes occurs in determining the benefits payable under the Workman's Compensation Law, the Company agrees that it will advance the employee the normal amount of compensation due him under Workmen's Compensation Insurance provided the employee makes this request and agrees to return to the Company the amount advanced when the insurance payments are received by him.

ARTICLE IX - MILITARY SERVICE

The Company agrees to follow the Federal Law as it pertains to Veterans rights.

ARTICLE X- GRIEVANCES AND ARBITRATION

Sec. 1. Any grievance or dispute arising over the interpretation or application of the terms of this Agreement shall be determined through the following procedure:

- (1) Employee having cause for grievance shall take it up with the Steward on his shift, who shall try to settle it with the foreman in charge. The foreman shall immediately cooperate with the Steward in considering the matter involved and try to make a satisfactory adjustment of it. **The position of the foreman shall be communicated to the Steward within three (3) working days.**
- (2) In case the foreman and steward cannot settle a claim or grievance, the steward shall then take his case to a committeeman or officer of the Union who is present on that shift and they will **present a written grievance to** the foreman in a further effort to conclude a satisfactory settlement. **The foreman shall provide a written response to the grievance within three (3) working days.**
- (3) If this procedure fails, **there shall be a** meeting with Management of the plant to consider the complaint of the aggrieved party in a further effort to **resolve** the case to a satisfactory conclusion. At any step, the committee may call upon the International Representative, LOCAL UNION OFFICERS, or other representatives of Management for assistance, which assistance shall be rendered. **The International Representative and/or their designee shall be present at the Step 3 meeting.**
- (4) Should the parties hereinabove set forth be unable to finally resolve such dispute or grievance, the dispute at the option of either party may be referred to an arbitrator. Such arbitrator shall be selected by agreement between the Company and the Union. If they cannot agree upon an arbitrator, the Federal Mediation and Conciliation Service shall be requested to submit a panel of five (5) arbitrators.

Upon receipt of panel, the Company and Union representative shall, at the earliest possible date, alternately strike names from the panel until only one (1) name remains. The Federal Mediation and Conciliation Service shall be requested to appoint the remaining one as arbitrator to hear the issue in dispute. The decision of such arbitrator shall be final and binding upon both parties. The decision of the arbitrator shall be rendered within thirty (30) days after the hearing.

The general expense of the arbitrator shall be shared equally by the Company and the Union. Each party shall be responsible for their own arbitrator expenses.

Note 1: The arbitrator shall limit his decision to an interpretation of the Agreement and shall have no authority to add to, modify, or amend any of its provision.

- (5) Any employee having a grievance shall have the right to be present at all steps.
- (6) No grievance shall be considered by the Company if the employee fails to present a grievance within seven (7) days from the day the employee becomes aware of the alleged violation.

ARTICLE XI - SAFETY AND HEALTH

Sec. 1. The Company shall make reasonable provisions for safety and health of employees, who in turn, shall cooperate voluntarily in safety practices and in keeping their departments clean and restrooms clean and sanitary. The Company agrees to maintain the plant and equipment in reasonable, safe and efficient working conditions and to provide all working areas with adequate ventilation and drinking water.

Sec. 2. The Union will cooperate with the Company in encouraging employees to observe all safety regulations prescribed by the Company and to work in a safe manner. To that end, a Safety Committee shall be established to be composed of a minimum of three (3), but not more than three (3) members of Local Union 1999. The members of the Safety Committee shall be selected by the Local Union, who shall also have the authority to change its personnel. This committee shall have the right to inspect equipment used in the plant manufacturing processes under the jurisdiction of the Local Union, for the purpose of observing its safe or unsafe condition when such questions are brought to the attention of the Safety Committee. If the Committee believes conditions found are dangerous to life and limb, it shall report its findings to the Management for attention and correction. **The Joint Safety Committee shall conduct monthly safety meetings; a designated Union Representative and a designated Company Representative shall alternate as Chairperson of the monthly meeting. Upon request of Union or Company the Safety Committee shall call for an emergency meeting to address immediate safety and health issues.**

ARTICLE XII - GENERAL

Sec. 1. Employees shall recognize that respectful, orderly, and business like conduct is an obligation both the Company and their fellow workers and they shall abide by all Company rules and regulations not in conflict with this Agreement. The right of the Company to make and enforce reasonable rules and regulations as it may deem necessary for the purpose of maintaining order, safety and efficiency, is recognized by the Union, provided the same are not inconsistent with the provisions of this Agreement. The Company shall meet and discuss any proposed rules

and regulations with the Shop Committee. Should the Union consider any such rules and regulations unreasonable, it may be subject to the grievance procedure.

Sec. 2. Notices pertaining to Union activities shall not be posted at any place around the plant other than the Union bulletin boards and shall be signed by a duly-elected officer of the Union. Notice from Company to Union and Shop Committee may be posted likewise. Notices from Company to the International Representative of the Union shall be addressed to District Office, **United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC, 9402 UPTOWN DRIVE, SUITE 600, Indianapolis, Indiana 46256** or other address hereafter designated by the Union.

Sec. 3. The Company agrees to furnish contracts for all employees.

ARTICLE XIII - SUPERVISION

Sec. 1. An employee shall take orders only from foremen under whom he works, or the Plant Manager or his assistant, in the absence of the foreman.

Sec. 2. Foremen and Assistant Foremen shall not perform work that will result in loss of work for a regular employee but they shall have the right to perform work in emergencies and to fill in for absentees. Absenteeism means an employee being off work on his own volition and through no fault of the Company.

Sec. 3. It is understood that when an employee's regular job is down for any period of time he shall perform such other work as may be assigned by his foreman; providing such work is not injurious to health or safety; however, the employee may elect to refuse work other than his specific bid job without loss of seniority or disciplinary action providing said employee has given advance notice in writing to the office at the time of employment as to his work limitation and providing such refusal does not affect the orderly operation of the plant.

Sec. 4. It is understood that employees in the Group Leader Classification may be reassigned, when work is not available in their classification.

In this instance, the reassigned Group Leader will do the work as directed by the Supervisor.

ARTICLE XIV - UNION SECURITY

Sec.1 It shall be a condition of employment that all employees of the Employer covered by this Agreement who are members of the Union in good standing on the effective or executive date of the Agreement, whichever is the later, shall remain members in good standing and those who are not members on the effective or executive date of the Agreement, whichever is the later, shall on the sixtieth (60th) day following the effective or execution date of the Agreement, whichever is the later, become and remain members in good standing in the Union. It shall also be a condition of employment that all employees covered by this Agreement and hired on or after its effective or execution date, whichever is the later, shall on the sixtieth (60th) working day

following the beginning of such employment become and remain members in good standing in the Union.

Sec. 2 For all members of the Union, who hereafter execute written authorization to the Company on a check-off authorization form (as designed by the Union) the Company shall deduct from the pay of each employee, **each week**, the Union dues as designated by the International Treasurer for the month in which deductions are made. Remittances shall be made to the International Treasurer of the Union, at the address which he authorized for this purpose. The initiation fee of the Union and assessments shall be deducted by the Company and remitted to the International Treasurer of the Union in the same manner as dues and collections. If the employee receives no pay for the second payroll period of the month in which deductions are made, the Company shall make the deductions at any time during the month in which the employee does draw pay.

Sec. 3 Should the above provision be unenforceable for any reason, then, to the extent permitted by law, each employee who would be required to acquire or maintain membership in the Union if the provision above could lawfully be enforced, and who fails to voluntarily acquire or maintain membership in the Union, shall be required, as a condition of employment, beginning the 60th day following the beginning of such employment or the effective date, whichever is later, to pay the Union each month a service charge as a contribution towards the Union's collective bargaining representative expenses. The amount of the service charge, including an initiation fee if applicable, shall be designated by the Union's International Secretary-Treasurer.

Sec. 4 The Union shall indemnify and save the Company harmless against any and all claims, demands, suits or other forms of liability that shall arise out of, or by reason of action taken, or not taken, by the Company for the purpose of complying with any of the provisions of this section.

ARTICLE XV - INSURANCE

Sec. 1. The Company shall offer to the employees the same group health insurance program as is offered across-the-board to the non-union employees of the Company, provided that there shall be no reduction in benefits unless: (a) the plan insurance actuaries have determined that the total annual costs of the plan have increased as compared with the preceding year, and (b) the Company has provided the Union with prior notice of the intended reductions, the intended effective date and an opportunity to bargain regarding the reductions. The Company will also provide to the Union relevant information demonstrating the cost increase, which the union may share with an actuary of its choosing at its expense.

The parties both acknowledge that, for reasons of cost containment and control, the implementation of necessary cost reductions should not be unreasonably delayed. The Company shall give the Union such prior notice of the intended benefit reductions and the intended effective date in writing not less than thirty (30) days prior to the intended effective date. The Company's notice shall also set forth proposed time(s) and location(s) for bargaining. If the Union wishes to bargain regarding such intended reductions, it shall

give the Company responsive written notice, including its position regarding the proposed times and locations and/or its own proposed times and location for such bargaining, no later than the fifth (5th) calendar day following the Company's notice of intended reductions; such proposed times and location must be reasonable and must all be prior to the second (2nd) working day preceding the intended effective date of the intended reductions (the "bargaining deadline"). The parties shall then bargain in good faith with the intent of completing bargaining by the bargaining deadline. It is understood that if substantive agreement has not been reached by the bargaining deadline, then, unless the parties have mutually agreed otherwise, the Company may implement its final insurance proposal, effective no earlier than the intended effective date. If the Company implements its final insurance proposal without agreement from the Union, then, the provisions of the first paragraph of Article XVII to the contrary notwithstanding, the Union shall have the right to strike over said issue, provided the Union gives the Company at least ten (10) days' prior written notice, including the Union's final proposal, and provided that such right to strike, if not exercised, shall expire twenty (20) days following said implementation by the Company.

If the Union is unable to meet on the dates proposed by the Company and the Company is unable to meet on the dates specified by the Union prior to the bargaining deadline, then the intended effective date and the bargaining deadline shall both be postponed for two (2) weeks (or for such other period as to which the parties mutually agree) to enable the parties to meet, and the Union and the Company shall make themselves available to bargain and shall complete bargaining by the extended bargaining deadline; in any event, if substantive agreement has not been reached by the extended bargaining deadline, then, unless the parties have mutually agreed otherwise, the Company may implement its final insurance proposal, effective no earlier than the extended intended effective date.

If the Company implements its final insurance proposal without agreement from the Union, then, the provisions of the first paragraph of Article XVII to the contrary notwithstanding, the Union shall have the right to strike over said issue, provided the Union gives the Company at least ten (10) days' prior written notice, including the Union's final proposal, and provided that such right to strike, if not exercised, shall expire twenty (20) days following said implementation by the Company.

The amount of required weekly employee contributions shall be twenty five percent (25%) of the insurance premium, or, in the case of a self-insured plan, twenty five percent (25%) of the cost of providing the coverage as determined on an actuarial basis, then in effect for the type of coverage elected by the employee.

Sec. 2. The weekly group accident and sickness insurance benefit for non-probationary employees shall be as follows, payable effective the first day of accident, eighth day of illness, for a maximum of twenty-six (26) weeks' duration:

<u>Effective</u>	<u>Weekly Benefit</u>
July 1, 2006	\$175
July 1, 2007	\$180
July 1, 2008	\$185
July 1, 2009	\$190
July 1, 2010	\$195

Sec. 3. The life insurance and AD&D benefit for non-probationary employees shall be:

<u>Effective</u>	<u>Benefit</u>
July 1, 2006	\$18,000
July 1, 2007	\$20,000
2008/2010	\$20,000

ARTICLE XVI - RETIREMENT BENEFITS

Sec. 1. The defined benefit pension plan entered into July 1, 1978 is frozen with regard to accrued benefits as of May 31, 1994 at the rate of \$10.50 per month per year of service. There will be no more members added to the defined benefit plan as of May 31, 1994.

Sec. 2. As soon as administratively feasible following July 1, 2001, the Section 401(k) Plan, which was previously established effective June 1, 1994, will be merged into The Royal Group's corporate Section 401(k) Plan. The former Section 401(k) Plan provisions of this Agreement shall be replaced with the following provisions:

- (a) Employees who are not yet participants as of July 1, 2001, shall be eligible to participate in the plan effective the first day of the calendar quarter (January 1, April 1, July 1 or October 1) next following their completion of one Year of Service (as defined in the plan) and attainment of age 21.
- (b) Effective July 1, 2001, in lieu of any other employer contribution, with respect to employees who were not yet participants in the plan as of July 1, 2001, the Company shall match fifty (50%) percent of the annual contribution made by the employee, up to an employee contribution of five (5%) of wages (that is, the maximum annual Company contribution shall be two-and-one-half (2.5%) percent of wages).
- (c) Employee contributions shall be 100% vested at all time. Employer contributions made for employees who were participants in the plan before July 1, 2001, shall be 100% vested at all times. Employer matching or other contributions made for employees who were not yet participants in

the plan as of July 1, 2001 shall not be vested until the employee's completion of five (5) Years of Service (as defined in the plan), at which point such contributions shall be 100% vested.

- (d) Paragraph (b) shall not apply to employees who were participants in the plan before July 1, 2001. In lieu of the contributions set forth in paragraph (b) above, solely with respect to employees who were participants in the plan prior to July 1, 2001, the Company shall continue to make a contribution to the plan for each such employee of \$.40 per payroll hour including holiday, vacation and overtime hours.

ARTICLE XVII - STRIKES AND LOCKOUTS

The Union agrees that during the life of the contract, there shall be no strike and the Company agrees that, during the life of the contract there shall be on lockouts.

In further consideration of the mutual promises herein contained, the parties hereto expressly agree that neither party shall bring or cause to be brought, any court or legal action against the other until dispute, claim or grievances shall have been brought to the attention of the party against whom it shall be made and the same party, after actual notice of same shall within a reasonable time, fail to take steps to correct the circumstances giving rise to such dispute, claim grievance or complaint, and the same shall thereafter fail to be corrected in a reasonable time. The aggrieved party shall have the right to be present at all steps in the grievance procedure hereinafter set out.

ARTICLE XVIII - RIGHT OF MANAGEMENT

The right to hire, discharge, or suspend, and all other rights of plant management, including the right to relieve employees from duty because of lack of work, or for other legitimate reasons, is at all times vested in the Company and its representatives, provided that no such action will be taken for the purpose of discrimination against any employees, and nothing on this section will supersede the specific provisions of any other section of this Agreement.

ARTICLE XIX - NON DISCRIMINATION

The Company and Union agree that they shall not discriminate against any employee because of race, color, religion, age, national origin, handicap, veteran, or sex. Any references in the contract to the male or female gender shall apply to all sexes and not to be restrictive in any manner.

ARTICLE XX - NO VIOLATION

It is understood and agree that no provision of the Agreement shall be construed as being in violation of any Federal, State or Local Law and said provision shall be inoperative for the period of possible violation.

Any provision in conflict with the law shall be inoperative during the period involved, or term of the agreement. This shall not affect any other provision of this agreement.

ARTICLE XXI - GROUP LEADERS

Group Leaders classification shall not be bid, however, the Company shall give full consideration to senior employees, when there are openings in the classification. Group Leaders will be assigned to areas of responsibility and direction by the Company.

Group Leader Classification: The term "Group Leader" refers to a job on which the employee has the combined responsibility of directing the work of a group of employees on other hourly rated production and maintenance jobs and may or may not perform some of the same work as that of the group directed. The direction generally consists of activities such as required to:

- (a) plan work to be performed by the group;
- (b) determine "on-the-job" working procedure in the case of repair and maintenance work;
- (c) arrange for necessary tools, supplies, and facilities;
- (d) assign and instruct members of the group; and
- (e) inspect, coordinate, and record the work performed by the group.

Such direction does not include activities such as required to:

- (a) hire, promote, demote, suspend, or discharge members of the group;
- (b) determine the schedules of hours, days and weeks during which members of the group shall work;
- (c) represent the Company in handling employee grievances;
- (d) perform other general supervisory or management functions.

ARTICLE XXII - PAC CHECK-OFF

The Company agrees that it will check-off and transmit to the Treasurer of the United Steelworkers Political Action Fund (USWA PAF) voluntary contributions to the USWA PAF from the earnings of those employees who voluntarily authorize such contributions on forms provided for that purpose by the USWA PAF. The amount and timing of such check-off deductions and the transmittal of such voluntary contributions shall be as specified in such forms and in conformance with any applicable state or federal statute.

The signing of such USWA PAF check-off form and the making of such voluntary annual contributions are not conditions of membership in the Union or of employment with the Company.

The Union shall indemnify and save the Company harmless against any and all claims, demands, suits or other forms of liability that shall arise out of or by reason of action taken by the Company for the purpose of complying with any of the provisions of this Section.

ARTICLE XXIII - TERM

This Agreement becomes effective and binding upon the signatories hereto and employees of the Company as of July 1, 2006 and shall remain in effect until June 30, 2011 and thereafter for successive one-year periods unless one of the parties hereto, on or before the sixtieth (60th) day immediately preceding June 30, 2011 or any anniversary date thereafter, shall notify the other party hereto, in writing, of its desire to modify or terminate.

IN WITNESS WHEREOF, the Union and the Company, by their duly authorized representatives, have signed this Agreement effective as of _____.

UNITED STEELWORKERS

INDIANA BOX COMPANY

By: _____
Leo Gerard, Int'l President

By: _____
President

By: _____
James English, Int'l Sec.-Treas.

By: _____
Plant Superintendent

By: _____
Tom Conway, Int'l Vice President

By: _____
Fred Redmond, Int'l Vice President

By: _____
Jim Robinson, District Director

By: _____
Randy McKay, Sub-District Director

By: _____
James C. Adcock, Staff Representative

LOCAL UNION 1999

By: _____
Robin Minnemann, Unit President

By: _____
Pat Land, Unit Secretary

By: _____
Janis Jarvis, Negotiating Committee

EXHIBIT "A" - WAGE RATES

All Wage and benefit improvements shall be retroactive to July 1, 2006.

<u>Current Job</u>	<u>Current Wage</u>	<u>7/01/06</u>	<u>7/01/07</u>	<u>7/01/08</u>	<u>7/01/09</u>	<u>7/01/10</u>
Group Leader	\$12.81	\$13.20	\$13.45	\$13.80	\$14.10	\$14.30
Die Cutter	\$12.72	\$13.05	\$13.35	\$13.65	\$13.90	\$14.15
Press (Mck)	\$12.72	\$13.05	\$13.35	\$13.65	\$13.90	\$14.15
Post Folder	\$12.28	\$13.05	\$13.35	\$13.65	\$13.90	\$14.15
Gluer						
Taper Operators	\$12.28	\$12.60	\$12.90	\$13.15	\$13.45	\$13.70
Slotter Operator	\$12.30	\$12.60	\$12.90	\$13.15	\$13.45	\$13.70
Slitter	\$12.36	\$12.60	\$12.90	\$13.15	\$13.45	\$13.70
Gen. Labor	\$12.16	\$12.45	\$12.75	\$13.00	\$13.20	\$13.45

All new hires that are put in the Union will be a Class B General Labor at the pay rate of 12.45/hour, for a maximum two year period for training purposes. If it is deemed by the Company that said employee can run multiple machines then they will be given the regular rate of General Labor or the rate of the bid job. This does not affect any current employees that are in the Union.

Starting rate is \$9.00 per hour. The starting rate shall be applicable until the completion their probationary period as defined in Article III, thereafter the employee shall be paid the applicable job classification rate listed above.

NOTE: Any person filling in for a group leader will be paid ½ the difference between his pay rate and that of group leader. However, if the person filling in is deemed qualified by management for the area he/she is filling in for, they will be paid full group leader pay.

EXHIBIT “B” - DRUG AND ALCOHOL POLICY

1. The use, sale, purchase, transfer or possession of alcohol or any illegal drugs (including marijuana) or controlled substances in any amount is prohibited on Company premises. Members are also prohibited from reporting for work or working under the influence of alcohol or any illegal drugs or controlled substances. Company premises includes all land, property, buildings, structures, installations, parking lots, means of transportation owned by or leased to the Company or otherwise being utilized for Company business, and private vehicles while parked or operated on Company premises.
2. Use of prescription drugs or other medication, under the direction of a physician, will be allowed provided that such use does not impair one’s ability to productively or safely perform his or her job.
3. The Company reserves the right to inspect packages, lockers, automobiles, personal property, etc., where there is a reasonable belief that illegal drugs or alcohol are present on Company property.
4. A member suspected of being under the influence of alcohol or any illegal drugs will be required to take a medically approved test(s), to be given by authorized medical personnel, to determine whether the Company’s rule has been violated. Without such suspicion such testing will also be required if the member is involved in an on-the-job accident causing any injury requiring medical treatment, any lost time from work, or property damage of \$500 or more. The Company will pay for the cost of these test(s).
5. If the member passes the test(s), he/she will be reimbursed for any pay for regular working time lost. Further, the fact that the member took such test, and the results thereof, shall not be used against the member.
6. If the results of a test(s) confirm that the member has violated the rule, the test specimen will be tested a second time to confirm the first test result. If there was any accident due to drugs/alcohol in a member’s body, all workers’ compensation and group health insurance claims may be denied, in accordance with applicable law.
7. A medically approved test need not be administered when the Company has independent evidence, by observation or otherwise, that the rule has been violated. In such cases, if the member makes a prompt request, he/she will be given the opportunity to take a medically approved test to confirm his or her condition.
8. If the Company has independent evidence that the rule has been violated, or if there has been an accident as described in paragraph 4 above, and the member refuses to take such test(s), the independent evidence and the refusal are each cause for discipline up to and including immediate discharge.
9. Failure or refusal to cooperate in any search or investigation are cause for discipline up to and including immediate discharge.

10. The Company also reserves the right to require members to take and pass a medically approved test(s) for drugs or alcohol under the following circumstances:
 - A. As a condition of return from leave of absence or layoff, if there is reason to believe substance abuse may have occurred.
 - B. As a condition of promotion into a supervisory job.
11. Members who are convicted for off-the-job drug/alcohol activity may be considered to be in violation of this policy. In deciding what action to take, the Company will consider the nature of the charges, the member's present job assignment, the member's record with the Company, the impact of the member's conviction on the Company and any other factor the Company may deem relevant.

Additionally, members shall notify the Company of any criminal drug statute conviction for a violation occurred in the workplace no later than 5 days after such conviction. Any member who is so convicted will be considered to be in violation of this policy and subject to appropriate sanctions, including discharge. Alternatively, and in keeping with the Company's desire to encourage treatment and rehabilitation where possible, the Company may require a convicted member to successfully complete an approved drug rehabilitation program in lieu of other disciplinary action.
12. The only exception to the prohibition against use or possession of alcoholic beverages on Company business or on Company premises will be at Company-approved or sponsored functions which have the written approval of the Company president or his designee to serve alcohol. At such functions, moderate consumption is permitted, but reasonable standards of conduct must be maintained. Violation of this rule may result in disciplinary action, up to and including discharge.
13. Any member experiencing a drug or alcohol problem is encouraged to seek assistance through a reputable source in the community. Additionally, if you are enrolled in a rehabilitation program for which you need to be away from work, you are eligible to apply for a leave of absence. However, seeking such assistance is not a defense to a violation of this policy, and any request for assistance after a policy has been violated will be denied.

The above rules apply whenever and wherever you are on Company property (including parking lots), as well as before or after you have signed in or signed out on your timecard. If you have any question, please contact your coach.