

2015

**AGREEMENT**

**Between**

**U.S. Borax Inc.**

**and**

**Mine, Mineral and  
Processing Workers,  
Local 30, International  
Longshore and  
Warehouse Union**

**BORON, CALIFORNIA**

**DECEMBER 2015**



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## **AGREEMENT**

THIS AGREEMENT, made and entered into as of the 17<sup>th</sup> day of May 2010, and extended on December 8, 2015, between U.S. BORAX INC., a Delaware corporation (hereinafter referred to as “Company”) and MINE, MINERAL AND PROCESSING WORKERS, LOCAL 30, INTERNATIONAL LONGSHORE AND WAREHOUSE UNION (hereinafter referred to as “Union”), as the exclusive bargaining representative of the Company’s employees at Boron, California.

### **WITNESSETH:**

In consideration of the premises and mutual covenants hereinafter set forth, it is mutually agreed as follows:

## **ARTICLE I**

### **Preamble and Recognition**

**Section 1. Preamble.** The purpose of this Agreement is to permit a harmonious and productive relationship between the Company and its employees and to set forth the wages, hours of work and other terms and conditions of employment. The obligation that rests upon the management to provide, and the employees to render productive, honest, courteous and efficient service is recognized. The obligation that rests upon the Company and the Union to refrain from exercising unfair discrimination against any employee is recognized.

**Section 2. Recognition of Bargaining Agencies.** The Company recognizes Local 30, International Longshore and Warehouse Union as the exclusive representative for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment, pensions, insurance and other conditions of employment for employees of the Company at the Company’s plant and mine at Boron, California, with the exception of the following:

Employees who are members of the management or are in

## **ART. I, SEC. 3**

supervisory positions above the rank of lead, or are in professional, administrative, managerial service or confidential clerical positions, including such positions as superintendents, supervisors, professional engineers, junior engineers, professional chemists, accountants, chief clerks, industrial hygiene technician, employees in the Human Resources office and plant guards and secretaries for such persons.

**Section 3. Notice.** The Company has heretofore submitted to the Union a list of those positions with the names of the persons now occupying them which the Company does not now consider as coming within the bargaining unit and when changes are made in the list, the Company shall so notify the Union.

**Section 4. No Discrimination.** It is policy to treat employees solely on the basis of qualifications and competence, without regard to the employee's age, sex, race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or sexual orientation. Qualifications and competence shall be the only determinants.

## **Article II.**

### **General Provisions**

**Section 1. Law and Governmental Regulation.** Nothing contained in this Agreement shall excuse any obligation of the parties from compliance with any applicable law, regulation, order or interpretive ruling issued by a governmental agency, and such compliance shall not constitute a breach of this Agreement.

**Section 2. Union Responsibility.** The Union recognizes the responsibility imposed upon it as the exclusive bargaining agent of the employees at Boron and realizes that in order to provide maximum opportunities for continuing employment, good working conditions, and fair wages, the Company must be in a strong market position, which means it must produce at the lowest possible cost consistent with fair labor standards. The Union therefore agrees that it will cooperate with the Company

## ART. II, SEC. 3

and lend its support to assure a full day's honest effort on the part of all the members of the Union in return for day's pay, and that it will actively combat absenteeism and other practices which restrict production. It further agrees that it will support the Company in its efforts to eliminate waste in production, to conserve materials and supplies, to improve the quality of workmanship, to prevent accidents and strengthen good will between the Company, the employee, the customer and the public.

### **Section 3. *Management Rights.***

(a) Except as expressly and specifically limited by this Agreement, the Company shall have the right to hire, promote, and transfer employees, increase or decrease the work force, change materials, processes or products, and in all other respects conduct and operate the plant as it deems advisable.

(1) Each employee shall perform a reasonable day's work. The Company shall not, by decreasing the work force or otherwise speed up work so as to place an unreasonable burden on or to require an unreasonable day's work from any employee.

(2) In the operation of the plant, the Company shall establish such procedures, maintain such conditions, and generally operate the plant in a manner calculated to safeguard the health and safety of the employees and to provide working conditions as reasonably comfortable as the circumstances of the operation will reasonably permit.

**Section 4. *Supervisor Functions.*** All supervisors shall serve in a supervisory capacity only and they shall not perform any work or operation normally performed by an employee in the bargaining unit at any time whatsoever, except in emergencies or in demonstrating operations, testing or inspecting equipment or instructing employees. An emergency is defined as times when immediate action is required to prevent loss of property or product and/or injury to persons.

**Section 5. *Engineering, Research and Experiment.*** It is recognized that research and experimental work is by nature

## **ART. II, SEC. 6**

non-routine and requires special skills and training usually possessed by persons with training and education which places them in professional categories not subject to membership in the bargaining unit. However, the Company will retain and use such employee members of the bargaining unit for such work as they can perform competently and efficiently. Selection of applicants for research and experimental work shall be based on general qualifications and when these qualifications of applicants are equal and sufficient, plant seniority shall govern. The participation by supervisory and professional personnel in such work shall not be limited except in no event shall it be to an extent that it prevents the hiring of technicians or other members of the bargaining unit or that it causes the lay-off, demotion or termination of a technician or other member of the bargaining unit so employed.

### **Section 6. *No Strike, No Lockout.***

(a) During the life of this Agreement, the Union will not cause, or sanction any strike, slowdown or work stoppage during working hours, and no lockout of employees shall be caused, allowed or sanctioned by the Employer. Any employee who participates in any such strike, slowdown or work stoppage shall be subject to discipline or discharge for doing so.

(b) The Union will not be liable for damages in breach of contract in the event of strikes, slowdowns, or work stoppages, provided the Union immediately directs the employees to return to work and gives the Company a written disavowal of any such strikes, slowdowns or work stoppages.

**Section 7. *Sole Agreement.*** This contract is to be the sole Agreement between the parties and any and all special or side agreements existing prior to the execution hereof are hereby terminated, except as to those which are expressly incorporated in this Agreement.

**Section 8. *Benefit Year.*** For the purpose of computing vacations and sick leave, the benefit year shall be understood, unless otherwise specified, to include the appropriate period of twelve

## **ART. III, SEC. 1**

(12) months commencing March 15 and concluding March 14 of the succeeding calendar year. Sick leave accrual notices will be published by March 15 of each year, and vacation accrual notices will be published by April 1st of each year.

### **Article III.**

#### **Union Security**

**Section 1. *Union Shop.*** Membership in Local No. 30 shall be a condition of employment at Boron on or after the thirtieth (60th) day following the beginning of such employment or on or after the thirtieth (60th) day following the effective date of this Agreement, whichever is the later; provided that the Company shall not discharge an employee for non-membership in the Union (a) if it has reasonable grounds for believing that such membership was not available to the employee on the same terms and conditions generally applicable to other members of said Union, or (b) if it has reasonable grounds for believing that membership was denied or terminated for reasons other than the failure of the employee, to tender the periodic dues and the initiation fees uniformly required as a condition of acquiring or retaining membership in the Union.

**Section 2. *Check-Off.*** Upon the written individual authorization of any employee, the Company shall deduct from the paycheck of said employee for the first and last payroll period in each month his/her Union dues for the next succeeding month, and shall remit the same to the Financial Secretary of the Union.

This check-off shall apply only to regular union membership dues, including initiation fees and assessments, but shall have no applications to fines or other fees. The form of check-off should read substantially as follows:

#### **Authorization for Deduction and Assignment of Union Membership Dues**

### ART. III, SEC. 3

I hereby authorize U.S. BORAX INC. to deduct from wages earned by me during each calendar month the amount of my initiation fee and all my membership dues in and for Local 30, ILWU, and I assign said amounts to Local 30, ILWU and direct they be remitted promptly to the Local.

This authorization and assignment is effective when signed and shall remain in effect for one year or for the duration of the existing contract between the Union and the Company, whichever is shorter. At the end of that period it shall be renewed automatically for an additional year or contract term, whichever is the shorter, and thereafter in the same way for like periods, unless I give written notice of revocation to the Union and the Company not less than five nor more than ten days before any renewal date.

Date \_\_\_\_\_  
My Signature \_\_\_\_\_  
Home Address \_\_\_\_\_  
Home Phone \_\_\_\_\_  
City \_\_\_\_\_ Zip \_\_\_\_\_

**Section 3. Part-Time and Intermittent Employees.** Employees on regularly scheduled part-time jobs or intermittent jobs shall, after completion of 200 hours of actual employment (but not including 40 hours of newemployee training), be deemed to have accumulated the equivalent of twenty-nine (29) days of scheduled work for the purpose of completing their probationary period. Such employees, after accumulating 200 hours of actual employment (but not including 40 hours of new employee training), shall be credited with seniority dating from their first date of work, and shall be entitled to all benefits, including pro-rated vacation and sick leave, for which other employees with like periods of full-time service are eligible.

Part-time and intermittent employees shall be required to join the Union as a condition of employment after they have completed thirty (30) days of actual employment.



## ART. III, SEC. 4

**Section 4. *New Employees.*** The Company agrees to advise each prospective employee of the existence of the Union Shop and that membership in the Union shall be a condition of employment after thirty (60) days. The Company also agrees to furnish each employee with a copy of the current labor Agreement.

**Section 5. *Union Bulletin Boards.*** The Union shall be permitted to maintain thirteen (13) bulletin boards at locations to be agreed upon, for the purpose of posting notices of union meetings, elections, or results thereof, social, recreation or other such activities. Notices of a controversial nature or detrimental to company/union relationship shall not be considered proper matter for posting.

### Article IV.

#### Discipline and Discharge

**Section 1. *Just Cause.*** No employee shall be disciplined or discharged without just cause, nor may the Company discriminate against any employee. Any dispute arising out of this Article shall be subject to the Grievance and Arbitration Procedure.

**Section 2. *Record of Discipline.*** The record of any discipline that is in an employee's personnel file will not be considered for the purpose of future discipline or discharge beyond three (3) years from the date discipline was issued.

**Section 3. *Work Rules & Conduct Guidelines.*** The parties have agreed upon a set of Work Rules & Conduct Guidelines, which are found at Appendix C hereof and are hereby incorporated by reference.

**Section 4. *Notice to Union.*** Whenever the Company discharges or suspends any employee or employees, it shall thereupon so inform the Union in writing, stating the reason for such discharge or suspension. The Company agrees to confer with the Union for the purpose of discussing circumstances of such discharge or suspension in greater detail.

**Section 5. *Expedited Arbitration for Discharge Cases.*** In the event the parties are unable to come to agreement over the Union's

## ART. IV, SEC. 6

objections to an employee's discharge, the Union may by-pass the first three (3) steps of the grievance procedure and go directly to expedited arbitration. The expedited arbitration shall take place not later than thirty (30) calendar days from the date the arbitrator is selected, pursuant to the Step 4 process of this Agreement, provided that the selected Arbitrator is available on such an expedited schedule. The arbitrator shall issue a short-form written decision within seven (7) calendar days after the hearing date. Either party may elect to use transcripts and/or submit written briefs in expedited arbitrations.

**Section 6. *Personnel Records.*** The Company agrees to give employees a copy of all Personnel Action Notices affecting the employee and agrees to allow any employee (with prior appointment) to see all P.A.N.s, letters of commendation and accident reports in his/her personnel history file. Any disciplinary record which will be used in future for disciplinary purposes will be kept in Personnel file.

## Article V.

### Grievance and Arbitration Procedure

**Section 1. *Grievance Defined.*** Except as provided in Section 5 below, a grievance is any dispute between the Company, on the one hand, and the Union or any member of the bargaining unit, or both, on the other hand, over the interpretation or application of the terms of the Agreement.

**Section 2. *Recognition of Stewards.*** The Company agrees to recognize a Chief Steward for Production, a Chief Steward for the Mine, a Chief Steward for Maintenance, Chief Steward Shipping, and Shop Steward(s) for each area as follows:

Group I - Mine Operations.....	5
Group II - Mine Mobile Maintenance.....	3 (one each shift)
Group III – Dissolving/Thickening/Granulating (Combined).	6
Group IV – Cogen Departments.....	3 (one each shift)

## ART. V, SEC. 3

Group V - Warehouse, Shipping & Fusing Department.....	4
(two day, two swing)	
Group VI - Maintenance Department.....	9
(seven day, one swing, one graveyard)	
Group VII - Boric Acid Department.....	3 (one each shift)
Group VIII - Laboratory.....	2 (one day, one swing)
Group IX - Pilot Plant.....	1 (day)
Group X - Engineering Department.....	1 (day)
Group XI - Supply Warehouse.....	1 (day)

**Section 3. Authority of Stewards.** A Steward may request relief from his/her duties at any time to investigate and settle grievances and to present them to management. His/her supervisor shall grant such relief immediately, except when the supervisor finds that doing so might cause injury to persons, damage to property or interruption of production. If the supervisor so finds, the supervisor shall take immediately the necessary steps, short of calling in a replacement not on duty, to replace the Steward so that the Steward can be relieved without any of the aforementioned consequences. When any Steward is relieved from duty on the Steward's regularly scheduled shift to attend to grievance matters, the Steward shall not lose any pay therefrom; but the Steward shall complete his/her activity as promptly as possible and return to work as soon as his/her handling of the grievance is completed. No Steward shall go outside his/her group or area to solicit grievances, and if reasonably possible, will process grievances before or after his/her shift, or during his/her lunch periods.

**Section 4. Grievance Procedure.** When grievance arises hereunder, the parties shall exercise every amicable means to settle it under the following procedure:

**(a) Step 1 – Oral Grievance to Supervisor.**

Any employee affected by a grievance, or any Steward who chooses to do so, may present a grievance orally to the immediate supervisor, for purposes of adjustment. No employee shall be denied the presence of a Steward upon request. Any grievance

## **ART. V, SEC. 4**

which is not presented within ten (10) working days following the date of the incident giving rise to it or following the date when the basis for the grievance is first discovered by either the employee involved or by the Union need not be considered by the Company if the Company desires not to treat it as a grievance.

### **(b) Step 2 – *Written Grievance.***

If no settlement is reached in the Step 1 proceeding within two (2) working days (exclusive of Saturday, Sunday, Holidays and the employee's days off) after the immediate supervisor has been presented the oral grievance, the grievance may be reduced to writing on forms furnished by the Company signed by the aggrieved employee, Steward, or Union representative, and must specify the factual basis for the grievance and the clauses of the contract claimed to have been violated. This writing shall be delivered to the Superintendent within five (5) working days (exclusive of Saturday, Sunday and holidays) from the date the oral grievance was first presented to the immediate supervisor. When the written grievance is initiated by the Union itself, it shall be submitted to the Human Resources Department within the time limits as set forth in Step 1 of this procedure. If the written grievance is not delivered within the time limits as set forth herein, it shall be treated by the Company as settled on the basis of the supervisor's decision or, if no decision, as having been denied.

### **(c) Step 3 – *Grievance Meeting.***

(1) Within ten (10) working days of the receipt of the Step 2 written grievance, the Company will schedule a Step 3 grievance meeting to be held at a mutually convenient time. The meeting shall be attended by a grievance committee consisting of not more than four (4) persons named by the Union (including the Union President) and not more than four (4) named by the Company (including the Director of Human Resources and, in the case of a disciplinary grievance, the supervisor or manager who made the decision to discipline); however, in the event of an Employee Arbitrated Claim, the grievance meeting shall be held between the

## ART. V, SEC. 4

employee and the employee's representative (if any) and the Company's representative. The parties will engage in full and frank discussion of grievances and share with each other the relevant facts and information. The parties' representatives at the grievance meeting shall possess full authority to settle a grievance.

(2) If no agreement is reached at the Step 3 grievance meeting, the Company shall have ten (10) working days from the date of the meeting to give the Union/grievant its written answer. The Company's written answer shall contain its explanation of the reasons surrounding its answer, and, in the case of a disciplinary grievance, shall set forth the reason giving rise to the employee's discipline. If the Company fails to provide the Union/grievant a written answer within ten (10) working days after the Step 3 meeting, the grievance shall be granted to the Union/grievant.

### **(d) Step 4 – Arbitration.**

(1) *Demand for Arbitration.* Within forty-five (45) working days after the Company's written Step 3 answer, the Union grievant must deliver a written demand for arbitration or the grievance shall be considered waived. The written demand for arbitration must specify the exact clauses of the contract claimed to have been violated, the specific events that form the basis for the grievance, and the remedies sought.

(2) *Permanent Pool of Arbitrators.* When a matter has been referred to arbitration, the parties shall mutually agree upon an arbitrator or, if they cannot mutually agree, will select an arbitrator from the permanent pool of arbitrators within ten (10) working days after the Union/grievant has requested arbitration of a grievance. The Company and the Union have selected the permanent pool of arbitrators and their identities are listed in a separate document. Either party may modify its list of arbitrators in the pool upon the arbitrator's inability to continue to serve.

(3) The parties shall select an arbitrator from the permanent pool by drawing three names from a "fishbowl" containing the names of the permanent arbitrators. Each party will strike one

## **ART. V, SEC. 4**

arbitrator's name; the party who strikes first will be decided by the flip of a coin. The remaining name will be the arbitrator selected to hear the grievance.

(4) Within five (5) working days after his/her selection, the arbitrator shall be notified of his/her selection and will be asked for available hearing dates. Within ten (10) working days after their receipt of the arbitrator's available hearing dates, the Company and the Union/grievant shall jointly select a hearing date from among those offered by the arbitrator.

(5) Failure by the Union/grievant to timely participate in the selection of a hearing date shall result in the grievance being considered waived, and failure by the Company to timely participate in the selection of a hearing date shall result in the grievance being considered granted.

(6) The submission agreement shall provide in each case that a written decision shall be returned within thirty (30) days after the matter is submitted to arbitration. Each party shall bear its own fees and costs, except the parties shall share the costs of the arbitrator and any court reporter. The Company shall bear the cost of any location (e.g., a hotel room) reserved for the arbitration hearing, but each party shall bear the cost of its own, separate break-out room.

(7) The decision of the arbitrator shall be final and binding upon the Company, the Union/grievant, and the employees. The parties shall promptly comply with the terms of any arbitration award, provided the decision is limited to the issue or issues submitted and is covered by the terms of this Agreement.

(8) The arbitrator shall have initial authority to determine whether a particular grievance is arbitratable or not. The Company and the Union/grievant shall endeavor to arrive at a submission agreement setting forth the issue(s) to be submitted to arbitration. If no submission agreement can be reached between the parties, the arbitrator shall define the issue(s) in accordance with the written request for arbitration. Absent good cause established at

## ART. V, SEC. 5

hearing, the Arbitrator may only consider the exact clauses of the contract claimed to be violated, the specific events that form the basis for the grievance, and the specific remedies sought in the Union's/grievant's Step 4 written demand for arbitration; and, absent good cause established at hearing, the Arbitrator may only consider those disciplinary grounds set forth in the PAN and (assuming that the Union's/grievant's Step 3 written grievance contains the same information as the Step 4 written demand for arbitration) in the Company's Step 3 written answer to the grievance may be advanced and considered by the arbitrator, provided that the foregoing shall not apply in the event of a discharge-related, expedited arbitration.

(9) The arbitrator shall have no power to render a binding decision on any issue not submitted to him/her; and the arbitrator shall have no authority to add to, delete from, or alter in any respect any of the terms of this Agreement. The arbitrator shall not be empowered and shall have no jurisdiction to base his award on any alleged agreement, promise, custom, benefit, practice, or usage which occurred prior to the effective date of this Agreement.

(10) All awards of back wages shall be limited to the amount of wages the employee would otherwise have earned less any unemployment compensation or any other compensation for his services that he may have received from any source during the period.

(11) The provisions of Step 4 shall not be applicable to claims arising under Section 5 below.

### ***Section 5. Additional Claims Subject To Grievance & Arbitration Procedures – 14 Penn Plaza.***

(a) All claims by the Company, by any employee, and by the Union, including in an individual, representative and/or class action capacity involving any covered employee, for any alleged violation of federal, state, or local laws and regulations governing employment, including without limiting the generality of the foregoing, any claim under Title VII of the Civil Rights Act of

## ART. V, SEC. 5

1964, the Age Discrimination in Employment Act, the Fair Labor Standards Act, the Americans with Disabilities Act, the Family and Medical Leave Act, the Equal Pay Act, the Employee Retirement Income Security Act, the California Constitution, and the California Government, Labor, and Business & Professions Codes, shall be subject to the instant grievance and arbitration procedures, beginning at Step 3, except as expressly modified by this Section. The following claims shall be excluded from this provision: (a) any claim alleging a violation of the National Labor Relations Act; (b) any claim for workers' compensation benefits; (c) any claim for unemployment benefits; and (d) any claim that falls within the jurisdictional limits of the California Small Claims Court.

(b) *Exclusive Remedy*: The parties agree that the express incorporation of certain statutes in the collective bargaining agreement requires the Company, the Union and all covered employees to arbitrate, rather than litigate in court, all claims arising under these statutes. The arbitrators hearing such statutory claims shall apply the applicable statutory law and shall have full authority to remedy any violations in the manner provided for by the statute at issue, including, but not limited to, an award of attorneys fees and costs. Covered employees remain entitled to file charges with federal, state or local administrative agencies even with respect to claims that are subject to arbitration, but hereby waive any and all remedies that might be sought or awarded by such agency. The grievance and arbitration process of this Section shall be the parties' sole, exclusive, final and binding remedy for any alleged claim covered herein.

(c) *Union-Arbitrated Claims*. Where the Union takes an employee's statutory claim to arbitration under this arbitration procedure, that remedy shall constitute the Company's, Union's and employee(s)' sole, exclusive, final and binding remedy for the arbitrated claim. A Union-arbitrated claim shall be pursued under the AAA Employment Arbitration Rules applicable to Negotiated



## ART. V, SEC. 5

Employment Agreements, and the award of the arbitrator shall be final and binding on the Company, Union and employee(s). If the parties are unable to agree upon an arbitrator for claims governed by this paragraph, they then shall utilize AAA for the selection of an arbitrator and the administrative processing of the arbitration. With regard to an employee's statutory claim(s), the employee will be allowed to have individual representation of his/her own choosing in the arbitration with the employee bearing the cost of such individual representation.

(d) *Employee-Arbitrated Claims*. Statutory claims that the Union does not take to arbitration, either because the employee has not requested that the Union do so or because the Union has declined a request to do so, may be pursued by the employee acting on his/her own under the AAA Employment Arbitration Rules applicable to Company-promulgated plans ("individual arbitration procedure"), and the award of the arbitrator shall be final and binding on the Company, the Union, and the employee. If the parties are unable to agree upon an arbitrator for claims governed by this paragraph, they shall utilize AAA for the selection of an arbitrator and the administrative processing of the arbitration. The Union may intervene or may be joined as a party in the Employee-Arbitrated Claim on the same bases as would apply in a lawsuit brought in federal court.

(e) *Claims and Statute of Limitations*. Notwithstanding any time limits contained in this Article, any claim covered by this Section must be served in writing by the complainant prior to the expiration of the applicable statutes of limitations. Failure to timely serve the claim shall result in the claim being considered untimely and, therefore, barred.

(f) *Arbitrability*. Any dispute or challenge as to the arbitrability of any claim, or as to the validity, legality, or unconscionability of this Section, whether under federal or state law, shall be decided by the arbitrator.

(g) *Discovery*. As to any claim governed by this Section, and

## ART. V, SEC. 6

notwithstanding the rules of AAA, the parties shall conduct discovery pursuant to the Federal Rules of Civil Procedure, as supplemented by the Local Rules of the United States District Court for the Central District of California, as such may be amended from time to time, with the arbitrator being authorized to enforce, and resolve disputes involving, those discovery procedures.

(h) *Company Notice To Employees.* The Company shall provide a notice to existing employees and to every new employee, by which each employee acknowledges being informed of their rights and responsibilities under this Section. This notice also shall be posted by the Company.

(i) *Appeals.* Appeal from an arbitrator's final judgment as to any claim governed by this Section shall be taken exclusively to a three-arbitrator panel. Each party shall select one of the initial two appellate arbitrators, with the third appellate arbitrator selector by the initial two arbitrators. The three-arbitrator appellate panel shall sit as if a federal Court of Appeals and be governed by all rules and procedures applicable thereto, unless and to the extent that the parties mutually agree otherwise.

**Section 6. *No Stoppage of Work.*** The aggrieved employee or employees shall continue to pursue their assigned work during the time grievances are pending decision at all levels of the grievance procedure.

**Section 7. *Access to Plant.*** Any official representative of the Union shall be allowed to visit the Company's Plant at all reasonable times for the purpose of ascertaining whether or not this Agreement is being observed. Each visitor shall obey all applicable plant rules while on the premises. S/he shall not interfere with the normal conduct of the work in the plant. At any time, should it become necessary in the administration of the Contract for the representative of the Union to interview a Steward and/or employee, such Steward and/or employee shall be excused from work by his/her immediate supervisor as soon as s/he can reasonably be excused without interruption to production,

## ART. VI, SEC. 1

and shall return to work as promptly as possible.

### Article VI.

#### Wages

**Section 1. *Wage Rates.*** During the first year of the term of this Agreement, the Company shall pay employees for all hours worked at the following, applicable rates of pay, but in no case may any bargaining-unit employee receive less than a 2.5% increase:

- |                               |                                   |
|-------------------------------|-----------------------------------|
| (a) Utility:                  | \$16.65/hour                      |
| (b) Level D:                  | \$19.97/hour                      |
| (c) Level C:                  | \$25.52/hour                      |
| (d) Level B:                  | \$28.29/hour                      |
| (e) Level A:                  | \$31.07/hour                      |
| (f) Level A – Highly Skilled: | \$35.00/hour (as of May 17, 2012) |

The Company and Union will meet to negotiate over which Level A job classifications shall be placed into the Level A – Highly Skilled wage rate and to develop how this new pay scale shall be implemented as to positions paid the Level A – Highly Skilled wage rate.

**Section 2. *Annual Wage Increases.*** The Company shall increase base wage rates in the Utility through Level A rates by two and one-half percent (2.5%) on May 17, 2011, May 17, 2012, May 17, 2013, May 17, 2014, May 17, 2015, May 17, 2016, May 17, 2017, May 17, 2018, May 17, 2019, and May 17, 2020, and the Company shall increase the base wage rates in the Level A – Highly Skilled wage rate by two and one-half percent (2.5%) on May 17, 2013, May 17, 2014, May 17, 2015, May 17, 2016, May 17, 2017, May 17, 2018, May 17, 2019, and May 17, 2020. The Wage Charts contained in Appendix A reflect this base wage-rate increase.

**Section 3. *Above-Scale Wages & Incentive Program.*** The Company shall have the right to pay above-scale wages, including bonuses and an incentive compensation program, in its sole discretion.

## **ART. VI, SEC. 4**

**Section 4. *Red-Circle Pay Arrangements.*** All existing red-circle pay arrangements shall be void and without future force or effect, except as to those red-circle pay arrangements pursuant to Article XXII below, which shall continue in force and effect pursuant to that Article.

**Section 5. *Demotions.*** No existing employee shall be demoted from their new pay level during the first two (2) years of this Agreement, other than for their failure to meet and maintain the pay level's qualifications and competency standards.

**Section 6. *Job Progression.*** There shall be no automatic progression from one job classification to the next job classification.

### **Section 7. *Job Classification.***

(a) Whenever a new job is created or there is a substantial change in job content of an existing job classification, the Union shall be entitled to confer, consult and negotiate with the Company in order that a new wage rate applicable thereto may be established by mutual agreement of the parties. If agreement is not reached in thirty (30) days, the matter may be referred by either party to arbitration in accordance with Article V, Section 4 above. Any increase in wage rate respecting any such change shall be retroactive to the date of such change, but the Company shall be under no obligation to increase an existing wage rate by any amount pending the establishment or award of the new wage rate hereunder.

(b) For purposes of this contract, a new job means a new classification with a title not already listed in Section 1 above. Notwithstanding anything to the contrary in this contract, it shall be within the sole discretion of the Company whether or not to create a new job classification.

(c) "Substantial change in job content" means the addition to any classification, during the term of this contract, of new duties which were not performed by that classification at any time during the term of the previous contract, (or announced to the Union during negotiations for this contract), and which cause the job to

## ART. VI, SEC. 8

require significantly more skill, effort or responsibility than before the change.

(d) Some examples of items which shall not be considered a substantial change in job content are:

(1) Any change in the equipment operated, maintained or repaired by the classification affected, which is similar to the changes involved in grievance numbers: 12.107.79, 3.34.82, 3.14.80, 8.113.82, 12.111.79, 1.7.79, 2.16.79 and 8.77.81.

(2) Any change in working conditions as opposed to actual job duties.

(3) A requirement that any employee or employees wear, carry or use any safety or protective devices, clothing or equipment.

(4) Using tools or instruments commonly required in the current practice of the trade.

(e) The past practices of the Company in granting or agreeing to wage adjustments, and any arbitration awards under previous contracts before the November 4, 1983 contract shall not be precedential.

(f) This Section is the only provision in this contract pursuant to which a wage rate increase may be established or awarded. No wage rate established or awarded pursuant to this Section shall be higher than the rate for any other job classification requiring the same or more skill, effort or responsibility, nor shall it take into account increased productivity. In any arbitration held pursuant to this Section, the arbitrator shall decide concurrently (1) whether there has been substantial change in job content, and (2) if so, what the appropriate wage rate is for the affected classification.

### **Section 8. Wages.**

(a) Shift premiums of eighty-five (\$0.85) cents per hour and one dollar and thirty-five cents (\$1.35) per hour, respectively, shall be paid for work on the swing and graveyard shifts. Swing and graveyard shifts differentials shall be paid for on the basis of the shift worked on as defined in Article VII. Section 13 below.

## **ART. VI, SEC. 8**

(b) The Company shall not be required to increase the wages of any employee while s/he is in training for a job or position paying a higher wage than s/he is receiving; provided, however, that any such employee shall be deemed to be qualified for the rate of pay of the job or position in which s/he is employed when s/he can satisfactorily perform the duties thereof with no more supervision than is required over the work of other qualified employees performing the same duties.

(c) Wages shall be paid bi-weekly within ten (10) days following the end of each pay period. In the event any designated pay day shall fall on a holiday or on the regularly assigned days off of an employee, the Company will endeavor, if possible, to pay such employee on the day preceding pay day.

(d) The Company agrees to allow employees who live in other than Desert Lake and Boron to pick up their paychecks on a regular basis at the Personnel Office. Also, with legitimate reason, and at least 3 days advance notice, an employee may pick up his/her check at the Personnel Office.

(e) If an employee works one (1) hour or more at a higher base rate of pay, s/he will be paid four (4) hours, if worked, at the higher rate. If an employee works four (4) hours or more at a higher base rate of pay, s/he will be paid for the total number of hours worked consecutively thereafter at the higher base rate.

(f) Any employee on the rolls as of July 29, 1977, who remains on the laborers job, or at a later date returns to the job of laborer will draw the higher laborer rate, i.e., \$14.580 plus negotiated rate increases. Employees hired on July 30, 1977 or later will draw the lower laborer rate of \$11.775 plus negotiated rate increases.

(g) The Company will offer a voluntary automatic payroll deposit plan whereby the employee's paycheck will be deposited directly into his/her personal checking or savings account. An employee enrolled in this plan must stay in for a minimum period of six (6) months.

# ART. VII, SEC. 1

## Article VII.

### Working Hours and Overtime Pay

**Section 1. *Overtime.*** The Company shall consider as overtime and pay wages at one and one-half times the regular minimum rate provided in Article VI. Section 1 above for the following:

(a) Time worked in excess of eight hours in that employee's work day. The work day of an employee consists of twenty-four (24) consecutive hours beginning at the employee's regularly scheduled shift starting time.

(b) Time worked by an employee when called back to work after the completion of his/her regular shift to perform work of an emergency nature;

(c) Time worked by an employee in excess of his/her normal forty hours in any one work week.

(d) Double time shall be paid for any time worked by an employee on the seventh consecutive day of work during the work week.

(e) A minimum of one hour's pay shall be paid to any employee working overtime in accordance with the above, provided the overtime work has been specifically authorized in each case by the supervisor in charge. If two or more premium rates are applicable to the same hours of work, the highest alone shall be paid. There shall be no pyramiding of overtime rates or hours. Time worked for which overtime premium has been paid during the work week shall not be counted for purposes of calculating time worked in excess of forty hours in the work week.

### **Section 2. *Overtime Sign-Ups and Assignments.***

(a) There shall be a weekly obligation on the part of each employee to declare, by the Tuesday preceding the next workweek, his/her desire to be assigned overtime work for each day of that next workweek. Management will install and maintain an overtime assignment board in each group (i.e., the existing overtime boards), area, and plant-wide on which each employee's desire to be assigned overtime work for each day of the next

## ART. VII, SEC. 1

workweek will be recorded. Employees will have the right to change their overtime availability declaration each week, by separately indicating their availability or non-availability on the group, area, and/or plant wide overtime board(s) for each day of the next workweek. The last prior declaration will control until changed.

(1) For purpose of this Article, the “groups” are the existing overtime boards and are not the Groups defined in Article VIII Section 2 below.

(2) For purpose of this Article, the “areas” are Mine Operations, Mine Mobile Maintenance, Boric Acid Plant, Shipping, Primary Process, and Refinery Services.

### (b) *Scheduled & Unscheduled Overtime*

(1) Scheduled overtime within each overtime group shall be assigned to the classified or qualified employee within the group with the least amount of overtime, whose name appears on the overtime assignment board signifying his/her desire to be assigned overtime work. In case the employee asks to be excused, and is excused from working overtime by the supervisor requesting overtime work, or if employee is not present on duty sometime within a seventeen (17) hour period prior to the scheduled overtime, the overtime shall be assigned to the classified or qualified employee with the next lowest amount of accumulated overtime whose name appears on the overtime assignment board signifying his/her desire to be assigned overtime work.

(2) Unscheduled overtime may be assigned among those employees present in the plant to the classified or qualified employee with the least amount of overtime; however, if no such employee is available in the plant the Company will endeavor to call the classified or qualified employee whose name appears on the overtime assignment board, who is lowest in accumulated overtime, and who is “readily available.”

### (3) Definitions re: Scheduled & Unscheduled Overtime

a. The term “available” refers to an employee who has declared in advance his/her desire to be assigned overtime work.



## ART. VII, SEC. 2

b. The term “readily available” refers to employees who have a telephone and live within fifteen (15) miles of the plant.

c. The term “classified employee” refers to employees occupying job classifications in the Mining Department (Groups I and II), Maintenance Department (Group VI), and Laboratory (Group VIII).

d. The term “qualified employee” refers to employees occupying step-up positions in the Dissolving and Thickening Department and Granulating Department (Group III), Steam Plant Cogeneration Department (Group IV), Warehouse and Shipping Department (Group V), Boric Acid Department (Group VII), Supply Warehouse (Group XI), and similarly situated employees in other processing plants.

e. The term “unscheduled overtime” refers to overtime such as breakdowns, which cannot be anticipated seventeen (17) hours in advance. f. The term “scheduled overtime” refers to that overtime known to be necessary at least seventeen (17) hours in advance.

(c) The Company shall assign overtime work from the overtime-assignment boards in the following order: Job continuation (where applicable, as discussed below), then to the qualified volunteers in the group, then area, then plant-wide. If there are an insufficient number of qualified employees who have volunteered to work overtime, then the Company shall force assign overtime to the low, qualified employee in the group, then area, then plant-wide.

(d) No employee who has been assigned to work overtime may refuse to work that assignment; failure of any employee to work assigned overtime will result in a chargeable absence incident, except that if there is a verifiable medical emergency for the employee or the employee’s immediate family, then, upon proof of same, there shall be no attendance incident charged to the employee if the employee cannot work the assigned overtime. Employees whose names do not appear on the overtime assignment

## **ART. VII, SEC. 3**

board may ask to be excused from working overtime for personal reasons, and the Company shall endeavor to honor such requests.

(e) When an employee has been assigned to a certain job, which is intended to be completed within the regular straight time portion of his/her shift but has not completed the job at the end of the straight time period, s/he shall be allowed to remain on the job to completion regardless of his/her position in regard to equalization of overtime.

(f) In the Maintenance Department, when an employee has been assigned to a certain job which has not been completed at the end of his/her regular straight time shift and his/her supervisor is reasonably sure that the job can be completed within three (3) overtime hours, s/he shall be allowed to remain on the job to completion regardless of his/her position in regard to overtime equalization. As long as there is not more than twenty-four (24) hours difference between the cumulative totals of overtime of the highest and lowest person in the group who have volunteered to work overtime, continuation overtime estimated by the supervisor to exceed three (3) hours will be equalized in the individual group, but if the difference between cumulative totals of overtime of the highest and lowest persons in the group who have volunteered to work overtime is greater than twenty-four (24) hours, then the low person in the group who has volunteered to work overtime shall be assigned the overtime work.

### **Section 3. *Overtime Equalization.***

(a) Overtime shall be equalized on a weekly basis, based on each employee's number of overtime hours worked and similar non-working equalization hours under this Agreement. As part of the equalization process, if an employee has not volunteered to work any overtime during that workweek, then the employee will be placed at the bottom of the equalization list, i.e., that employee will not be averaged in to the middle of the list.

(b) There shall be a separate equalization calculation for each overtime group, area, and plant wide, using the above-described equalization process.

## ART. VII, SEC. 4

(c) The Company shall not be required to create unnecessary work in order to equalize overtime, nor shall it be obliged to assign to any employee in the group any overtime work which s/he is not qualified to perform.

### **Section 4. *Overtime Records.***

(a) The Company shall maintain a chart in each group, area, and plant-wide showing overtime hours worked by individual employees. This list or tabulation shall be used in assigning overtime, consistent with the foregoing procedures. Any errors in the list shall be brought to the supervisor's attention within ten (10) days of posting the list so that investigation can be made while the facts are current. Failure of an employee to so request shall relieve the Company of responsibility for correction. A roster showing overtime work for the current month and for the year to date will be supplied to the Union by the tenth of each month. The Company agrees to furnish the Union a copy of the monthly maintenance overtime recap sheet.

(b) When an employee receives overtime pay for a shift due to a change of schedule and not due to working more hours than s/he is normally scheduled, then that employee will be charged three (3) hours and not eight (8) hours on the overtime equalization chart in his/her department.

(c) When an employee who has previously declared himself herself unavailable for overtime assignments and places his/her name back on the overtime assignment board as available for overtime, his/her overtime hours will be averaged in with those of other employees currently listed as available on the overtime assignment board in the respective department. Said employee will be credited with the number of accumulated overtime hours representing an average of, (1) the highest-hours available employee and the lowest-hours available employee, or (2) an average of the highesthours available and the number of hours s/he had at the time s/he removed his/her name from the overtime assignment board, whichever is higher.

## ART. VII, SEC. 5

(d) When an employee is off on sick leave or earned vacation his/her name will remain on the overtime assignment board. Their tag will be marked to indicate that they are off on sick leave or vacation. During this time period, they will be charged for all overtime they would have been eligible for if they had not been off on sick leave or vacation.

**Section 5. Overtime Committee.** The Overtime Committee, composed of two members from the Union and two members from Supervision, will continue in an advisory capacity.

**Section 6. Call Back Pay.** Any employee who is called back to work by the Company after completion of his/her regularly scheduled shift shall be guaranteed a minimum of four (4) hours pay at the applicable overtime rate; in the event the actual time then worked by said employee should overlap or coincide with such employee's regularly scheduled shift, in whole or in part, then s/he shall still be entitled to be paid at said overtime rate for the first four (4) hours so worked even though all, or some part thereof, should happen to fall within his/her regularly scheduled work shift; but, with respect to the balance of said regularly scheduled shift, s/he shall be entitled to pay at the straight time rate only.

**Section 7. Reporting Pay.** Any employee who is able and eligible to work and, in the absence of eight hours' prior notice not to do so, reports for work on his/her regular shift at a time when his/herservices are not required shall be paid a reporting allowance equivalent of four (4) hours pay at the regular rate of the job for which s/he was scheduled to report; provided, however, that no reporting allowance shall be payable when the Company's failure to provide work is due to conditions beyond its control including, but without being limited to, power failure, explosion, fire, earthquake, inclement weather or strikes. Notice delivered to the address registered with the Company by an employee shall be deemed the equivalent of personal notice.

## ART. VII, SEC. 8

### **Section 8. *Seniority for Days Off and Shift.***

(a) The Company recognizes the principle of selection of days off and shift on the basis of job seniority.

(b) When an employee who is senior in the area in which s/he is working requests a change in schedule in order to obtain more favorable days off and/or shift, such change will be made only if there is a vacancy in the schedule requested and also only in case it can be done without any overtime penalty being paid the employee requesting the change.

(c) If an employee who has been transferred or promoted out of a job rejects his/her transfer or promotion within fifteen (15) working days or is disqualified by the Company within the appropriate qualifying period, s/he shall be entitled to restoration to his/her former position with all of his former seniority rights in that position, including the days off and/or shift s/he formerly had.

(d) For purpose of this Section, a "vacancy" will be considered as created only by (a) demotion, disqualification, promotion or resignation of an employee out of an area, or (b) the addition of a permanent full-time job or jobs into a classification, however said job has been filled, or (c) a departmental schedule change affecting twenty-five (25%) percent or more of the employees in an area within a department. A "vacancy" will not be created by temporary absences, such as leaves of absence, vacations, or temporary promotions.

**Section 9. *Schedule Changes.*** Whenever a change in schedule is made by reason of promotion, transfer, bump back or other reason for the convenience of the Company, the employee concerned will be scheduled in such a manner as not to receive less than the equivalent of ten (10) days' pay for the pay period involved. If the change is made at the employee's request for reasons to his benefit, the Company may schedule so as not to incur any penalty even though the employee may thereby receive less than ten (10) days' pay in the pay period.

## **ART. VII, SEC. 10**

**Section 10. Lunch Allowance.** Whenever an employee is required to continue working more than four hours beyond the end of his/her regularly scheduled shift, and that assignment was overtime, he/she will be provided one (1) overtime lunch at the Company's expense. Lunch will be provided during that overtime shift only.

### **Section 11. Rest Periods.**

(a) The Company authorizes and permits all employees to take a paid, 10-minute rest period for every 4 hours, or major fraction thereof, worked. The rest periods should be taken approximately in the middle of each 4-hour work period, in so far as this is practicable, e.g., one in the morning before the meal break and one in the afternoon on a typical 8-hour shift, however the rest periods will not be at any specified time, but rather may be varied according to the dictates of the work as determined by the supervisor. It may be eliminated entirely in case an emergency should make this action necessary. All such rest periods will be taken at the individual employee's current job site. The total time allotted to the rest period shall be no more than ten minutes, including any travel or clean-up time.

(b) To the extent that any past practice, contrary to the language of this section, may have existed regarding the existence, duration or location of rest periods (or "coffee breaks"), that past practice is hereby voided.

**Section 12. Meal Periods.** The Company shall provide unpaid meal period(s) to all employees, pursuant to California law, during which time the employee shall be relieved of all duties. In any workday, the first meal period shall be for thirty-five (35) minutes, and the second meal period shall be for thirty (30) minutes. It is each employee's personal obligation and responsibility to take their meal period(s), to clock in/out for their meal period(s), and to advise the Company's Human Resources Department if, for any reason, the employee has been unable to take such meal period(s).

## ART. VII, SEC. 13

### Section 13. *Working Hours.*

(a) All employees shall be at their respective working places at the start of their shift as signaled by the whistle, and shall be at their respective places of work at the end of their shift as signaled by the whistle.

(b) Shift workers, meaning those on jobs manned around the clock, will remain at their places of work until relieved by their replacement for the following shift, except during their meal period. Shift workers will ordinarily be rotated at specified scheduled intervals as established by the Company. Shift work shifts will be scheduled to change at 7:00 A.M., 3:00 P.M., and 11:00 P.M.

(c) Employees on straight shifts as differentiated from shift workers above are those working on jobs not necessarily manned around the clock. For such shifts, the day shift shall be considered as eight and one half (8-1/2) hours starting between 6:30 A.M. and 8:30 A.M., the swing shift shall be considered as starting between 3:00 P.M. and 5:00 P.M., and the graveyard shift shall be considered as any shift starting between 11:00 P.M. and 1:00 A.M. Such employees shall be paid at the designated shift premium rate for their full eight (8) hours of work. Straight time shift workers starting at other times shall be paid shift differentials prorated on the basis of time spent on each shift and the starting times separating shifts for this purpose shall be considered as being 7:00 A.M. for the day shift, 3:00 P.M. for the swing shift and 11:00 P.M. for the graveyard shift. Employees on such shifts shall be at their respective working places at the beginning and end of the shift. They will be allowed a half hour for lunch ordinarily scheduled to begin at 11:30 A.M. for day shift employees and approximately midshift for swing and graveyard shifts and they shall be at their respective working places at the beginning and end of such lunch period. Such lunch period shall be considered the regularly scheduled period and shall be adhered to except that starting time may, if necessary, be varied no more than 45 minutes without

## **ART. VII, SEC. 13**

penalty payment. If the lunch hour starting time is varied more than 45 minutes or if the employee is not allowed a full half hour for lunch, s/he will be paid one hour at the applicable overtime rate. Employees shall be given 35 minutes for lunch to include any clean up and travel time to and from the designated or nearest lunch facility.

(d) The Company may schedule 12-hour shifts, as determined necessary for Miners, Loader Operators, and Miner Helpers in the Mine Department. Departments other than the Mine (Pit) may schedule permanent shifts of up to 12 hours if employees in a department volunteer or if the employees vote for such a schedule. A majority vote by those voting within a department will determine if the Company may go to 10 or 12 hour shifts. A minimum two week notification will be given before making such a change. Any change in schedule will be for at least 12 months. In the event that 10 or 12 hour shifts are scheduled, no premium pay is applicable to the first 10 or 12 hours in a workday or to the first 40 hours in a workweek.

The format of the 10 or 12 shift schedule will be determined by a majority vote of these employees who will thereby choose from among several formats that will be offered by the department management. All formats offered shall be within the general guidelines of scheduling no more than 48 hours in a workweek.

The mechanics of such voting shall be as follows:

- A secret ballot shall be used
- Each calendar year a vote shall be taken regarding whether to change the format of the 10 or 12 hour shifts.

No lay-offs will occur as a result of the implementation of 10 or 12-hour shifts.

For employees whose regular schedule is a 10 or 12-hour shift schedule:

(1) Overtime Outside the 10 or 12-hour Shift Schedule. Overtime scheduled or assigned outside the employee's regular 10 or 12 hour shift schedule will be accomplished and shall be paid in the manner prescribed in Article VII above.



## ART. VII, SEC. 14

(2) Pay for Holidays. Worked time on a holiday shall be paid in accordance with Article IX. Section 1 below. Holidays not worked will be paid in accordance with Article IX. Section 2 below.

(3) Vacation. Accrual of benefits under Article X. Section 1 below shall be modified to be expressed in terms of hours rather than days on the basis of 8 hours per day. Employees will not be required to take more than 40 hours of vacation in any given week. Time off in excess of the 40 hours will be granted as time off without pay.

(4) Sick Leave. Eligibility for benefits under Article XII below shall be modified to be expressed in terms of hours rather than weeks on the basis of 40 hours per week. Ten or twelve hours of sick leave must be used, if available, for each shift missed due to illness or injury. In all other respects the subject of sick leave is unaffected by the employee's regular shift being a 10 or 12-hour shift schedule.

(5) Other Benefit Eligibility, Accrual and Vesting. Eligibility, accrual and vesting of employee benefits not specifically mentioned above are unaffected by the employee's regular shift being a 10 or 12-hour shift schedule.

(6) Overtime in Mine Department. When the Mine Department is scheduled to work 12-hour shifts on a 4/3 schedule, the Company shall pay 1.5x overtime for all hours worked in excess of 34.5 hours during that employee's 3-day workweek.

**Section 14. Negotiations and Grievance Meetings.** Time spent in negotiation and Step 3 grievance meetings with the Company by recognized employee members of appropriate authorized committees will be compensated for in such a manner as to allow up to eight (8) hours pay at the basic straight time rate for such time lost to attend such meeting when it occurs on the employee's regularly scheduled shift. Such time shall be considered as time worked for computation of overtime. The Company will not pay such compensation for more than seven (7) employees for negotiation meetings, nor more than three (3) employees for Step 3 meetings.

## **ART. VII, SEC. 15**

**Section 15. *Work Week.*** The term work week, whenever used in this Agreement, shall be considered to include the time commencing with the start of the day shift on Monday morning and concluding with the termination of work by the graveyard shift the following Monday morning. If an employee works more than five (5) consecutive days, that employee will be paid at the premium rate for the sixth and/or seventh consecutive day worked.

## **Article VIII. Seniority**

### **Section 1. *Seniority.***

(a) *Plant Seniority.* The principle of plant seniority shall be recognized with respect to lay-off and recall of employees, subject to the following exceptions, terms, and conditions included in this Article. Employees who have been promoted to the position of supervisor and who are thereafter demoted from said position shall be deemed to have retained their plant seniority. A supervisor shall not retain their group seniority, nor shall they accrue plant seniority while occupying the position of supervisor.

(b) Plant seniority is defined as each employee's length of continuous service with the Company and shall date from the most recent date of hire. Group seniority is defined as each employee's length of continuous service within his/her present Group and shall date from the most recent date of entry into that Group. Job seniority is defined as each employee's length of continuous service within his/her present job and shall date from the most recent date of entry into that job.

**Section 2. *Group and Job Seniority.*** The principles of group seniority and job seniority shall be recognized with respect to promotion or transfer of employees subject to the exceptions, terms, and conditions herein set forth in this Article. For purposes of application of this rule, all employees shall be divided into the following groups;

## ART. VIII, SEC. 3

- Group I which shall include all employees employed in Mine Operations.
- Group II which shall include all employees employed in the Mobile Maintenance Department.
- Group III which shall include all employees employed in the Primary Process Departments.
- Group IV which shall include all employees employed in the Steam Plant/Cogeneration Department.
- Group V which shall include all employees employed in the Warehouse & Shipping Department.
- Group VI which shall include all employees employed in the Maintenance Department.
- Group VII which shall include all employees employed in the Boric Acid Department.
- Group VIII which shall include all employees employed in the Laboratory.
- Group IX which shall include all employees employed in the Pilot Plant.
- Group X which shall include all employees employed in the Engineering Department.
- Group XI which shall include all employees employed in the Supply Warehouse Department.

### **Section 3. *Rules Applicable to Layoff.***

(a) Plant Seniority. Employees shall be laid off in accordance with the principle of plant seniority irrespective of the group in which they are employed.

(b) *Group Seniority Rights.* In the event an employee has been laid off from a job or from a group for any reason and the opportunity to return to the job or group later becomes available, the employee may return to such job or group with restoration of his/her previous seniority rights by relinquishing any seniority rights s/he may have attained in any other job or group in the meantime. S/he shall have the option of retaining his/her seniority in either group but not both. If the call-back is known to be of

### ART. VIII, SEC. 3

temporary duration of 45 days or less, the called-back employee may decline such temporary opening without losing his/her right of recall.

(c) *Demotion*. Demotion or bump back shall also be in accordance with the Group Seniority Charts set out below and shall occur in the reverse sequence of promotion. The employee with the least job seniority on any job shall be the first demoted to the next lower job.

(d) *Retention of Skilled Workers*. In the event of a reduction in force, the Company may retain in its employment in their respective classifications such skilled employees as defined in Section 7 below, and such Chief Operators, irrespective of their plant seniority, as it deems necessary or advisable in the interest of efficiency and economy of operations.

(e) *Lay-Off Notice*. Except in the case of emergency, the Company shall give three (3) days advance notice to any employee to be laid-off and three (3) days advance notice of any general lay-off by reason of curtailment of operations. Such notice shall be sufficient if posted on the appropriate bulletin board. Similarly, employees desiring to quit the Company's employment shall give the Company three (3) days advance notice thereof, such notice being sufficient if given to the particular employee's supervisor or the Human Resources Manager. Saturdays and Sundays shall be excluded from said periods.

(f) *Recall Out of Classification*. Any employee who is retained in the employment of the Company, or, if laid off, is recalled by the Company in some position other than that in which s/he is or was regularly employed shall be paid the wages of the position in which s/he is retained or called; and provided further that when an opening occurs in his/her former position, s/he shall be transferred thereto and his/her former wages restored.

(g) *Skilled Employees Option*. Any skilled craftsman in the Maintenance Department may, if s/he does not have sufficient job seniority to avoid demotion, choose to accept lay-off rather than

## ART. VIII, SEC. 4

demotion. Such decision will not affect his/her seniority or recall rights to his/her job.

### **Section 4. Rules Applicable to Recall.**

(a) *Plant Seniority.* Employees who have been laid off shall be recalled in accordance with the principle of plant seniority.

(b) *Job Seniority.* Upon recall, an employee shall be entitled to return to the position to which his/her former job seniority entitles him/her, or if his/her former position is not open, then the employee will be assigned to the Labor Pool. During the period of lay-off, no other employee shall be entitled to acquire job seniority which supersedes that of the laid-off employee.

(c) *Notice to Company.* All employees who have been laid-off and who desire to be recalled shall be placed in a status of temporary lay-off for two (2) years. At the time of the lay-off, and each three (3) months during such lay-off, each laid-off employee shall advise the Company Human Resources office, in writing, of his/her correct address and his/her desire to be recalled if such work becomes available. If s/he should fail to keep the Company so notified or if s/he is not recalled before two (2) years have elapsed, s/he shall be terminated.

(d) *Recall.* Each employee who has kept the Company properly advised of his/her desire to return to work shall be notified by the Company of his/her first opportunity for recall. If at the time of recall it appears probable that the opportunity for employment will last two (2) weeks or less, that employee will be advised that the recall is for temporary employment and s/he may, without loss of any seniority, decline to return. Unless advised to the contrary as above, any recall will be considered as offering two (2) weeks or more employment and such employment shall be guaranteed. In case of subsequent lay-offs, any employee working during the above guaranteed period will be retained until the expiration of the guarantee period or s/he may be paid an amount equivalent to the straight time rate for his/her normally scheduled time remaining in the guarantee period.

## **ART. VIII, SEC. 5**

(e) *Copy to Union.* A copy of all recall notices will be provided to the Union.

(f) *Recall Reporting Time Limits.* Any employee who fails to accept an offer of recall except temporary, sent to his/her last advised address within forty-eight (48) hours or, upon acceptance, fails to report to work within five (5) days or such longer period thereafter as may be specified or agreed to by the Company, shall thereupon forfeit his/her seniority rights with respect to re-employment until restored by the mutual agreement of the Union and the Company.

(g) *Loss of Seniority.* Any employee who is discharged, who quits voluntarily, or who is otherwise terminated as provided herein; or who leaves or is employed outside of the bargaining unit covered by this Agreement other than to become a supervisor, shall forfeit his/her seniority rights and all other rights and benefits under this Agreement. If such employee should later be re-employed in the bargaining unit, his/her seniority and any other rights and benefits which accrue to him/her under this Agreement shall begin anew as of the date of re-employment in the bargaining unit, provided s/he satisfactorily completes the probationary period of sixty (60) calendar days of active employment.

### **Section 5. Rules Applicable to Promotion, Demotion, and Transfers.**

(a) Definitions:

(1) Promotion, as used herein, means the permanent advancement of an employee from one position to another position with an increase in pay; it being understood and agreed, however, that no opening or vacancy in any job or position shall be deemed to constitute an opportunity for promotion unless such job or position has provided employment over a period of at least forty five (45) days from the date of its establishment or, including the time from date of establishment as well as future time of employment, will provide employment over a period of at least forty-five (45) days.

## ART. VIII, SEC. 5

(2) Transfer, as herein used, means the permanent movement of an employee from one job or position to another job or position without an increase in pay.

(b) *New Employees.* Upon initial hiring, an employee, except a skilled employee hired under Section 7 below and except any employee hired pursuant to subsection (c)(3)b or (c)(3)c below, shall be assigned to the Labor Pool.

(c) *Promotion & Transfer Procedure.*

(1) An opening in any job will be determined solely by the Company, unless otherwise specifically required in this Agreement.

(2) When an opening in any job occurs, then the Company shall post notice of such opening on the Plant Bulletin Boards for a period of 120 hours, exclusive of Saturday, Sunday and holidays, during which time all employees desiring to make application for the job shall do so. In addition, employees who wish to transfer or be promoted to another job or Group may fill out a Company prepared form indicating their desire and up to four (4) job positions where the employee would like to be considered for transfer and/or promotion. The failure of any employee to make such an application, either in advance or within 120 hours, exclusive of Saturday, Sunday and holidays, after the opening has been posted, shall disqualify him/her for the position involved. A copy of any notice so posted by the Company and a copy of applications for the job or position posted shall be furnished to the Executive Committee of the Union or to its Seniority Custodian.

(3) After the expiration of the aforementioned 120-hour posting period, the Company shall judge the applicants' relative skills and abilities. If the applicants' skills and abilities are relatively equal, then group seniority shall take priority over plant seniority and shall govern in any promotion or transfer to any open position.

a. In the event the vacancy cannot be filled by either promotion or transfer, the Company may assign to that position the qualified employee in the Labor Pool of the least plant seniority.

## ART. VIII, SEC. 5

b. Then, in the event that the vacancy has still not been filled, the Company may hire to fill the vacancy from any source.

c. When no applications are received on a job that has been posted, then the Company shall assign to that position the employee of least plant seniority in the Labor Pool or a new employee if such be needed.

(4) The advanced employee shall have fifteen (15) working days to reject the advancement and return to his/her former job and group with all of his/her former seniority rights; similarly, the Company may choose to return for cause any employee to their previous job within fifteen (15) working days with all of his/her former seniority rights.

(d) Employees who accept an offered craft helper position or a 2nd class craft position will not be permitted to apply out of that craft position until they have served two (2) years in the 1st class position. Helpers who initially accepted one of these offered positions will be allowed a fifteen (15) day "turndown" period after which the employee affected would return to their previous job and have their seniority restored.

(e) *Seniority in Group Transfer.* In the event the acceptance of a successful application involves a transfer from one job or department to another, the applicant must relinquish his/her seniority rights on the job or group from which s/he is transferring before s/he can be placed on the job for which s/he has accepted. In event of disqualification within the established trial period, or non-acceptance of the job within fifteen (15) working days, the employee shall be eligible to return to the former job or group and his/her seniority in that job and group will be restored.

(f) An employee on sick leave or leave for occupational injury who applies for any vacancy must be physically able and readily available to fill the position. It is understood the Company has no obligation to notify any person of such vacancy except by the usual posting procedure.

(g) The Company shall set qualifications and judge skills and



## ART. VIII, SEC. 5

abilities, qualifications and competence in a fair and equitable manner. An authorized representative of the Union may inspect any test given to a member of the bargaining unit for validity. Any question of such fairness in judging qualifications may be submitted to arbitration if not settled under the grievance procedure as provided in this Agreement.

(h) The list of applicants shall remain in effect until the qualified employee has completed his/her trial period satisfactorily, and at that time the remaining list of applicants shall become null and void. Until such time as a job opening has been filled, the Company may temporarily transfer pursuant to Section 12(a) below. In case new openings occur in the same position in the interim, new applications covering such job openings shall be posted.

(i) Trial and/or Break-In Period. The trial period referred to above shall be thirty (30) calendar days, except that for Helpers in the Maintenance Departments and the Mine Department the trial period shall be ninety (90) days. If an employee is disqualified from a job during the trial period, then the employee shall be returned to his previous job with full restoration of the employee's group seniority.

(j) *Ineligibility For Future Transfer/Promotion.*

(1) With the exception of job classifications that are directly and vertically linked within a Group Seniority Chart, employees who fill a vacancy in a Craft Position by transfer or promotion shall not be eligible to apply for another transfer or promotion for a period of two (2) years.

(2) With the exception of job classifications that are directly and vertically linked within a Group Seniority Chart, employees who fill a vacancy in a Non-Craft Position by transfer or promotion shall not be eligible to apply for another transfer or promotion for a period of two (2) years.

(3) Notwithstanding the above, employees who occupy a Non-Craft Position may apply for transfer or promotion to a Craft Position at any time.

## ART. VIII, SEC. 6

(4) Upon mutual agreement, the Union and Company may waive the foregoing periods of ineligibility.

(5) The foregoing periods of ineligibility shall not apply when the Company has assigned a qualified employee in the Labor Pool of the least plant seniority to the vacancy.

(k) *Disqualification.* With the exception of a safety-related disqualification, before any employee is disqualified, the Company shall advise the employee in writing of the employee's deficiencies in qualification (including through the quarterly performance assessments), shall provide the employee with appropriate training opportunities, and shall provide the employee a reasonable opportunity to become qualified. In the event that an employee is disqualified from a position after passing the Trial Period, the employee shall be placed in the Labor Pool and shall be paid the applicable Labor Pool wage rate.

(l) The Company shall provide training to employees in order that they may try to qualify for promotion and transfer.

(m) The Company shall post a list of all pending applications and shall advise the Union of each employee who has been selected for promotion or transfer.

**Section 6. *Temporary Step Up.*** Vacancies of no more than two weeks duration (or of no more than one week duration in the mine when the mine is on a five-day schedule), when filled by a step-up, will be filled by stepping up the senior qualified person on the shift involved, based on job seniority.

**Section 7. *Filling Skilled Jobs.***

(a) Whenever there is an opening or vacancy in Groups I, II, IV, VI, VIII, or XI (as defined in Section 2 above) which requires the services of a skilled Craftsman, Steam Engineer Unlimited, Analyst, Maintenance Utilityman, Clerical Worker, Office Worker, or All Crafts Helper, the Company may employ anyone regardless of his/her previous employment with the Company to fill such job or position if it does not fill the job as stipulated herein. Employees who apply into the craft classification may be denied the position

## ART. VIII, SEC. 8

if the employee's disciplinary record at Borax is unacceptable. Prior to denying any such employee, two Union employees from the relevant Group will be allowed to review the record and offer an opinion as to whether or not the application should be denied or allowed. Technicians in Groups IX and X will be employed as established in Article II. Section 5 above.

(b) It is understood and agreed that if any employee wishes to place the Company on notice of his/her experience and qualifications regarding any of the positions listed in (a) above, s/he shall register such information with the Company so that it may be checked for verification. The Company shall thereupon furnish the Union with a written copy of such registration.

(c) If the Company employs any such skilled or other worker named above at Boron who has not previously been employed by the Company s/he shall not thereafter, in the event of a lay-off, regardless of the seniority that s/he has then acquired, be permitted to displace any employee holding a position of inferior rank to that which s/he occupied when s/he was first employed in that group, job, or department.

(d) For every ten (10), but not less than ten (10) first class or second class Group VI Craftsmen the Company hires, during the term of each Agreement, directly from outside the Company's own work force, the Company shall establish one (1) helper position in the craft in which that hiring was done.

(e) Whenever an opening occurs in one of the above skilled classifications the Company will post notice to that effect on the bulletin boards for 120 hours, exclusive of Saturday, Sunday and holidays. Any employee who has had experience with the Company in a classification that would qualify him/her for the opening, may place the company on notice of his/her desire to be considered for the job at that time and his/her application shall be considered in the same manner as those who had previously notified the Company as above.

**Section 8. *Crafts Promotion.*** If an employee with a second-class

## ART. VIII, SEC. 9

rating and the Company has, and apparently will continue to have, sufficient first-class rating work for such an employee to do, the Company will place such an employee in a classification and pay of a first-class employee if s/he so qualifies prior to hiring a new employee. Said employee's job seniority will be retroactive to helper bid date (if such employee was in the training program on or after November 4, 1977), provided that no employee's job seniority shall be greater than the job seniority of any employee who had obtained a firstclass rating before November 4, 1977. No requests for schedule changes shall be allowed, except in accordance with Article VII. Section 8 above, it being understood that this process does not create a "vacancy" for purpose of days off and shifts. Second-class craftsmen will be expected to work by themselves on jobs of a routine nature or with which they are acquainted, but they will not be expected to work by themselves on trouble shooting or similar work. If any second-class craftsman has not so qualified for promotion to a position carrying a first class rating after four (4) years, then s/he shall be disqualified and returned to the labor pool. Likewise, if any helper can qualify for a second-class rating and the Company has, and apparently will continue to have, sufficient second-class rating work for such an employee to do, the Company will place such an employee in a classification and pay of a second-class employee when s/he so qualifies; but if a helper has not so qualified for promotion to a position having a second-class rating after four years, then s/he shall be disqualified and returned to the labor pool.

**Section 9. *Promotion of Analysts.*** In addition to the present educational requirements for the job of Control Analyst, all new hires and/or employees who apply into the Lab will be required to take and pass the Pilot Plant test or an equivalent. All incumbent Advanced Control Analysts will be "grandfathered" into the job of Senior Analyst, and they will be paid at the same hourly rate as the incumbent Senior Analyst. A newly-hired Analyst will be on probation for a period of six months. During this probationary

## ART. VIII, SEC. 10

period, the Analyst will receive pay equivalent to the Advanced Control Analyst. Satisfactory performance will be the criteria which the Company will base its decision of whether or not an Analyst will be promoted to Senior Analyst. Such satisfactory performance will be defined as the ability to perform tests with acceptable accuracy and the minor repair and maintenance of at least two instruments. Minor repair and maintenance means the ability to change consumable parts, perform standard calibrations, and prepare standards and diagnosis of problems related to the instrument's performance. A test will be given to verify that an Analyst can start up an instrument from the off position, prepare standards, calibrate and analyze unknown samples, and obtain results within 10% of the certified value. A written practical exam will also be given to evaluate troubleshooting skills and general plant process knowledge. Senior Analysts will perform any type of analyses or laboratory-related test work including non-routine process or test samples.

**Section 10. Probationary Period.** Each new employee shall be on probation for a period of sixty (60) calendar days of active employment from the date of hire of his/her current period of employment during which time his/her seniority shall not be recognized; provided, however, that after the expiration of the sixty (60) calendar days of active employment his/her seniority shall be recognized retroactively to the date of hire of his/her current period of employment.

**Section 11. Seniority Lists.** The Company shall keep and maintain a seniority list of all employees at the Boron Plant and Mine and shall furnish Local No. 30 with a copy of the same, including any changes as made therein, once every three months.

**Section 12. Temporary Transfers.**

(a) *Temporary Transfer.* Except as provided in (b) below, when no overtime is involved, the Company may temporarily transfer an employee from one job to another in the same group, observing group seniority as between those available on the shift involved.

## **ART. VIII, SEC. 12**

An employee shall not be eligible to work overtime in the job to which that employee has been temporarily transferred unless the temporary transfer is to fill a vacancy due to illness or injury or unless the other employees in the group have refused or are all working overtime. If eligible for overtime in the job to which that employee has been temporarily transferred, that employee shall not be eligible for overtime in the employee's normal job. If no one from within the group is available, the Company may, observing plant seniority as between those on the shift involved, take an employee from another group. When a temporary opening occurs in an area that has been curtailed and employees with group seniority are in the labor pool they shall be given preference in selection for transfer providing no overtime results. In either case, the employee shall get his/her or her same rate of pay or the rate of pay of the position s/he or she is temporarily filling, whichever is higher. However, in no case of temporary transfer is an employee entitled to accrue job seniority on the job to which s/he or she is temporarily transferred with respect to the period of such temporary transfer.

When temporary transfer is used to fill a temporary opening that is created by the absence of an employee who is off work due to illness or injury, that temporary transfer may continue through the 90th day of that employee's absence. If that job is filled after the 90th day of the ill or injured employee's absence, the job shall be filled pursuant to Section 5 above. With the exception of openings due to the absence of an employee due to illness or injury, whenever (a) it becomes apparent that an opening which is to be filled will continue for a period that is longer than forty-five (45) consecutive days or (b) an opening has been filled or will be filled by temporary transfer for forty-five (45) or more days within a sixty (60) consecutive day period, the job shall be filled pursuant to Section 5 above.

When the employee to be temporarily transferred is taken from the labor pool, available will be interpreted as being in the labor pool

## ART. VIII, SEC. 13

and on the shift involved if the opening is for ten (10) working days or less. If the opening is for more than ten (10) working days, all employees in the labor pool will be considered available.

(b) *Transfers During Special Circumstances.* During (and limited to the duration of) rain days, shutdowns (e.g., complete, partial, preventive maintenance, and vacation), and the reduction or curtailment of operations, the Company may engage in direct, non-daisy-chain transfers of qualified personnel, bypassing the Labor Pool and the temporary-transfer rules of (a) above, as follows:

(1) The Company shall seek qualified volunteers and, if there are too many qualified volunteers, the Company shall select amongst those qualified volunteers by seniority; and then

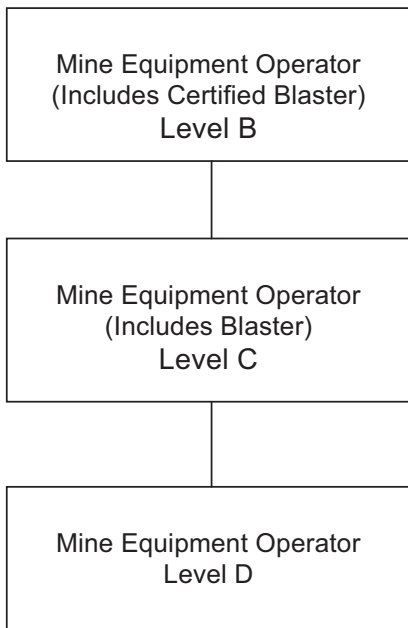
(2) If additional personnel are needed, the Company may assign qualified personnel by reverse seniority.

(3) When employees are transferred hereunder, they shall be paid the higher rate of pay.

(4) There shall be a 45-day, temporary-transfer limit applicable shall continue to apply in to cases of transfer hereunder due to the reduction or curtailment of operations.

### **Section 13. *Group Seniority Charts***

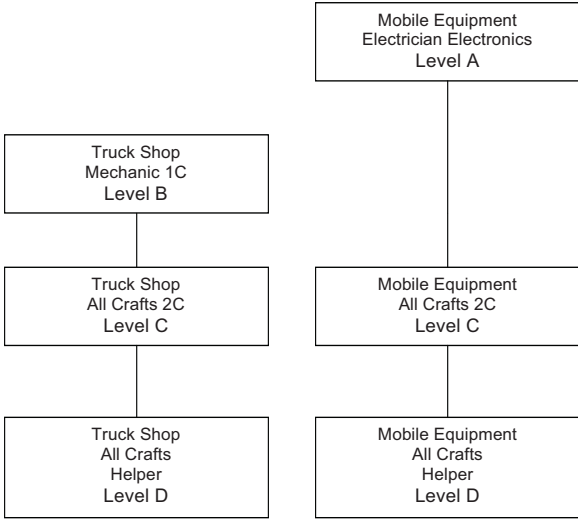
**Group I**  
**MINE OPERATIONS**





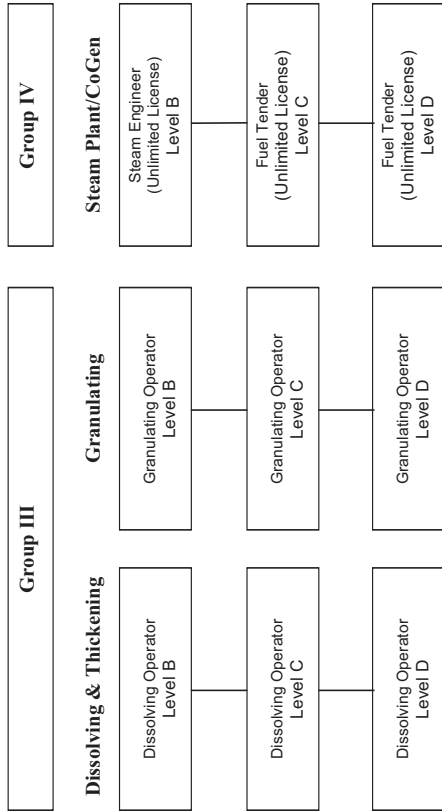
## Group II

### MINE MOBILE MAINTENANCE

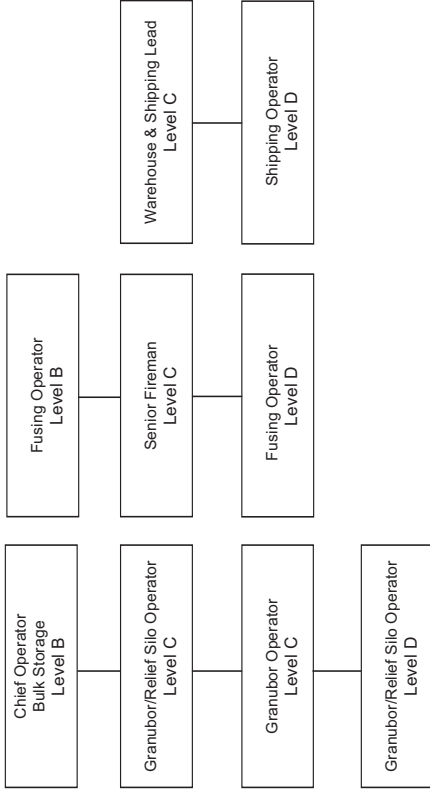


### Group III & IV

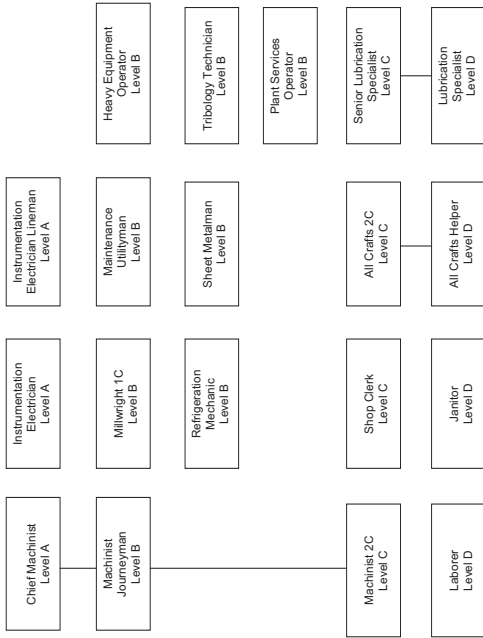
## DISSOLVING/THICKENING and GRANULATING COMBINED WITH STEAM PLANT/COGEN DEPARTMENTS



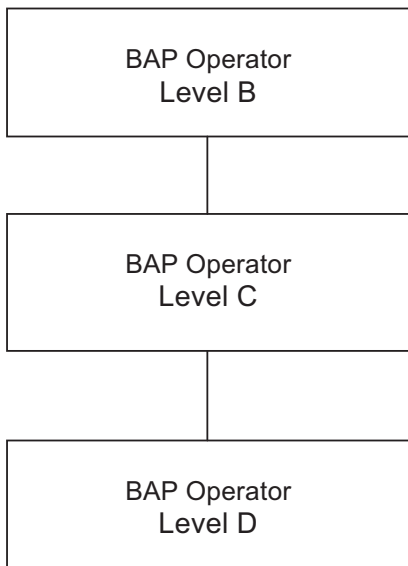
**Group V**  
**WAREHOUSE, SHIPPING & FUSING DEPARTMENT**



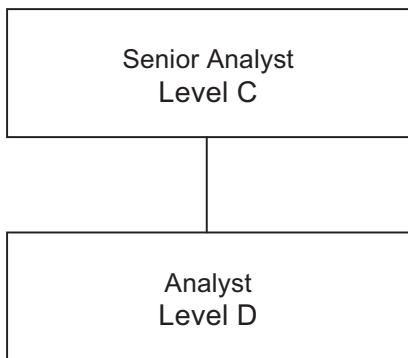
**Group VI**  
**MAINTENANCE DEPARTMENT**



**Group VII**  
**BORIC ACID DEPARTMENT**



**Group VIII**  
**LABORATORY**



**Group IX**  
**PILOT PLANT**

Utility Maintenance Technician  
Level B

Senior Pilot Plant Technician  
Level C

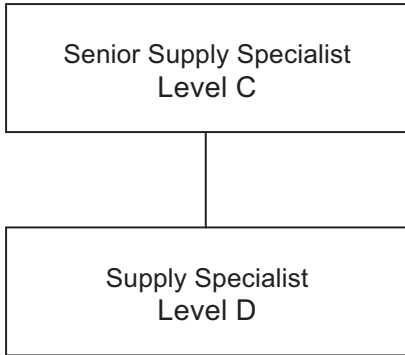
Pilot Plant Technician  
Level D

**Group X**  
**ENGINEERING DEPARTMENT**

Senior Environmental  
Technician  
Level C



**Group XI**  
**SUPPLY WAREHOUSE**



# ART. IX, SEC. 1

## Article IX. Holidays

**Section 1. *Pay When Worked.*** Any time worked on:

New Year's Day	Thanksgiving Day
Good Friday	Day After Thanksgiving
Memorial Day	Day Before Christmas
Fourth of July	Christmas Day
Veteran's Day	New Year's Eve Day

and a Floating Holiday to be taken during the calendar year with seven (7) days notice and upon approval of the department Supervisor shall be paid for by the Company at the straight time rate plus time and one-half.

Any time worked on Labor Day shall be paid for by the Company at three times the regular rate of pay.

Such time as is worked on any of said holidays shall not be considered as overtime for any other purpose under this Agreement except, however, that for the purposes of equalizing overtime in accordance with the provisions of Section 2 of Article VI hereof and for scheduling or selecting workers for holiday work, time worked on holidays shall be considered as overtime work.

If any of said holidays falls on a Sunday, the following Monday shall be observed and shall be deemed to be the holiday hereunder: but this rule shall not apply to Christmas Day nor to Day Before Christmas, because each of these two named holidays shall always be observed only on the particular calendar day upon which it falls.

Holiday crews' notices shall be posted 72 hours in advance where possible. The Company, at its sole discretion, may schedule "normal crews" consisting of all those employees for whom it is their normal day and shift to work and who have not given the Company notice at least (7) seven days in advance that they desire to observe the Holiday. Furthermore, notwithstanding the above (7) seven-day notice, vacancies in "normal crews" shall be filled in accordance with Article VII. Section 2(b) above.

## ART. IX, SEC. 2

Holiday crews, not consisting of a "normal crew" shall be selected in the following order:

(1) Employees whose name tags appear on the overtime assignment board, who are low, and it is their regular shift to work.

(2) Fill remainder of holiday schedule from overtime board (low qualified).

### **Section 2. Pay When Not Worked.**

(a) Any employee who is not required to work on any of said holidays shall nevertheless be paid at straight time for the number of hours in his/her regularly scheduled work day; provided, however, that s/he is in the active employment of the Company and on the Company payroll on the day preceding said holiday, that s/he is not absent on sick leave or leave of absence and, unless absent on vacation, that s/he works his/her last regular shift before the holiday and his/her first regular shift following the holiday.

(1) In the event that the holiday occurs during a shutdown, if the employee worked or took vacation on the last regular shift before and the first regular shift after the shutdown period, then the Company shall pay the employee for any holiday occurring during the shutdown, without regard to whether the employee actually worked during the shutdown.

(2) However, an employee on lay-off who is recalled to and actually reports for work on the day following a holiday will be entitled to such pay for said holiday even though s/he is not in active employment nor on the Company payroll on the day preceding said holiday provided, of course, that s/he meets all of the other foregoing conditions.

(b) In determining overtime hours worked in excess of forty (40) in any work week, an employee shall be credited with eight (8) hours of work for any paid holiday not worked provided the holiday falls on a day on which the employee would normally have been scheduled to work.

(c) Although an employee on sick leave is not entitled to Holiday Pay, s/he shall be eligible as outlined above if s/he

## ART. IX, SEC. 3

works his/her last regularly scheduled shift before, or his/her next regularly scheduled shift, after such holiday and is not eligible for nor does s/he receive any sick leave benefits from the Company or any other source for the day on which the holiday falls.

**Section 3. Definition of Holiday.** Holidays on which premium pay is paid shall start at 7:00 A.M. on the day of the holiday and continue until 7:00 A.M. on the day following the holiday.

## Article X. Vacations

**Section 1. Accrual of Vacation Benefits.** Vacation with pay shall be accrued or earned in advance in accordance with the rules set forth herein; thus, credit for vacations with pay for any benefit year must be earned or accrued in the preceding benefit year. Credit for vacations with pay shall be earned and accumulated in accordance with the following schedule:

Years of Service completed By End of Current Year Benefit	Max. Days Vacation Available in Current Benefit Year	Rate at Which Credit Was Earned Toward This Year's Vacation	Rate at Which Credit Is Being Earned for Next Year's Vacation	Max Days Vacation Available for Next Year
20 or more	25	2-1/12	2-1/12	25
19	24	2	2-1/12	25
18	23	1-11/12	2	24
17	22	1-10/12	1-11/12	23
16	21	1-9/12	1-10/12	22
15	20	1-8/12	1-9/12	21
14	19	1-7/12	1-8/12	20
13	18	1-6/12	1-7/12	19

## ART. X, SEC. 1

12	17	1-5/12	1-6/12	18
11	16	1-4/12	1-5/12	17
10	15	1-3/12	1-4/12	16
9	15	1-3/12	1-3/12	15
8	15	1-3/12	1-3/12	15
7	15	1-3/12	1-3/12	15
6	15	1-3/12	1-3/12	15
5	15	1-3/12	1-3/12	15
4	10	10/12	1-3/12	15
1-1/2 to 3	10	10/12	10/12	10

The above schedule is based on a regularly scheduled five (5) day week. For each month during the benefit year in which an employee works on a regularly scheduled six (6) day week the vacation time will be 120% of the above schedule. For any benefit year in which an employee works all the regularly scheduled 21st shifts (excluding 21st shifts during his/her vacation) s/he will accrue one additional day of vacation. Employees whose employment with the Company is terminated for any reason whatsoever during the benefit year will be entitled to accrued vacation time or pay in lieu thereof in accordance with the number of years accumulated service actually attained or completed on that date.

(a) *Computation of Current Year.* Employees attaining or completing an additional year of service after the commencement of the current benefit year shall be deemed or be considered to have so attained or completed said additional year of service as of the commencement date of the current benefit year, and their vacation pay or vacation time for the current benefit year as well as their credits for the succeeding benefit year shall be computed accordingly at the higher rate.

(b) *Computation for New Employees.* With respect to new

## **ART. X, SEC. 1**

employees joining the Company's service at any time subsequent to March 15 of the preceding benefit year, vacation credit accumulates from the fifteenth or first of the month, whichever occurs first after the date of the employee's hire by the Company, and accumulates at the rate of three working days for the first six month's period of service, or one-half of a working day per month, and thereafter commences to accumulate at the rate specified above for old employees. With respect to the initial vacation of such new employee, however, vacation credits shall be accumulated during the first year or portion of a year of service only to the following March 15th and thereafter credits for the succeeding year's vacation shall commence to run. An employee who has been in the Company's service for six months or more and who is absent or laid off for a consecutive period of not to exceed six months shall not, upon his/her rehire, be considered a new employee for the purposes of this clause; but will be entitled to vacation credits at the rate specified above for old employees. The term "accumulated service" when used for the purpose of computing vacation credit, shall include the period of absence due to lay-off, but shall not include the period of absence due to discharge or voluntary severance of employment by the employee; nor shall it include the period of absence due to illness, injury or other physical disability in excess of the maximum sick leave granted by Article XII, nor the period of leaves of absence in excess of that granted by Article XI of this Agreement.

(c) *Computation Affected By Absence.* Absence of thirty working days or less during any one year vacation period, exclusive of vacation leave, will not affect an employee's vacation credit for that period. When an employee's absence during any one year vacation period exceeds thirty working days, exclusive of vacation leave, his/her vacation credit shall be pro-rated to the nearest day in accordance with the total number of days worked during that period. Absence by reason of occupational injury shall not be deemed absence for the purpose of this subsection

## ART. X, SEC. 1

until, and then for so long as, the absentee is on Long Term Disability as provided for under Article XVII. Section 7 below; and absence with concurrence of the Company to conduct Union business shall not be deemed absence for the purpose of this subsection. Absence by reason of jury duty shall not be deemed absence for the purpose of this subsection.

An employee with five (5) years or more seniority as of the beginning of the benefit year who misses less than sixty (60) working days during the benefit year due to illness will not have his/her vacation credits reduced by reason of such illness.

(d) *Rate of Vacation Pay.* Vacation pay shall be credited at the rate of pay of the position occupied by the employee at the commencement of his/her vacation, provided s/he is not then on a vacation relief job of less than four weeks' duration; in the event that such employee at the time of commencing his/her vacation then occupies a relief job of less than four weeks duration, his/her vacation pay shall be credited at the rate of pay of the regular position occupied by him/her prior to going on the relief job. Credited vacation pay may not be drawn before the employee starts his/her vacation unless his/her active employment with the Company is being terminated. Federal taxes to be withheld from vacation pay at monthly rate.

(e) *Vacation Scheduling.* An employee shall not be required to take his/her vacation at the expiration of such twelve months' credit period, however, but having accumulated his/her vacation credits for the year in question shall be entitled to the vacation thus earned at such time or times as suits the convenience of the Company. The Company will take into consideration, so far as conveniently possible, the requirements and desires of the employee based on seniority, as follows:

(1) The Company shall post the days available for employees to take vacation. Between March 15 and 31 of each year, employees may select their desired, available vacation days, in one-week increments, on the basis of their plant seniority; and,

## **ART. X, SEC. 2**

(2) Thereafter, all employees may sign up for their desired, available vacation days, with 14-days' advance notice, on a first-come, first-served basis, without regard to employees' seniority. This vacation sign-up need not be in one-week increments.

In accordance with the above provisions, any eligible employee may request vacation to be taken in multiples of eight hours provided that seven (7) days notice must be given, except in cases of emergency where only 24 hour notice may be required.

(f) Carryover of Vacation Benefits. Vacation credits shall only be accumulated during one benefit year for use during the next or succeeding year's benefit years as herein below provided: no vacation credits shall be accumulated for more than 12 months from the date that credits thereof commenced, but credits for the succeeding year shall thereupon commence to run. No employee shall be permitted to continue working and to take his/her vacation pay in lieu of a vacation; except that any employee with accumulated vacation credit entitling him/her to a vacation of more than two (2) weeks may elect to take a reduced vacation period of not less than two (2) weeks and not use the balance of said vacation credit in that benefit year, but instead carry it over to the following benefit year. The total amount of vacation credit, regardless of when earned, that an employee may elect to carry over must not exceed four (4) weeks; any accrued vacation that exceeds four (4) weeks shall be paid out by the Company.

### **Section 2. Shutdowns.**

(a) This Section applies to shutdowns, including those shutdowns caused by vacation, idled capacity, and preventive maintenance.

(b) The Company may schedule up to six (6) weeks of shutdown each year to be scheduled at any time by Department at the Company's discretion. However, in so doing no one Department will be required to shut down more than 5 weeks in total. For purpose of this provision, the Mine Operations Department is a separate department than the Mine Mobile Maintenance Department.



## ART. X, SEC. 3

(c) The Company will give written notice to the Union at least 15 days before commencement of said shutdown(s).

(d) Qualified employees may volunteer to perform available work during a shutdown. Plant seniority shall govern if there are more qualified volunteers than there is available work. If there are not a sufficient number of qualified volunteers to perform available work, then the Company may require qualified employees to perform such work by reverse plant seniority.

(e) Employees may, but are not required to, use their accrued vacation time in order to be paid during the shutdown. Employees may elect to take some or all of the shutdown days that they do not work as unpaid days, rather than as paid vacation days. An employee's election to take such days as unpaid days shall not result in a chargeable absence incident.

(f) The Company, so far as conveniently possible, will attempt to find other suitable substitute employment within the plant so affected for any employee who, at the time such shutdown starts, has already taken his/her full vacation time or for any employee who, due to special circumstances that time, would suffer unusual and serious personal hardship as a result of being compelled to take such vacation during said shutdown period.

**Section 3. Holidays.** If while away on vacation there intervenes one of the paid holidays as provided in Article IX of this Agreement, it shall be added to the regularly earned vacation. An employee who quits, however, or leaves the Company's employment shall be entitled to receive their full vacation credits which have accumulated for the year in which s/he quits or leaves the Company's service, plus such credits, if any, which may have accumulated then toward his/her next year's vacation. Thus, the vacation credit pay to which such an employee will be entitled will depend upon the date of his/her leaving the Company's service and the date of the commencement of his/her vacation credits as set forth above.

# ART. XI, SEC. 1

## Article XI.

### Leaves of Absence

**Section 1. *Compliance with Laws.*** The Company shall comply with all applicable state and federal laws respecting an employee's leave of absence, including FMLA/CFRA, PDL, USERRA, workers' compensation, School Related, Domestic Violence, and ADA/FEHA disability, and shall have the right to promulgate policies, procedures, and rules related thereto.

**Section 2. *Additional Leaves of Absence.*** The Company shall grant to any of its employees, without loss of seniority, the following leaves of absence, but all rights for bidding on jobs shall be waived by an employee while on such leave of absence.

(a) *Short Leaves of Absence.* Any employee shall be entitled to short leaves of absence when s/he can show legitimate reason therefore; provided, however, that when it is necessary to provide a substitute for the employee requesting such leave of absence, the Company shall be given a reasonable time within which to provide for such substitute.

(b) *Forty-Five Day Leave.* Any employee with one or more years of service with the Company shall be entitled to one leave of absence each year not to exceed fortyfive (45) continuous days; provided, however, that application therefor shall be made in advance at least five (5) days prior to the day on which the leave is to begin. Not more than ten (10) employees shall be entitled to such leave at any one time. No employee shall be entitled to such leave of absence for the purpose of taking or securing other employment, or engaging in any business activity except to attend to purely personal business matters. It is understood and agreed that where necessary to provide a substitute for the employee requesting such leave of absence, the Company shall be given additional time to provide such substitute. Upon the mutual agreement of the Company and the Union, the period of said leave may be extended to a maximum of ninety (90) continuous days for any senior employee who can show sufficient cause therefor,

## ART. XI, SEC. 2

provided that s/he keeps the Company advised of his/her whereabouts at least once each thirty (30) days.

(c) *Leave to Conduct Union Business.* An employee's election or appointment to conduct Union business shall be considered good and sufficient reason for obtaining a leave of absence. Such employee shall be given, upon written request from the President of the Union to Plant Management, a formal leave of absence not to exceed a period of one (1) year and which may be renewed for a further specified time by mutual agreement between the Company and said Union. Seniority for such employee shall continue to accumulate during such leave of absence. Up to two (2) employees, including the President, who as a result of being on such leave do not work enough hours in the year to be eligible for a full year of pensionable service for that benefit year, will be given credit for a full year's pensionable service for that year. If more than one (1) employee holds office of President in the same benefit year, and if neither of those employees work enough hours in that benefit year to be eligible for a full year of pensionable service, both Presidents and up to one (1) additional employee may receive full pensionable service for that year.

### (d) *Military Service Benefits*

(1) Upon reemployment of an employee who has qualified for USERRA leave and who has been actively deployed for at least one year of such leave, s/he shall be paid a month's salary on his/her first regular pay day based upon his/her average monthly earnings for the twelve month period immediately prior to his/her entry into service. This same benefit figured in a like manner will be paid to the heirs of an eligible employee, upon proper claim, in the event of the death of such employee while on military leave. These benefits are not payable to employees inducted under any short service reserve program.

(2) Any employee who, at a time when s/he shall have been laid off for a period of less than one (1) year, is inducted into or volunteers or is called or recalled for service and training or active

## ART. XI, SEC. 2

service in the Land, Naval or Air Forces of the United States as stated above, and who serves for not more than four (4) years continuously (plus any period of additional service imposed pursuant to law) and who, upon the completion of such military service, complies with the above conditions, shall have the same accumulated seniority rights as if s/he had been continuously available for employment with the Company.

(3) *Seniority*. In conformity with the purpose and intent of this Section, it is understood and agreed that any employment or promotion to fill the vacancy created by the entry of any such employee into the military service shall be temporary.

(4) Any employee who is a Reservist in the United States Armed Forces and who is called to active duty shall be paid the difference between his/her Armed Forces pay and his/her regular straight time base wages during the period the employee is called to active duty to a maximum of 2080 hours per year, prorated on the basis of 40-hour weeks for the period actually on active duty.

### (e) *Funeral Leave*

(1) In the event of the death of the spouse, Registered Domestic Partner, child, step-child, mother, step-mother, father, step-father, child's biological parent, mother-in-law, father-in-law, grandparents, step-grandparents, brother or sister, great grandparent or grandchild, of any employee, the Company shall pay to such an employee who loses time from work to attend the funeral or memorial services or to make necessary arrangements and/or have some time for grieving, an amount equivalent to the straight time pay for 40 hours of pay.

(2) In case of death of the employee's spouse, Registered Domestic Partner, or child, if requested by the employee, the employee will be allowed one additional, consecutively taken calendar week off, which time shall be without pay and shall not count as time worked for overtime purposes. The employee may utilize this additional time off as vacation time, if the employee has available accrued vacation time. In the case of death of other

## ART. XI, SEC. 3

than the employee's immediate family members, the employee may request additional time off as vacation time, or if the employee has exhausted his/her vacation time, may request unpaid leave, and the Employer will not unreasonably deny such a request.

(3) Upon proper notification to the Company, an employee who is scheduled to be on vacation, or is on vacation, may cancel any unused portion of such vacation that is needed to take funeral leave. The employee will return to work at the end of the vacation (as originally scheduled) or at the end of the funeral leave, whichever occurs later.

(f) *Death Benefit.* A death benefit of three (3) week's pay computed in like manner shall also be paid by the Company to the heir at law of an employee in the event of his/her death while in the active employment of the Company. For the purposes of this paragraph, the wife or husband of an employee shall not be deemed to be his/her spouse if they are separated and living apart at the time of the death of the spouse, and the term "heir at law of an employee" shall be deemed to include only the spouse or child, in the order named, of a married employee, or the mother, father, sister or brother, in the order named, of a single employee. The Company may pay the death benefits payable upon the death of an employee to any party claiming the right to receive the same and shall be under no obligation or liability whatsoever for having made payment to the wrong party. If any death benefit is not claimed within (60) days after it becomes payable, the Company shall not thereafter be under any obligation to pay the same.

**Section 3. *Employee's Obligation To Cooperate.*** Employees have an obligation to timely, fully and truthfully cooperate with Company's handling of any leave of absence.

**Section 4. *Payment for Health Insurance Contributions.*** Unless otherwise required by law, employees shall continue to pay their employee healthinsurance contribution amounts during any leave of absence.

**Section 5. *Duration of Reasonable-Accommodation Leave.*** As to

## ART. XII, SEC. 1

any leave of absence that results from a reasonable accommodation for an employee's disability, the parties recognize that a total leave of absence, including any FMLA/CFRA rights, that exceeds 12 months shall presumptively be deemed to be unreasonable in light of the Company's legitimate business, operational, and staffing needs.

### Article XII.

#### Sick Leave Benefits

**Section 1. Eligibility.** Employees who become injured or sick under circumstances not compensable under the Workers' Compensation Law, and who have been continuously employed by the Company for one or more years at the time of such injury or sickness shall, effective March 15 of each year, be granted ten (10) days of sick leave benefits as follows: five (5) days that will be paid at 100% of the employee's base wage rate and five (5) days that will be paid at 75% of the employee's base wage rate.

(a) *Retention of Already Accrued Sick-Leave Benefits:* Employees who, as of the effective date of this Agreement, have accumulated sick-leave benefits shall be permitted to retain up to two hundred 200 hours of those accumulated sick-leave benefits. As to such hours, they shall retain the character of the accrued sick-leave payment method with which they were earned, i.e., sick leave that was accrued before November 4, 2004, will be paid at 100%, whereas sick leave that was accrued between November 4, 2004, and the effective date of this Agreement will be paid at 75% or 60%, as set forth in the 2004 Agreement.

(1) The highest value hours shall be the accrued hours retained as of May 17, 2010.

(b) *Accumulation of Sick-Leave Benefits:* Sick leave so earned but not used during any benefit year may be carried over and used during succeeding benefit years. However, no employee may carry forward or accumulate more than a total of two hundred (200) sick-leave hours, including those hours earned and carried forward

## ART. XII, SEC. 1

from prior Agreements.

(c) Ten or twelve hours of sick leave must be used, if available, for each shift missed due to illness or injury. In all other respects the subject of sick leave is unaffected by the employee's regular shift being a 10 or 12-hour shift schedule.

(d) *Continuous Service*: Employment, for purposes of this section, shall not be considered continuous if broken or interrupted by discharge, termination from lay-off, voluntary termination by the employee or lay-off of 120 days or more. Upon recall after a lay-off of 120 days or more, employees with one or more years of continuous service shall be deemed to have one year of service for purposes of computing sick leave.

(e) *Renewal of Eligibility*: Employees absent due to accident, illness or sick leave must return to work before they become eligible for any benefits other than those for which they were eligible at the time they commenced such absence.

(f) *Notice of Disability*: Notice of disability not covered under the Workers' Compensation Law must be given to the Company by or on behalf of the employee as promptly as possible. Failure to give or cause such notice to be given will disqualify the employee from disability benefits.

(g) *Doctor's Note*. A written note from a duly licensed and practicing physician, dentist, chiropractor or a certified physician's assistant (physician's assistant is limited to when the period of illness or injury is seven (7) calendar days or less and when the employee is not hospitalized) containing his/her opinion of the cause, nature, extent and duration of the illness or injury shall be required to return to work if an employee is out sick for more than two (2) consecutive days.

(h) No sick leave benefits shall be paid for blood pressure and cholesterol tests.

(i) *Company Examination*: The Company, at its own expense, may require any employee to submit to a physical examination, either during or after sick leave, by a duly licensed and practicing physician selected by it.

## ART. XII, SEC. 2

(j) *Disqualification*: No sick-leave benefits shall be payable for illness or injury resulting from drunkenness, use of drugs or narcotics, willful self-inflicted injury, or willful participation in fights, brawls or riots.

(k) *Abuse of Sick-Leave Privileges*: The Union and the employees shall endeavor to avoid any abuse of sick-leave privileges. The Company may take appropriate action in the event of such abuse. The Union will, at the request of the Company, investigate alleged abuse of sick-leave privileges in the spirit of this clause and will act insofar as is reasonably possible to minimize abuse.

**Section 2. *Coordination with Compensation Pay.*** Benefits payable under this Article shall be coordinated with benefits payable under Article XIII in such a way that the total benefits payable under this Article and Article XIII shall not exceed the eligibility established under Paragraph 1 of this Article. If there is a doubt by the Company as to whether sick leave benefits should be paid under this Article or Article XIII, then the benefits will be paid under this Article until the proper determination has been made.

**Section 3. *Integration with EDD/SDI Benefits.*** Employees shall be required to timely apply for California SDI benefits. Until such time as such benefits are granted, the Company shall pay sick leave benefits pursuant to this Article. While SDI benefits are being paid, the sum of an employee's SDI benefits plus the employee's sick days shall equal no more than 75% of the employee's base wage rate (to the extent that the employee has sick days available).

**Section 4. *New Employees.*** To employees who are not eligible for sick-leave benefits hereunder by reason of not having completed one year's service, the Company shall grant three (3) days' sick leave under the following terms and conditions:

(a) The sick-leave benefits shall be the same as those payable under California State U.C.D. Fund regulations.

(b) The sick-leave benefits shall only be paid for those of the



## ART. XIII, SEC. 1

employee's first three (3) days of sickness on actual scheduled working days.

(c) To be entitled to sick-leave benefits hereunder the employee must be eligible for, qualify for, and actually receive benefits for the same sickness or disability from the aforementioned State Fund; that is to say, s/he must be eligible thereunder and his/her sickness must be of such duration (7 days or longer) as to qualify him/her for benefits for sickness or disability.

### Article XIII.

#### Disability Indemnity For Occupational Injury

**Section 1. *Benefits During 1st Week.*** If an employee becomes totally disabled as the result of an injury arising out of and in the course of his/her employment with the Company, the Company shall pay to him/her for each of the first three (3) days of his/her disability a disability indemnity computed in like manner and equivalent in amount to that payable for like disability under Workers' Compensation Law of California after the first three (3) days of disability. No indemnity shall be payable after the first three (3) days of disability except as provided in Section 5 below of this Article, and no indemnity shall be payable if the injury or disability is selfinflicted or is caused by intoxication or the willful misconduct of the employee or is otherwise of a type or nature which is noncompensable under the Workers' Compensation Law. The disability shall be deemed to commence on the day after the injured employee quits work as a result of the injury and shall be deemed to continue thereafter so long as the employee remains totally disabled. When an employee is injured on the job and is unable to continue on the job, s/he shall be paid for the balance of the shift.

**Section 2. *Notice to Company.*** Notice of the injury must be given to the supervisor immediately, or as soon as possible after the injury, by the injured employee.

**Section 3. *Doctor's Certificate.*** Each claim for disability

## ART. XIII, SEC. 4

indemnity must be supported by the written report of the duly licensed and practicing physician or dentist authorized to treat the employee.

**Section 4. *Company Examination.*** The Company, at its own expense, may require an employee to submit to a physical examination either during or after his/her disability by a duly licensed and practicing physician selected by it.

**Section 5. *Supplemental Compensation.*** The provisions of this paragraph, which provide a system of supplemental disability wages, shall apply to injuries incurred on or after May 1, 1960. If an employee so injured is entitled to and actually receives disability compensation benefits under the Workers' Compensation Law of California for disability after the first seven (7) days of disability, then the Company, in addition to any disability indemnity otherwise payable to the employee by the Company for the first seven (7) days of the disability as provided in Section 1 above, will also augment or supplement said State disability compensation benefits so received for disability after the first seven (7) days of disability by contributing to the employee supplemental disability wages in such sums as will, when added to and combined with said State benefits, aggregate seventy-five (75%) of the employee's regular wages; provided, however, that the Company shall not be obligated to contribute said supplemental disability wages unless the employee is then entitled to and has sufficient sick-leave credit available to him/her for such purpose. The maximum amount which the Company is obligated to pay as sick leave or disability indemnity or as supplemental disability wages shall not exceed the sick-leave credit to which an employee is entitled at time of payment of any such type of benefit. The Company shall be entitled to credit disability benefits and supplemental disability wages against its obligation to pay sick leave under Article XII above with the result that as soon as the Company has paid an employee the full amount of his/her sick leave, whether paid as sick leave under

## **ART. XIV**

Article XII above or as disability indemnity under Section 1 above or as supplemental disability wages under this Section, then the Company shall be under no further liability whatsoever to pay further sick leave pay or disability indemnity or supplemental disability wages to employee.

### **Article XIV.**

#### **Jury Duty and Witness Pay**

Employees whose absence from work is necessitated by performance of jury duty or who are subpoenaed as a witness in an action before a court of law or Industrial Accident Commission of the State of California shall be paid whatever sum is necessary, in addition to fees received by such service, to indemnify them at straight-time pay for all working time, not to exceed eight (8) hours per day or forty (40) hours per week lost because of such service. Such indemnity shall be limited to one month. This limitation shall not apply to any employee on actual jury duty until s/he is dismissed from such active duty.

### **Article XV.**

#### **Safety**

**Section 1. *Safety Program.*** Recognizing that prevention of accidents is mutually beneficial, the responsibility of the parties in respect thereto shall be as follows:

(a) The Union and the Company will abide by all applicable federal and state laws relating to the operation of the Boron Plant and Mine and to the safety of those working therein.

(b) The Union shall be entitled to submit recommendations and suggestions to the Company and be represented on any safety committees established and the Company agrees to confer with the proper representatives of said Union in order to coordinate and accomplish a safety program.

The Union shall pick a safety representative and two alternates for each department. If the safety representative is absent, then

## **ART. XV, SEC. 2**

one of the alternates shall represent the department.

(c) The Company and the employees thereof must comply with all the safety rules established by the joint parties to this Agreement, or by the Company independently, and make every effort to cooperate in carrying out the accident prevention program.

(d) The Company will provide all standard safety equipment required by management on any job and maintain satisfactory working conditions, particularly with respect to, but without being limited to, heat, dust, drinking water, floor drains and light. The Company will give an employee a thirty-five (\$35) dollar credit towards the purchase of single vision prescription safety glasses and a fifty (\$50) dollar credit toward the purchase of multiple vision safety glasses purchased through the Safety Department. The Company will reimburse an employee up to \$80 per pair of Safety shoes/boots to a maximum of two (2) pair per year. An employee may combine the \$80 allowance for each pair to purchase a one pair of Safety shoes/boots in the calendar year.

(e) In the event an employee believes that conditions found in his/her work area are dangerous to his/her health or safety, s/he shall report his/her findings to his/her immediate supervisor and s/he shall not be required to work in such area pending an inspection and determination by the immediate supervisor and an appropriate management representative in the presence of a Union Safety committeeman on duty that the area is safe, it being understood and agreed that management's determination as to the safety of the area shall be binding. This decision is subject to the grievance and arbitration procedure.

(f) There will be a 10-minute Weekly Safety Meeting to be held during working hours for all employees.

(g) The Company agrees to provide adequate lighting in parking areas for the Mine Departments.

**Section 2. *Cleanup by Operators.*** Operators shall be responsible

## **ART. XV, SEC. 3**

for cleanliness in and around their operating area in the Boron Plant or Mine when spills or trash are due to operations. An operator training program will be instituted, and all employees required to operate the Unloader or similar cleanup equipment will be required to receive this training.

The Company agrees to add to the employees presently using Company furnished coveralls or uniforms: Shovel Operators, Assistant Shovel Operators, Riggers and Heavy Equipment Operators when working on or around the mine shovels. The Company will also furnish 3 pairs of coveralls per week per man for the lube crew and will stock 15 more pairs of coveralls for dirty jobs for Truck Shop employees. The Company will also furnish up to 2 pairs of coveralls per week per man for Fusing Plant Senior Firemen and Firemen.

The Company agrees to launder all coveralls furnished by the Company.

**Section 3. *Company Examination.*** Prior to an employee being transferred to a safety critical job, that employee must pass a fitness for duty examination at Company expense by a physician of his/her choice for that position. If the employee does not pass this physical, the Company will make reasonable accommodation for that employee as required by the applicable state and federal laws. Such reasonable accommodation may include, but is not limited to, returning to the job they held at the time of the bid. Safety critical jobs are all jobs as listed in Appendix A, except shop clerks, janitors, and laboratory personnel.

## **Article XVI. Contracted Work**

**Section 1. *Contracted Work.*** No contracts shall be let for work which ordinarily has been performed by the Company's own labor force, it being understood and agreed, however, that this provision excepts any and all work of such nature as involves the use of special equipment not in the possession of the Company or the

## **ART. XVI, SEC. 2**

installation or construction of machinery, equipment or material wherein the manufacturers or producers of the same give a guarantee on the life of the materials or the satisfactory operation of the machinery or equipment.

### **Section 2. *Mine Department and Maintenance Department.***

Any project involving work of any classification in the Mine Department and in Maintenance Department shall be contractible notwithstanding any other provision of the Collective Bargaining Agreement if the work on that project is 175 hours or more, unless it involves the work of instrumentation/electricians, in which case the project shall be contractible if the work on the particular project exceeds 150 hours or more.

(a) If the Company's original estimate of the number of hours to complete the project is off by 10% or less, the project shall remain contractible.

(b) Within a reasonable period of time not to exceed 10 days (except in the case of emergency or where the affected areas of the plant go out of service for reasons not planned without at least 10 days notice) prior to contracting out any project under paragraph 2 above, the Company will advise the Union in writing the following:

(1) That it plans to contract out the project.

(2) The definition and scope of the project.

(3) The number of hours to be worked in affected classifications on the project.

(c) The Union shall be given an opportunity to present its views to the Company concerning the contemplated subcontracting, which views shall be given conscientious consideration by the Company. The final decision, however, about whether to contract out the project or work rests with the Company, subject to the Agreement's grievance procedure.

(d) The Company and Union agree to establish a joint Committee charged with the oversight of and review of contracted work effective November 4, 1998. This committee shall be comprised of

## ART. XVI, SEC. 2

at least one representative from each of the following: Engineering, Refinery Services, Mine Department, Human Resources, Union Executive, and at least one Craftsperson representing the specialty in question. This Committee shall report to the Vice President, Boron Operations and have the following mandate:

- To review and make recommendations on the “overall decision making process” pertaining to the use of contractors and/or Borax employees for projects, notwithstanding any other provision of the Collective Bargaining Agreement, which could be contracted out under proposed Article XVII, Section (2).
- As a first initiative, to evaluate, research, analyze, and report on the costs and benefits associated with the use of Instrumentation Electrical Contractors currently on site or other contractor areas as the committee may deem appropriate.
- The mandate for this committee shall be for duration of the Collective Bargaining Agreement.

**Section 3. *Earth Works.*** Every job of construction or building any major earth works, such as, but not limited to, dams, dikes, airstrips and new roads, and every job of moving or excavating earth other than normal open pit stripping and mining, such as, but not limited to, restoration of mining contours after pit slides, surface site clearance, and site clearance for removal or relocation of underground facilities, or any part of such job, may be contracted at the Company’s option.

**Section 4. *Packing & Screening.***

(a) The Company shall have the right to contract for domestic packing and screening, only if:

(1) The Company’s related packing and screening equipment is running at peak capacity on a 24/7 basis; and

(2) There is no layoffs or other loss of bargaining-unit employment related thereto; and

(3) The Company provides notice to the Union of the decision to contract.

(4) For purpose of the foregoing, “peak capacity” is not

## ART. XVI, SEC. 5

affected by lack of labor, either the number of employees or the amount of overtime; and the degradation or loss of equipment shall not be a basis for contracting work pursuant to this Section.

(b) If the contracting out hereunder exceeds 6 months in the trailing 12 months, then the Company and Union shall meet to discuss whether the Company shall continue to contract out this work. It is the intent of the parties to not have the Company permanently contract out such bargaining-unit work.

**Section 5. Guidelines. Memorandum of Understanding.** The following is intended to provide guidelines in the interpretation and application of Article XVII of the current collective bargaining contract between INTERNATIONAL LONGSHOREMEN'S AND WAREHOUSEMEN'S UNION LOCAL 30 ("the Union") and U.S. Borax Inc. ("the Company") insofar as the same pertains to the work of the maintenance group.

### A. DEFINITIONS

(1) "Structural work" means the labor required for the construction, erection, repair, addition to, modification involving the structural integrity, moving or razing of buildings or other structures, and the fabrication, preparation and treating of materials used in the foregoing. Typical structures shall include but not be limited to the following: All buildings, bridges, bridge supports, ore bins and supports, elevated water tank supports, crystalizer supports, cooling towers, silos, thickener supports, the pan motor and pan feeder and crusher supports in the pit, the pit belt head frame, the structural steel supporting the crushing and screening equipment in Plant 5. It shall not include repairs to equipment mounts for machinery or equipment after such machinery or equipment has been placed in full time operation.

(2) "Equipment mount" means a device or assemblage constructed for the sole or principal purpose of supporting or securing against movement any specific machinery or equipment which rests upon it. It does not include any member of construction which has as its principal function the structural integrity of a structure.



## **ART. XVI, SEC. 5**

(3) "To contract" means to procure the performance of work by persons who are not employees of the Company.

### **B. STATUS OF STRUCTURAL WORK**

Structural work shall not be deemed work which ordinarily has been performed by the Company's own labor force within the meaning of Article XVII, and it may be contracted.

### **C. STATUS OF WORK ON MACHINERY OR EQUIPMENT**

#### **(1) New Installations.**

The following work shall not be deemed work which has ordinarily been performed by the Company's own labor force within the meaning of Article XVII, and it may be contracted:

a. All of the outfitting of a new structure or of an extension to an existing structure.

b. The initial installation in such a structure or extension of equipment and machinery and the mounts therefor.

c. The installation at any place of new units of equipment or machinery, including the mounts therefor, which is designed and installed to function in addition to or in replacement of any equipment or machinery already installed.

#### **(2) Existing Machinery and Equipment**

a. The ordinary repair and maintenance of all machinery and equipment, and the mounts therefor, including all electrical and instrumentation work connected therewith, shall be deemed to be work which has ordinarily been performed by the Company's own labor force and shall not be contracted.

b. All new electrical and instrumentation work may be contracted.

c. The tie-in to existing equipment and machinery of all work made contractable by the provisions of these Guidelines may be contracted.

#### **(3) Mobile Equipment and Automotive Vehicles**

All of the following work may be contracted:

a. The rebuilding after removal from the vehicle, of

## **ART. XVI, SEC. 5**

major components, such as, but not limited to, engines, transmissions, differentials, electrical wheel drive motors, generators and alternators of mobile equipment and automotive vehicles not licensed to operate on public highways.

b. The maintenance and repair of automotive vehicles licensed to be operated on public highways.

c. Warranty work performed on purchased or leased vehicles whether on the basis of hours of operation, availability or otherwise.

(4) Lack of Equipment or Skills, and Guaranteed Work Notwithstanding the provisions of Article C, section (2) (a) above, the work therein described may be contracted if it falls within one of the following exceptions:

a. Substantially all of the work involves equipment not in the possession of the Company. Equipment which the Company has historically leased and which can be leased on substantially equivalent terms shall be deemed to be equipment in the possession of the Company.

b. The work consists of installation or construction of machinery equipment or materials wherein the manufacturers or producers of the same give a guarantee on the life of the materials or the satisfactory operation of the machinery or equipment. It is understood and agreed that this exception shall apply where the guarantee aforesaid is expressly conditioned upon the performance of the work of installation or construction by employees of persons or organizations selected by said manufacturers or producers other than the Company's own labor force.

c. The work required skills or experience not possessed by members of the Company's own labor force who are members of the bargaining unit.

(5) Accident or Force Majeure Circumstances  
Any of the work described in Article C, Section (2) (a) made necessary by accident or force majeure may be contracted if it falls within one of the following exceptions:

## **ART. XVI, SEC. 5**

a. The work is necessitated by an emergency involving an immediate and substantial hazard to life, property or production of finished product, to the extent and for so long as the Company is unable with reasonable diligence to mobilize adequate manpower from its own labor force to cope with the emergency. Reasonable diligence as required herein shall include, without being limited to, the following: coordination of the emergency work with other scheduled work, and the fixing of priorities for performance thereof; the readjustment, where appropriate, of work shifts and work weeks; the ordering of overtime; and the procurement of necessary parts, tools, equipment and supplies, where the nature and scope of the emergency and the likely future needs for such parts, tools, equipment and supplies make it reasonable to do so.

If the Company determines that an emergency as defined in the foregoing paragraph exists, requiring otherwise noncontractable work to be contracted, it shall immediately give notice to the Union that such an emergency exists, stating the nature of the work and the nature of the skills involved. Such notice shall be deemed adequate if given orally to the President, the Vice President or any of the Chief Stewards of the Union, if s/he can be reached by a telephone call to the Union Office during the hours of 8:00 A.M. and 4:30 P.M., Mondays through Fridays, or at his/her home, or at work at other hours or on other days. Any oral notice to be given pursuant to this clause (a) shall be confirmed in writing within 24 hours. Nothing herein shall preclude the Company, at its own risk, from taking such steps as it deems necessary, including the letting of contracts, to protect life, property and loss of production of finished product.

b. The job is too large, as viewed by the facts as they existed at the time the determination was made, to be performed solely by the Company's own labor force without unreasonably delaying production of finished product, or the performance of work necessary to the protection and safe-guarding of life, property, or the mining, refining or manufacturing processes. In

## **ART. XVI, SEC. 5**

the event of a dispute over whether there would be such delay, the criteria for settling the dispute shall include, without being limited to, the following:

(i) Whether, in light of the foregoing, the completion date fixed by the Company for the work in question is reasonable.

(ii) Whether, in light of the foregoing, the completion dates fixed by the Company for other scheduled or emergency work, the performance of which would conflict with the work in question, are reasonable.

(iii) Whether, in light of the foregoing, there can be a reasonable adjustment of the target dates involved in the work in question, as well as in other scheduled or emergency work, so as to permit the work in question to be performed by Company employees.

(iv) The reasonable likelihood that an independent contractor can finish the work by the completion date fixed by the Company.

(v) The extent to which the Company's own labor force can be mobilized to perform the work by recalling laid-off employees, rescheduling work hours and work shifts, ordering overtime, and temporarily transferring employees who are working at different skills.

(vi) On any occasion on which the Company claims the right to contract the work under the provisions of this clause (b) the Company will, before committing itself contractually with respect to said work, advise the Union in writing of its determination to that effect and the detailed factual basis upon which such determination rests and will afford the Union not less than ten (10) days to state in writing its position with respect to said determination and the detailed factual basis supporting its position. In the event of any differences between the parties concerning such work, they shall meet promptly at the request of either in an effort to reach agreement. Should they fail to reach agreement, said meeting shall be deemed a third step grievance

## **ART. XVI, SEC. 5**

meeting, and the Union may, within five (5) days, if it so elects, request arbitration. Such a request shall not prevent the Company from proceeding with such work at its own risk.

### **D. STATUS OF WORK NOT COVERED**

Any work whose status is not covered by this Agreement shall be covered by the general provisions of Article XVII of the collective bargaining agreement and past practice with reference there to. Such work shall include, but shall not be limited to, the prefabrication of materials and the work pertaining to the items set forth on the attached list marked Exhibit A and by this reference made part hereof, as well as the work of the Truck Shop.

### **E. CONTRACTING OF WORK IS OPTIONAL**

It is understood that the Company is not obliged to contract work that is authorized to contract hereunder, and that by assigned such work to Company employees it shall not be deemed to have reversed any past practice heretofore established nor to have affected the principles set forth herein, which can only be amended by a further written agreement between the parties.

### **F. CONSTRUCTION OF TERMS**

When any term, clause or definition of this Agreement is inconsistent with another, or is vague and ambiguous, it shall be clarified, wherever possible, by resort to the collective bargaining agreement and to past practice.

### **G. ARBITRABILITY**

All issues involving the interpretation and application of the provisions of the Memorandum of Understanding shall be subject to the grievance and arbitration provisions of the aforesaid collective bargaining contract.

### **H. RATE OF PAY**

Any employee on the roll in the Maintenance Department on November 4, 1974, who is transferred to a lower rated job as a result of the subcontracting of any work permitted to the subcontracted by these Guidelines shall continue to receive the rate for the job from which s/he was transferred until an opening

## **EXHIBIT A**

for which s/he is qualified and has the seniority to obtain becomes available carrying a rate as high as or higher than that of the job from which s/he was transferred.

### **EXHIBIT A**

Road paving repair and resurfacing.  
Fence repair and construction.  
Fire extinguishers, repair and refilling.  
TV repair and maintenance.  
Radio repair and maintenance.  
Tool sharpening (including saws).  
Motor rewinding and repair.  
Telephone repair, maintenance and service.  
Backhoe and ditch digging.  
Chemical toilets.  
Furnace repair and rebricking.  
Tire Recapping.  
Glazing and glass repair.  
Auto and equipment body work.  
Atomic density counter repair and maintenance (Obmart).  
Elevator repair (including cable) - limited to freight and passenger  
- not product elevators.  
Office machines (including typewriters).  
Lubrication equipment and pumps.  
Power tools.  
Guard time clocks.  
Cameras and projectors.  
Tape recorders.  
Clothing repair and cleaning.  
Rugs, towels and drapes, clean and repair.  
Demolition.  
Roof repair.  
Roofing  
Tiling.

## EXHIBIT A

Cement block walls.  
Cleaning silos.  
Cleaning elevated water tanks and repainting.  
Scale adjusting and repair.  
Butane equipment and facilities, including repair and maintenance.  
Natural Gas.  
Resusitators.  
Crane work.  
Furniture repair and reupholstering.  
Key making.  
Wheel balancing and alignment for autos.  
Frame straightening - all mobile equipment.  
Reupholstering of vehicle interior.  
Some air conditioning systems.  
Annealing, heat treating and stress relieving.  
Automotive and vehicle air conditioning.  
Cable splicing (large cables).  
Some belt splicing (larger jobs).  
Servicing of water wells.  
Vending machine repair and maintenance.  
Major packing machine repair (problems we can't readily resolve).  
Pumping and cleaning of cesspools and sewage ponds.  
Teflon lining for vibrating conveyors.  
Some specialized epoxy painting.  
Magna-fluxing and similar type testing.  
Silo repair.  
Major slab (concrete) and replacement.  
Sign repair and repainting.  
Neon sign repair and maintenance.  
Bicycle repair.  
Laboratory Analytical Instruments and Balances.  
Railroad track maintenance.  
Repair and maintenance of clocks and watches.  
Repair and maintenance of the vehicle assigned to Pilot Plant Manager.

## **AMENDMENT TO GUIDELINES**

### **AMENDMENT TO GUIDELINES**

Machinery and equipment installed under Article C, Section 1, shall be deemed to have been installed for purposes of the application of Article C, Section 2, when the same, taken as a whole as described in the contract, has been entirely put in place by the contractor in the manner and condition specified in the contract documents. The Company shall have thereafter not to exceed thirty (30) calendar days in which to complete operational testing upon such machinery and equipment. Said thirty (30) day period may be extended in the appropriate case with the written consent of the Union; said consent shall not be unreasonably withheld. All relocations, modifications and repairs with respect to the same, performed or physically commenced during said period, may be performed by the contractor who made such installation, including the completion of such work after the end of said period if continuously performed from its commencement to its completion. Said period of thirty (30) days may be otherwise extended by the length of time operational testing is prevented by unforeseen and uncontrollable conditions such as, but not limited to, the shortage of product to use in such operational testing, delays in the delivery of parts and materials which were timely ordered, or any typical force majeure event or condition. Nothing in this clause shall be deemed to preclude the contractor from returning at any time to rectify deficiencies in materials or workmanship provided by him/her.

### **Article XVII.**

#### **Health & Welfare Benefits**

**(effective through December 31, 2016)**

**Section 1. *Group Medical Insurance.*** The Company shall provide group medical insurance to the Company's active employees, as follows:

(a) The Plan Design shall be in accordance with the documentation produced by the Company during the negotiations of this Agreement regarding the HMO, PPO, and Rx Plans.



## ART. XVII, SEC. 2

(b) The Company will have a 80/20 insurance-premium, cost sharing structure, i.e., the Company will pay 80% of the employee's monthly insurance premium, and the employee will pay 20% of the employee's monthly insurance premium.

(c) The Company shall maintain the same plan design and co pays as in effect during the 2010 Health Plans. The Company shall have the right to offer any other group-medical plan at the Company's discretion. The Company will be allowed to change carriers from time to time. The Company will be allowed to offer plans that align health-care and prescription-management programs with non-represented employee programs.

(d) If the PPO company plan is no longer provided or if it is no longer offered on substantially similar terms, then the Company has the right to select another plan that it deems to be comparable.

(e) The parties shall reopen and negotiate this Group Medical Insurance provision of the Agreement in the event that Congress passes and the President signs federal health-care legislation.

**Section 2. *Vision Care Program.*** The Company shall offer at the employee's expense a vision plan that generally provides for routine eye examinations, eyeglass lenses, frames, and contact lenses.

**Section 3. *Group Dental Insurance.*** The Company shall provide group PPO dental insurance to the Company's active employees, as follows:

(a) The Plan Design shall be in accordance with the documentation produced by the Company during the negotiations of this Agreement regarding the Dental Plan.

(b) The Company will have a 80/20 insurance-premium, cost sharing structure, i.e., the Company will pay 80% of the employee's monthly insurance premium, and the employee will pay 20% of the employee's monthly insurance premium.

(c) The Company shall maintain the same plan design and co shares as in effect during the 2010 Dental Plan. The Company shall have the right to offer any other group-dental plan at the Company's discretion. The Company will be allowed to change

## **ART. XVII, SEC. 4**

carriers from time to time. The Company will be allowed to offer plans that align dental management programs with non-represented employee programs.

(d) If the Company Dental Plan is no longer provided or if it is no longer offered on substantially similar terms, then the Company has the right to select another plan that it deems to be comparable.

(e) The parties shall reopen and negotiate this Group Dental Insurance provision of the Agreement in the event that Congress passes and the President signs federal health-care legislation.

### **Section 4. *Group Medical Coverage for Early Retirees.***

(a) The retiree medical benefit will continue to be equivalent to the active employee medical benefit up to age 65, at which point all retiree medical benefits cease. The percentage of the retirees' contributions for this insurance coverage shall be the same percentage as active employees' contributions for their group medical coverage, based upon the retirees' experience and utilization rates.

(b) Retiree basic life insurance will continue at \$3,000.

### **Section 5. *Group Life & AD&D Insurance.***

(a) The Company shall provide a \$35,000 life-insurance death benefit for all active employees.

(b) The Company will provide a \$35,000 AD&D insurance benefit for all active employees.

**Section 6. *Supplemental Group Life and AD&D.*** The Company offers employees the opportunity to purchase additional amounts of insurance in units of \$10,000 increments to a maximum of \$100,000 through a Group Policy administered by the Company. Payments for supplementary insurance can be made by payroll deduction at the prevailing rates established by the Insurance Company selected by the Company. Employees have 30 days to join the program after which satisfactory proof of insurability will be required by the Insurance Company.

### **Section 7. *Long-Term Disability***

(a) The Company shall continue to maintain the Long Term

## ART. XVII, SEC. 7

Disability Plan for Boron Hourly Employees of U.S. Borax Inc., as in effect on May 17, 2016, for all employees, pursuant to the following highlights:

(1) State Disability benefits must be exhausted before beginning long term disability;

(2) Coverage 50% of monthly base salary;

(3) Eligibility: 3 years of continuous employment, and Social Security Disability award does not determine continuance of eligibility;

(4) Benefit Period: 48 months (not more than 24 months per occurrence) Employee must return to work after 24 months to be eligible for second 24-month period of disability if they qualify. A two-year work period must separate these occurrences.

(5) Pension accrual: Employees returning to work within 30 days following long term disability will accrue pensionable service for total time on long term disability.

(b) Employees on long term disability prior to November 4, 2004, are grandfathered under the previous rules until they return to work.

(c) Persons receiving long term disability benefits shall be treated as “employees” for the following purposes, but for no other purposes whatever: They shall retain their seniority rights for returning to work if and when they are able to do so; they shall be entitled to all group life insurance and dental-plan coverage which the Company is obligated to provide under this Agreement. They shall be entitled to all group hospital, medical and surgical insurance which the Company is obligated to provide under this Agreement until they are separated from Company service.

(d) For all LTD denials that occur before November 5, 2015 – Any person who has been continuously totally disabled for one hundred eighty (180) days, but who has been denied benefits under the provisions of the long term disability insurance program, shall, for the one hundred eightieth (180th) to the two hundredth seventieth (270th) day of such continuous total disability, continue to be insured under the Company group life,

## **ART. XVII, SEC. 7**

to be insured under the Company group life, hospital, medical and surgical plans, shall continue to be covered by the dental plan, and shall continue to accrue pensionable service credit, as provided for under this Agreement. The Company's health and life insurance plans, dental plan coverage, and accrual of pensionable service credit will be continued for the entire two hundred seventy (270) day period; thereafter, if a person is still unable to qualify for benefits under the provisions of the long term disability insurance program, s/he will be carried on the seniority list for a maximum of two years including any period of time on long term disability. Each employee who is on the seniority-list-only status shall, at least as often as every three (3) months, advise the Company Human Resources department, in writing, of his/her 1) correct address, 2) current employment status, and 3) desire to return to work at U.S. Borax Inc. when physically able to do so. Failure to keep the Company so advised shall result in that employee's removal from seniority-list-only status. All other benefits will terminate after two hundred seventy (270) days.

(e) For all LTD denials that occur on and after November 5, 2015 –

(1) While an eligible employee is unable to work on account of the employee's disability, the Company will continue, for up to one continuous year, to insure the employee under the Company's group medical, life and dental plans as if actively employed, beginning on the first day that the employee is unable to work on account of the employee's disability. During this one-year period, the employee will not be credited with Pensionable Service, as defined in the U.S. Borax Retirement Plan for Represented Employees.

(2) At the start of the one-year period referenced in Paragraph No. (e)(1) above, the disabled employee must promptly apply and qualify for California SDI benefits to be eligible for continued coverage of the Company's group medical, dental and life insurance plans.

## **ART. XVII, SEC. 7**

(3) Upon the expiration of the employee's one-year of receiving SDI benefits, if the employee remains unable to work on account of the employee's disability, an LTD-eligible employee (i.e., an employee with three years' continuous employment) must apply promptly for LTD insurance benefits, in accordance with the terms of the above-referenced LTD Plan.

(4) If an LTD-eligible employee promptly has applied for LTD benefits, then, until the LTD Plan initially determines whether the employee is entitled to LTD benefits or for an additional ninety days, whichever comes first, the Company will continue to insure the employee under the Company's group medical, life and dental plans as if actively employed.

(5) If an LTD-eligible employee promptly has applied for LTD benefits and if the LTD Plan determines that the employee is entitled to LTD benefits, then Art. XVII, Section 7(c) shall apply.

(6) If an LTD-eligible employee promptly has applied for LTD benefits and if the LTD Plan determines that the employee is not entitled to receive LTD benefits, then: a) the Company will credit the employee with 6 months' Pensionable Service, as defined in the U.S. Borax Retirement Plan for Represented Employees, from the end of the employee's SDI period; b) the Company's sole, ongoing responsibility shall be to carry the employee on the seniority list for a maximum of two years, which two years shall include any period of time on leave, provided that the employee complies with his/her notice obligations under this Section 7(d); and (c) all other benefits shall terminate.

(7) Upon the expiration of any California SDI benefits, if the employee fails to promptly apply for LTD benefits and fails to return to work, then all benefits shall terminate.

(f) Any person who receives long term disability benefits and whose benefits are discontinued after eighteen (18) months following the qualifying disability period of one hundred eighty (180) days shall thereafter be carried on the seniority list for a maximum of two (2) years including any period of time on long term disability. All other benefits will terminate.

## ART. XVII, SEC. 8

(g) Persons described in subsections (c) through (f) above may bid for job openings in accordance with the procedure set forth in Article VIII. Section 5 above and will be considered for job openings for which they can qualify, taking into consideration their health, ability, and the job requirements. To assist in this program, the Company may elect not to post a job vacancy for bid so that these persons may be considered for such an opening. Before placing such a person on the job, there must be a mutual agreement between the Company and the Union.

(h) Employees will no longer be allowed to receive benefits from the Defined Benefit Pension Plan and the LTD Plan for the same period. Such retirees shall only be covered by retirement benefits, not by LTD Plan benefits.

**Section 8. *Duplicate Coverage.*** Duplicate coverage, i.e., when one spouse is a bargaining-unit employee and the other spouse is a supervisor, will no longer be an option for Health & Welfare benefits.

**Section 9. *Flexible Spending Accounts.*** The Company shall offer Health-Care and Child-Care Flexible Spending Accounts to enable employees to set-aside pre-tax payroll deductions to pay for certain eligible expenses.

**Section 10. *Extended Insurance Coverage.*** If an employee dies from a work-related injury, the Company shall pay for his/her dependent spouse's and dependent children's COBRA continuation coverage for 12 months.

If an employee dies from a non-work related injury or illness, the Company shall pay for his/her dependent spouse's and dependent children's COBRA continuation coverage for 12 months.

**Section 11. *Eligibility.*** Consistent with the terms of the applicable plans and insurance contracts, all employees shall be eligible upon hire for the group medical insurance, group dental insurance, the vision-care program, group life and AD&D insurance, and supplemental group life and AD&D insurance.

## **ART. XVII, SEC. 12**

### **Section 12. *Health & Wellness Program.***

(a) The Company will continue to provide a health-education program. The Company will provide annual blood-pressure and cholesterol monitoring and other wellness initiatives as determined by the Company for all employees at a designated medical facility. The Company will provide a program to help employees who desire to stop smoking. There will be no charge to the employee for participation in one (1) Company-approved, stop-smoking program during term of this Agreement. All of the Company's Boron operations shall be smoke free and tobacco product free.

(b) Wellness Incentive – If an employee and his spouse or registered domestic partner voluntarily undergo an annual physical examination and health-risk assessment, then the Company will waive the employee's payment of group medical insurance premiums during the final four (4) pay periods of the calendar year. The Company shall have the right to modify and to eliminate this Wellness Incentive during the life of the Agreement.

## **Article XVIII**

### **Health & Welfare Benefits**

**(effective as of January 1, 2017)**

### **Section 1. *Group Medical & Prescription Drug Insurance.***

(a) The Company shall provide active employees with the choice of the available Towers Watson One Exchange group medical plans (i.e., Diamond, Gold, Silver & Bronze) and available providers (i.e., Aetna, Cigna & Regence) offered across Rio Tinto America to its active employees at multiple U.S. worksites. The Company shall make a reasonable effort to offer a Kaiser HMO or comparable HMO.

(b) If the employee waives group medical coverage, the employee's spouse and dependents are not eligible for group medical coverage.

(c) The Company shall pay 80% of the actual cost of the Regence Gold plan's applicable tier for each employee's individual/family

## **ART. XVIII, SEC. 2**

tier, annually adjusted, or of a comparable plan if Regence Gold is no longer offered. The employee shall be responsible for all other group medical premiums, including the difference in funding as to any other plan and/or provider selected by the employee. Notwithstanding the foregoing, there shall be a minimum employee contribution of \$25, \$30, \$30, or \$50/month, based on the applicable employee-only, employee/spouse, employee children and employee/family tier, although the Company shall have the right to charge a lesser minimum contribution.

### **Section 2. *Vision Care Insurance.***

(a) The Company shall provide active employees with the choice, at the employee's expense, of the available Towers Watson One Exchange group-vision plans (i.e., Gold and Silver) and available providers (i.e., Aetna, VSP and Eye Med) offered across Rio Tinto America to its active employees at multiple U.S. worksites. If the employee does not elect vision coverage, the employee's spouse and dependents are not eligible for vision coverage.

### **Section 3. *Group Dental Insurance.***

(a) The Company shall provide active employees with the choice of the available Towers Watson One Exchange group dental plans (i.e., Gold, Silver & Copper) and available providers (i.e., MetLife, Aetna, Cigna & Delta Dental) offered across Rio Tinto America to its active employees at multiple U.S. worksites. If the employee waives group dental coverage, the employee's spouse and dependents are not eligible for group dental coverage.

(b) The Company shall pay 80% of the actual cost of the Delta Dental Copper plan's applicable tier for each employee's individual/family tier, annually adjusted, or of a comparable plan if Delta Dental Copper is no longer offered. The employee shall be responsible for all other group dental premiums, including the difference in funding as to any other plan and/or provider selected by the employee.



## ART. XVIII, SEC. 4

### **Section 4. *Group Medical Coverage for Pre-65 Early Retirees.***

(a) Eligibility – The employee/retiree must be age 60 or older with at least 10 years' continuous service, including approved leaves of absence, at time of termination in order to be eligible for pre-65 retiree medical benefits described herein.

(b) The Company shall provide pre-65 retirees and their spouses with access to Towers Watson One Exchange public-exchange and private-exchange medical, dental and vision plans. In the event that the Towers Watson One Exchange public-exchange and private-exchange medical, dental and vision plans offered in future years are not comparable to such plans presented during negotiations, then the Company and the Union shall each have the right, at either party's discretion and upon 30 days' written notice to the other party, to re-open and negotiate the plans provided to the pre-65 retirees.

(c) Should the parties fail to reach agreement within 90 days after the first bargaining session after the Agreement is re-opened, the parties shall submit to a one day, non-binding mediation, with the goal of resolving bargaining over the plans provided to the pre-65 retirees. Joint costs of the mediation, such as fees charged by the mediator and reporter, if any, will be borne equally by the parties. If the parties have not reached an agreement by the end of the day of mediation, the mediator will propose a non-binding "mediator's proposal" to resolve the plans provided to pre-65 retirees, and the parties will have no more than 48 hours from the time the mediator presents the mediator's proposal to the parties to accept or reject the mediator's proposal.

(d) All other terms and conditions of the Agreement shall remain in full force and effect should either party re-open the Agreement under this section. However, the Union will have the right to strike, and the Company will have the right to lock out employees, if the mediation is not successful in resolving the issue of the plans provided to pre-65 retirees.

## **ART. XVIII, SEC. 5**

(e) The pre-65 retiree and his/her spouse can choose separate plans. The younger spouse can continue on plan until age 65, even after the older retiree has reached age 65, at his/her expense.

(f) Health Reimbursement Arrangement (“HRA”) Funding – The Company shall provide \$800/month (\$9,600/year) to an unmarried, pre-65 retiree, and shall provide \$1600/month (\$19,200/year) to a married, pre-65 retiree, via a monthly subsidy to the pre-65 retiree’s individual HRA, provided that the pre-65 retiree (and spouse, if applicable) satisfy the enrollment eligibility of the HRA. The pre-65 retiree must qualify for the HRA subsidy in order for the spouse to also qualify for the HRA subsidy. Pre-65 retirees who elect the federal subsidy are not eligible for HRA subsidy.

(g) The foregoing HRA subsidy amount shall be subject to an annual increase of 1.5%, effective January 1, 2018, and every January 1 thereafter through and including January 1, 2021. This monthly HRA subsidy may be used by the pre-65 retiree to subsidize his/her medical, dental, and vision plan premiums and to reimburse his/her eligible health-care expenses, subject to available HRA balance. The Company’s monthly HRA subsidy shall continue until the first of the month in which the pre-65 retiree reaches age 65. Once the pre-65 retiree turns age 65, the retiree and spouse/dependents shall have one year to spend down any remaining HRA balance.

(h) Retiree basic life insurance will continue at \$3,000.

### **Section 5. Group Life & AD&D Insurance.**

(a) The Company shall provide a \$35,000 life-insurance death benefit for all active employees.

(b) The Company will provide a \$35,000 AD&D insurance benefit for all active employees.

**Section 6. Supplemental Group Life and AD&D.** The Company offers employees the opportunity to purchase additional amounts of insurance in units of \$10,000 increments to a maximum of \$100,000 through a Group Policy administered by the Company.

## ART. XVIII, SEC. 7

Payments for supplementary insurance can be made by payroll deduction at the prevailing rates established by the Insurance Company selected by the Company. Employees have 30 days to join the program after which satisfactory proof of insurability will be required by the Insurance Company.

### **Section 7. Long-Term Disability**

(a) The Company shall continue to maintain the Long Term Disability Plan for Boron Hourly Employees of U.S. Borax Inc., as in effect on May 17, 2016, for all employees, pursuant to the following highlights:

(1) State Disability benefits must be exhausted before beginning long term disability;

(2) Coverage 50% of monthly base salary;

(3) Eligibility: 3 years of continuous employment, and Social Security Disability award does not determine continuance of eligibility;

(4) Benefit Period: 48 months (not more than 24 months per occurrence) Employee must return to work after 24 months to be eligible for second 24-month period of disability if they qualify. A two-year work period must separate these occurrences.

(5) Pension accrual: Employees returning to work within 30 days following long term disability will accrue pensionable service for total time on long term disability.

(b) An employee with an injury date prior to November 4, 2004, who has been approved for Long Term Disability, shall be eligible to choose from amongst the same Towers Watson One Exchange group-medical plans, group-dental plans and providers made available to Rio Tinto America active employees at multiple U.S. worksites until his/her LTD eligibility ends or he/she returns to work, whichever occurs first. The Company shall pay 100% of such employee's group-medical, dental and life insurance premiums until his/her LTD eligibility ends or he/she returns to work, whichever occurs first. The employee shall remain responsible for all premiums associated with dependent life insurance.

## **ART. XVIII, SEC. 7**

(c) Persons receiving long term disability benefits shall be treated as “employees” for the following purposes, but for no other purposes whatever: They shall retain their seniority rights for returning to work if and when they are able to do so; they shall be entitled to all group life insurance and dental-plan coverage which the Company is obligated to provide under this Agreement. They shall be entitled to all group hospital, medical and surgical insurance which the Company is obligated to provide under this Agreement until they are separated from Company service.

(d) For all LTD denials that occur before November 5, 2015 – Any person who has been continuously totally disabled for one hundred eighty (180) days, but who has been denied benefits under the provisions of the long term disability insurance program, shall, for the one hundred eightieth (180th) to the two hundredth seventieth (270th) day of such continuous total disability, continue to be insured under the Company group life, hospital, medical and surgical plans, shall continue to be covered by the dental plan, and shall continue to accrue pensionable service credit, as provided for under this Agreement. The Company’s health and life insurance plans, dental plan coverage, and accrual of pensionable service credit will be continued for the entire two hundred seventy (270) day period; thereafter, if a person is still unable to qualify for benefits under the provisions of the long term disability insurance program, s/he will be carried on the seniority list for a maximum of two years including any period of time on long term disability. Each employee who is on the seniority-list-only status shall, at least as often as every three (3) months, advise the Company Human Resources department, in writing, of his/her 1) correct address, 2) current employment status, and 3) desire to return to work at U.S. Borax Inc. when physically able to do so. Failure to keep the Company so advised shall result in that employee’s removal from seniority-list-only status. All other benefits will terminate after two hundred seventy (270) days.

(e) For all LTD denials that occur on and after November 5, 2015 –

## **ART. XVIII, SEC. 7**

(1) While an eligible employee is unable to work on account of the employee's disability, the Company will continue, for up to one continuous year, to insure the employee under the Company's group medical, life and dental plans as if actively employed, beginning on the first day that the employee is unable to work on account of the employee's disability. During this one-year period, the employee will not be credited with Pensionable Service, as defined in the U.S. Borax Retirement Plan for Represented Employees.

(2) At the start of the one-year period referenced in Paragraph No. (e)(1) above, the disabled employee must promptly apply and qualify for California SDI benefits to be eligible for continued coverage of the Company's group medical, dental and life insurance plans.

(3) Upon the expiration of the employee's one-year of receiving SDI benefits, if the employee remains unable to work on account of the employee's disability, an LTD-eligible employee (i.e., an employee with three years' continuous employment) must apply promptly for LTD insurance benefits, in accordance with the terms of the above-referenced LTD Plan.

(4) If an LTD-eligible employee promptly has applied for LTD benefits, then, until the LTD Plan initially determines whether the employee is entitled to LTD benefits or for an additional ninety days, whichever comes first, the Company will continue to insure the employee under the Company's group medical, life and dental plans as if actively employed.

(5) If an LTD-eligible employee promptly has applied for LTD benefits and if the LTD Plan determines that the employee is entitled to LTD benefits, then Art. XVII, Section 7(c) shall apply.

(6) If an LTD-eligible employee promptly has applied for LTD benefits and if the LTD Plan determines that the employee is not entitled to receive LTD benefits, then: a) the Company will credit the employee with 6 months' Pensionable Service, as defined in the U.S. Borax Retirement Plan for Represented

## ART. XVIII, SEC. 8

Employees, from the end of the employee's SDI period; b) the Company's sole, ongoing responsibility shall be to carry the employee on the seniority list for a maximum of two years, which two years shall include any period of time on leave, provided that the employee complies with his/her notice obligations under this Section 7(d); and (c) all other benefits shall terminate.

(7) Upon the expiration of any California SDI benefits, if the employee fails to promptly apply for LTD benefits and fails to return to work, then all benefits shall terminate.

(f) Any person who receives long term disability benefits and whose benefits are discontinued after eighteen (18) months following the qualifying disability period of one hundred eighty (180) days shall thereafter be carried on the seniority list for a maximum of two (2) years including any period of time on long term disability. All other benefits will terminate.

(g) Persons described in subsections (c) through (f) above may bid for job openings in accordance with the procedure set forth in Article VIII. Section 5 above and will be considered for job openings for which they can qualify, taking into consideration their health, ability, and the job requirements. To assist in this program, the Company may elect not to post a job vacancy for bid so that these persons may be considered for such an opening. Before placing such a person on the job, there must be a mutual agreement between the Company and the Union.

(h) Employees will no longer be allowed to receive benefits from the Defined Benefit Pension Plan and the LTD Plan for the same period. Such retirees shall only be covered by retirement benefits, not by LTD Plan benefits.

**Section 8. Duplicate Coverage.** Duplicate coverage, i.e., when one spouse is a bargaining-unit employee and the other spouse is a supervisor, will no longer be an option for Health & Welfare benefits.

**Section 9. Flexible Spending Accounts.** The Company shall offer Health-Care and Child-Care Flexible Spending Accounts

## ART. XVIII, SEC. 10

to enable employees to set-aside pre-tax payroll deductions to pay for certain eligible expenses.

**Section 10. *Extended Insurance Coverage.*** If an employee dies from a work-related injury, the Company shall pay for his/her dependent spouse's and dependent children's COBRA continuation coverage for 12 months. If an employee dies from a non-work related injury or illness, the Company shall pay for his/her dependent spouse's and dependent children's COBRA continuation coverage for 12 months.

**Section 11. *Eligibility.*** Consistent with the terms of the applicable plans and insurance contracts, all employees shall be eligible upon hire for the group medical insurance, group dental insurance, the vision-care program, group life and AD&D insurance, and supplemental group life and AD&D insurance.

**Section 12. *Health & Wellness Program.***

(a) The Company shall offer a Wellness/Incentive program to all employees that shall be the same as the Wellness/Incentive program offered across Rio Tinto America to its active employees at multiple U.S. worksites.

(b) The Company also shall offer, at the employee's expense, additional, available Towers Watson voluntary benefits programs (e.g., legal plans and ID theft prevention), as offered across Rio Tinto America to its active employees at multiple U.S. worksites.

**Section 13. *Common Provisions as to Group Medical, Prescription Drug, Vision, Dental, Wellness/Incentive and Voluntary Benefit Plans***

(a) All employee contributions shall be made from pre-tax dollars, to the greatest extent lawfully possible.

(b) Plan designs and/or providers are subject to change if such changes are made across Rio Tinto America to its active employee population at multiple U.S. worksites.

(c) In the event that the group-medical plans, group-vision plans, group-dental plans, and providers discussed during

## **ART. XVIII, SEC. 14**

negotiations are no longer offered across Rio Tinto America, then the Company shall make reasonable efforts to offer comparable plans and providers.

### **Section 14. *Cadillac Tax Impact***

(a) If the group health plan offered to hourly employees at U.S. Borax becomes subject to the excise tax on high-cost health plans (or “Cadillac tax”) under the Affordable Care Act, the Company and the Union shall each have the right, at either party’s discretion and upon 30 days’ written notice to the other party, to re-open and negotiate whether the Cadillac tax will be paid, in whole or in part, by employees or the Company.

(b) Should the parties fail to reach agreement within 90 days after the first bargaining session after the Agreement is re-opened, the parties shall submit to a one day, non-binding mediation, with the goal of resolving bargaining over the Cadillac tax issue. Joint costs of the mediation, such as fees charged by the mediator and reporter, if any, will be borne equally by the parties. If the parties have not reached an agreement by the end of the day of mediation, the mediator will propose a non-binding “mediator’s proposal” to resolve the Cadillac tax issue, and the parties will have no more than 48 hours from the time the mediator presents the mediator’s proposal to the parties to accept or reject the mediator’s proposal.

(c) All other terms and conditions of the Agreement shall remain in full force and effect should either party re-open the Agreement under this section. However, the Union will have the right to strike, and the Company will have the right to lock out employees, if the mediation is not successful in resolving the Cadillac tax issue.

## **Article XIX Pension Plans**

**Section 1. *Existing Employees – Defined Benefit Plan.*** The Retirement Plan of Boron Hourly Employees will be continued for the term of this Agreement for all persons who are employed by the Company as of the date of this Agreement. The Defined



## ART. XIX, SEC. 2

Benefit Plan multiplier will continue to be \$75 for all pensionable service accrued.

**Section 2. *New Employees – Defined Contribution Plan.*** All persons who become employed by the Company after the date of this Agreement shall be placed in a defined contribution pension plan, with self-managed investments, as outlined in Appendix E.

**Section 3. *Option for Existing Employees.*** Existing employees can elect to continue to participate in the existing defined benefit pension plan or can elect to move into the defined contribution pension plan during the election period.

### Article XX

#### Early Retirement Option

The Company provides an early-retirement option to those employees age 55 or older, with at least 10 years of service, subject to the following terms and conditions:

(a) On or before July 31, 2010, the employee must provide the Company with notice of his/her intention to retire;

(b) The Company shall then determine the employee's final date of employment, which shall be on or before September 30, 2010;

(c) The employee must execute a Severance & General Release Agreement in a form and manner acceptable to the Company in order to receive all early retirement benefits hereunder;

(d) Lump-Sum Severance Payment:

(1) Lump-sum severance payment will be offered to all active employees age 55 to 61 with at least 10 years of service as of July 31, 2010, who participate in this option. These individuals will receive a lump-sum amount that partially offsets the 4% annual penalty reduction in their anticipated pension benefit calculated from their age on July 31, 2010, through age 76 (estimated life expectancy), as follows:

## **ART. XX**

<b>Age as of July 31, 2010</b>	<b>Offer</b>
55	\$40,000
56	\$35,000
57	\$30,000
58	\$25,000
59	\$20,000
60	\$15,000
61	\$12,000

(2) A Ten Thousand Dollar (\$10,000) lump-sum severance payment will be offered to all active employees age 62 and older with at least 10 years of service as of July 31, 2010, who participate in this option; Retiree Medical Benefits – Individuals age 55 through 59 who participate in this early retirement option shall be provided medical benefits under the retiree medical plan (as it may be amended) through age 65. (Note: Those individuals age 60 and older with 10 years of service remain eligible for medical benefits under the retiree medical plan (as it may be amended) through age 65.).

### **Article XXI**

#### **Lay-Off Severance Pay Program**

The Company shall provide a supplemental unemployment benefit (“SUB”) plan for those eligible employees who are laid off under a qualifying layoff as defined in section(c).

(a) Purpose of SUB. The purpose of the SUB Plan is to reduce the loss of wages suffered by eligible employees who are laid off under a qualifying layoff. The SUB Plan serves to supplement State unemployment compensation benefits, but, like the State plan, it is not intended to reduce the incentive of the displaced worker to seek other employment.

## ART. XXI

(b) Operation of the Plan. At any time within 180 days after being laid off in a qualifying lay off, an eligible employee may apply for SUB Plan benefits.

These rights are not vested. They expire with each Labor Agreement. If a person dies while receiving SUB Plan benefits, any remaining SUB Plan benefits will continue to be paid to the employee's estate.

The benefits are protected against creditors. They cannot be sold, attached, garnished, or encumbered. Furthermore, they will not prevent the employee from receiving State unemployment insurance benefits. The Company may set them off against any debt owed by the employee to the Company, however.

If any dispute arises over the interpretation of the Plan, it is subject to the grievance and arbitration procedure of this Agreement.

(c) What is a Qualifying Layoff?

SUB Plan benefits ARE payable for the following types of qualifying layoffs:

- Layoff resulting from an overall decrease in operations, loss of business, unfavorable economic and/or market conditions, declining demand for Company products, and the like.
- Layoff resulting from changes in the plant, equipment or process.

SUB Plan benefits are NOT payable for time lost from work as a result of any of the following:

- Labor disputes, war, fire, storm, earthquake, action by governmental authority, or other operational interruptions beyond the Company's control.
- A layoff resulting when an employee is unwilling to accept a job which s/he has been bumped into, or is unwilling to accept a proper transfer.
- Vacation shutdowns, except that SUB Plan benefits shall be payable during vacations shutdowns to employees who have less than ten years of employment and who have met all other conditions of eligibility.

## **ART. XXI**

### **(d) Eligible Employees**

All employees are eligible for SUB Plan benefits, except those employees who are disqualified for any of the following reasons:

- When s/he is not qualified to receive State unemployment compensation benefits.
- When s/he is employed elsewhere, except to the extent that such other employment is allowed under the unemployment provisions of the State Unemployment Insurance Code.
- When s/he is on a paid or unpaid vacation.
- When s/he is eligible for any accident, sickness or disability benefits.
- When s/he elects to retire.
- When s/he is eligible for supplemental unemployment benefits from some other employer.

If the Company offers to recall a laid-off employee, but s/he refuses to return, s/he forfeits all rights to any remaining SUB Plan benefits, as well as other rights under the Labor Agreement. If an employee is recalled before his/her SUB Plan benefits are exhausted, s/he can apply for the unused portion during any later layoff in the same calendar year.

### **(e) Computation & Duration of SUB Plan Benefits**

The weekly amount of SUB Plan benefits is based on the employee's base pay rate on the date of the qualifying layoff, and the duration of these weekly SUB Plan benefits is based on the employee's "Continuous Years of Service" on the date of qualifying layoff.

#### **(1) The Weekly SUB Plan Benefit Amount**

Definitions: The employee's "base pay rate" is the hourly rate of pay for his/her regular job classification on the date of the qualifying layoff. The "base pay rate" does not include premium pay or credits for fringe benefits, such as overtime, vacation or sick leave benefits, retirement contributions and other funds or benefits. The "base weekly wage rate" is the employee's "base pay rate" times 40 (for full-time employees) or times the employee's

## ART. XXI

average number of regular hours worked per week in the twelve (12) months preceding the qualifying layoff (for part-time employees).

Each weekly SUB Plan benefit payment is intended to be enough to bring the State unemployment benefits up to 75% of the employee's base weekly wage rate at the time of the qualifying layoff.

For example, if an employee's base weekly wage rate is \$800.00, then his/her weekly SUB Plan benefit will be computed as follows:

Base weekly wage rate	\$800.00
	<u>x 75%</u>
3/4 of base weekly wage rate	\$600.00
State Unemployment Compensation Paid To Employee	<u>- 230.00</u>
Weekly SUB Plan Benefit	\$370.00

### (2) The Duration of the SUB Plan Benefit

Definitions: For purpose of the calculation of SUB Plan benefits, "Continuous Years of Service" is based on the maximum number of "Hours Worked" in any of the five calendar years preceding the qualifying layoff as follows:

- 1600 or more Hours Worked = one (1) Continuous Year of Service
- 1200 – 1599 Hours Worked = 0.75 Continuous Year of Service
- 800 – 1199 Hours Worked = 0.5 Continuous Year of Service
- 400 -700 Hours Worked = 0.25 Continuous Year of Service

No SUB Plan benefits shall be paid to any employee who less than 400 hours worked in the twelve (12) months preceding the qualifying layoff.

"Hours Worked" are based on the total number of hours worked:

## ART. XXI

in the calendar year. “Hours worked” includes all regular hours work and:

- All hours spent on the job.
- Time spent on paid vacation, paid sick leave and paid holidays.
- Time spent in active military service.
- Time lost from work as a result of a disability caused by a Company-related industrial injury.
- Time spent serving as a juror or as a witness in court.
- Time spent in negotiations or grievance meetings.
- Time spent on authorized leave of absence up to 45 days to conduct personal business, and up to one year to conduct Union business.

“Hours worked” does not include:

- Time spent on layoff.
- Time worked outside the bargaining unit.
- Time counted in computing back-pay awards by arbitrators, or by the National Labor Relations Board.
- Time paid for but not worked in a report-in or call-in.
- Premium pay for overtime or holidays.

The duration of an eligible employee’s weekly SUB Plan benefit payments shall range from two (2) weeks to five (5) weeks duration depending upon the employee’s most recent Date of Hire, times the employee’s Continuous Years of Service, as follows:

Most Recent Date of Hire	Duration
1-2 years before qualifying layoff	2 weeks
3-5	3 weeks
6-8	4 weeks
9 or more	5 weeks

## **ART. XXIII, SEC. 1**

For example, an employee hired 7 years before the qualifying layoff who had 2000 Hours Worked in one of the five years preceding the qualifying layoff would be entitled to 4 weeks of SUB Plan benefits, i.e., 4 weeks duration times 1 Continuous Year of Service. By contrast, if the same employee had worked at most a maximum of 1300 annual Hours Worked in all of the five years preceding the qualifying layoff, the employee would be entitled to 3 weeks of SUB Plan benefits, i.e., 4 weeks duration time 0.75 Continuous Year of Service.

### **Article XXII Severability**

It is specifically understood and agreed that if, for any reason whatsoever, one Article or any part thereof shall be determined to be invalid, void or inoperative; then such invalidity shall not affect any other clause, provisions or condition hereof, but the remainder of this Agreement shall be effective as though such Article or part thereof had not been contained herein.

### **Article XXIII Employment Guaranty**

**Section 1. Job Protections.** No employee shall be laid off during the term of this Agreement as a result of any of the following occurrences:

- (a) The subcontracting of any work permitted to be subcontracted by the provisions of Article XVI above.
- (b) The elimination of any job or classification or merger of one job or classification into another.
- (c) The reduction in the number of jobs by reason of any changes in methods in performing the jobs or changes in equipment or machinery used in performing the work.

This guaranty shall not apply to any reduction in the number of jobs caused by changes in customer demands, economic reversals, forces of nature, or other causes beyond the control of

## **ART. XXIII, SEC. 2**

the Company. The exercise or implementation of this exception to the guaranty shall not be whimsical or arbitrary, nor shall it be used as a means of evading the Company's responsibility under the specific protections guaranteed.

**Section 2. *Demotions and Red-Circle Pay.*** Any employee who is bumped back from his/her job shall receive a guarantee of twelve (12) months of red-circle pay (i.e., the rate of pay for the job from which the employee was bumped back), regardless of the reason for the bump back (exception - when disqualified from the job, or when bumped back due to the return of another employee with greater job seniority). If transferred to a higher paying job, the employee shall receive the rate for that job. If transferred to a lower paying job, the employee shall continue to receive the rate for the job from which he/she was transferred until an opening for which the employee is qualified and has the seniority to obtain becomes available carrying a rate as high or higher than that of the job from which the employee was transferred, but such red-circle rate shall not be paid for more than twelve (12) months. All employees who are currently receiving red-circle rates will continue to receive such red-circle rates until the expiration of the twelve (12)-month period.

**Section 3. *No Transfers Into The Bargaining Unit.*** This Article does not authorize the transfer of employees from outside the bargaining unit into the bargaining unit.

### **Article XXIV Job Consolidation**

The Company may create new job classifications, eliminate the work of existing classifications, permanently merge the work of existing classifications or assign or reassign duties between new or existing classifications provided the Company does not make any such change without good and reasonable cause. Before such changes are made, the Company will meet with the Union for the purpose of advising it of the contemplated changes and the reason for such changes. Due consideration will be given



## **ART. XXV, SEC. 1**

reason for such changes. Due consideration will be given to the facts and arguments presented by Union representatives, and they will be weighed in making the Company's final decision.

The Company further agrees that in making such changes there will be no unreasonable or unfair discrimination between employees, and that it will not place an unfair or unreasonable work load upon any employee affected.

If any of the above changes results in a conflict of the seniority rights between two or more employees, the Company will meet with the Union to negotiate the relative seniority rights of the employee so affected.

There shall be no job consolidation which shall have the effect of transferring outside of the bargaining unit any work within the bargaining unit, with the exception of the packing and screening work addressed in Article XVI. Section 4 above

### **Article XXV Duration**

**Section 1. Termination.** This Agreement shall be and become effective as of May 17, 2010, and shall continue in full force and effect without any change or modification whatsoever until 12:00 noon, May 17, 2021. If either the Company or the Union desires to terminate this Agreement on May 17, 2021, it shall give written notice of termination to the other party sixty (60) days prior to that date. If neither party shall give such notice of termination, this Agreement (subject to the provisions of the following paragraphs) shall continue in effect for successive one (1) year periods from year to year thereafter; with the first period commencing on May 17, 2021, and concluding on May 17, 2022, subject to termination by either party on May 17, 2022, or on May 17, 2023, etc., by the giving of sixty days prior written notice to the other party.

**Section 2. Modification or Amendment.** This Agreement may be modified or amended by mutual consent of the parties during

### ART. XXV, SEC. 3

the life of the Agreement, provided such amendment or modification is accomplished in the same formal manner as this instrument by the duly authorized representative of the Company and the duly authorized representatives of the Union. Except for any amendment or modification effected pursuant to such formal procedure, this Agreement shall not be subject to modification or amendment in any respect whatsoever prior to May 17, 2021, but it may be modified or amended as of May 17, 2021, or as of May 17, 2022, or as of May 17, 2023, and from year to year thereafter in like manner. If either the Company or the Union should desire to modify or amend it as of any of said dates, it shall give to the other party sixty (60) days prior written notice of its desire so to do, stating in said notice the modifications or amendments proposed. Within ten (10) days after receipt of such notice a conference shall be arranged to negotiate the proposed revisions, but this Agreement shall nevertheless continue in full force and effect subject, however to termination by either party upon sixty (60) days prior written notice to the other party.

**Section 3. Continuation After Transfer of Business.** In the event of the sale or other transfer of the business by the Company, the Agreement by which this is accomplished shall provide that this Labor Agreement shall continue in full force and effect and that the transferee shall continue to recognize the Union as the proper bargaining representative of the employees at the Boron Plant and Mine until such time as a new bargaining representative shall have been elected in its place and stead in the manner authorized by law.

IN WITNESS WHEREOF, the parties hereto have agreed on December 8, 2015, to an extension of this Labor Agreement, which originally was executed as of May 17, 2010.

U.S. BORAX INC.

MINE, MINERAL AND PROCESSING  
WORKERS, LOCAL 30, I.L.W.U.

By *Isabelle Brassard*  
ISABELLE BRASSARD

By *David Z Liebengood*  
DAVID LIEBENGOOD

**APPENDIX A**  
**JOB CLASSIFICATIONS & PAY RATES**

**GROUP I**  
**MINE OPERATIONS**

JOB CLASIFICATION	LEVEL	Begins	Begins	Begins	Begins	Begins
		5/17/2016	5/17/2017	5/17/2018	5/17/2019	5/17/2020
Operator B (includes Certified Blaster)	B	\$ 32.81	\$ 33.63	\$ 34.47	\$ 35.33	\$ 36.22
Operator C (includes Blaster)	C	\$ 29.59	\$ 30.33	\$ 31.09	\$ 31.87	\$ 32.66
Operator D	D	\$ 23.15	\$ 23.73	\$ 24.33	\$ 24.94	\$ 25.56

**GROUP II**  
**MINE MOBILE MAINTENANCE**

JOB CLASIFICATION	LEVEL	Begins	Begins	Begins	Begins	Begins
		5/17/2016	5/17/2017	5/17/2018	5/17/2019	5/17/2020
Mobile Equipment Electrician*	A	\$ 36.05	\$ 36.95	\$ 37.87	\$ 38.82	\$ 39.79
Truck Shop Mechanic**	B	\$ 32.81	\$ 33.63	\$ 34.47	\$ 35.33	\$ 36.22
All Crafts Second Class*	C	\$ 29.59	\$ 30.33	\$ 31.09	\$ 31.87	\$ 32.66
All Crafts Helper	D	\$ 23.15	\$ 23.73	\$ 24.33	\$ 24.94	\$ 25.56

\*Receives \$.10 per hour tool allowance for all hours worked

\*\*Receives \$.20 per hour tool allowance for all hours worked

**GROUP III**  
**DISOLVING/THICKENING/GRANULATING**

JOB CLASIFICATION	LEVEL	Begins	Begins	Begins	Begins	Begins
		5/17/2016	5/17/2017	5/17/2018	5/17/2019	5/17/2020
Dissolver Operator B, Chief	B	\$ 32.81	\$ 33.63	\$ 34.47	\$ 35.33	\$ 36.22
Dissolver Operator C	C	\$ 29.59	\$ 30.33	\$ 31.09	\$ 31.87	\$ 32.66
Dissolver Operator D	D	\$ 23.15	\$ 23.73	\$ 24.33	\$ 24.94	\$ 25.56
Granulating Operator B, Chief	B	\$ 32.81	\$ 33.63	\$ 34.47	\$ 35.33	\$ 36.22
Granulating Operator C	C	\$ 29.59	\$ 30.33	\$ 31.09	\$ 31.87	\$ 32.66
Granulating Operator D	D	\$ 23.15	\$ 23.73	\$ 24.33	\$ 24.94	\$ 25.56

**GROUP IV**  
**STEAM PLANT / COGENERATION DEPARTMENT**

JOB CLASIFICATION	LEVEL	Begins	Begins	Begins	Begins	Begins
		5/17/2016	5/17/2017	5/17/2018	5/17/2019	5/17/2020
Steam Engineer (Unlimited License)	B	\$ 32.81	\$ 33.63	\$ 34.47	\$ 35.33	\$ 36.22
Fuel Tender (Unlimited License)	C	\$ 29.59	\$ 30.33	\$ 31.09	\$ 31.87	\$ 32.66
Fuel Tender	D	\$ 23.15	\$ 23.73	\$ 24.33	\$ 24.94	\$ 25.56

**GROUP V**  
**WAREHOUSE AND SHIPPING**

JOB CLASSIFICATION	LEVEL	Begins	Begins	Begins	Begins	Begins
		5/17/2016	5/17/2017	5/17/2018	5/17/2019	5/17/2020
Chief Operator-Bulk Storage	B	\$ 32.81	\$ 33.63	\$ 34.47	\$ 35.33	\$ 36.22
Chief Operator-Fusing	B	\$ 32.81	\$ 33.63	\$ 34.47	\$ 35.33	\$ 36.22
Senior Fireman	C	\$ 29.59	\$ 30.33	\$ 31.09	\$ 31.87	\$ 32.66
Granubor Operator C	C	\$ 29.59	\$ 30.33	\$ 31.09	\$ 31.87	\$ 32.66
Warehouse and Shipping Lead	C	\$ 29.59	\$ 30.33	\$ 31.09	\$ 31.87	\$ 32.66
Relief Silo/Granubor Operator	C	\$ 29.59	\$ 30.33	\$ 31.09	\$ 31.87	\$ 32.66
Relief Silo/Granubor Operator	D	\$ 23.15	\$ 23.73	\$ 24.33	\$ 24.94	\$ 25.56
Shipping Operator D	D	\$ 23.15	\$ 23.73	\$ 24.33	\$ 24.94	\$ 25.56
Fusing Operator D	D	\$ 23.15	\$ 23.73	\$ 24.33	\$ 24.94	\$ 25.56

## GROUP VI MAINTENANCE

JOB CLASSIFICATION	LEVEL	Begins	Begins	Begins	Begins	Begins
		5/17/2016	5/17/2017	5/17/2018	5/17/2019	5/17/2020
Chief Machinist**	A	\$ 36.05	\$ 36.95	\$ 37.87	\$ 38.82	\$ 39.79
Instrumentation Electrician*	A	\$ 36.05	\$ 36.95	\$ 37.87	\$ 38.82	\$ 39.79
Instrumentation Electrician Lineman*	A	\$ 36.05	\$ 36.95	\$ 37.87	\$ 38.82	\$ 39.79
PDM Technician First Class*	A	-	\$ 40.74	\$ 41.76	\$ 42.80	\$ 43.87
Machinist Journeyman**	B	\$ 32.81	\$ 33.63	\$ 34.47	\$ 35.33	\$ 36.22
Refrigeration Mechanic*	B	\$ 32.81	\$ 33.63	\$ 34.47	\$ 35.33	\$ 36.22
Maintenance Utilityman*	B	\$ 32.81	\$ 33.63	\$ 34.47	\$ 35.33	\$ 36.22
Millwright**	B	\$ 32.81	\$ 33.63	\$ 34.47	\$ 35.33	\$ 36.22
PDM Technician Second Class*	B	-	\$ 38.80	\$ 39.77	\$ 40.76	\$ 41.78
Sheet Metalman	B	\$ 32.81	\$ 33.63	\$ 34.47	\$ 35.33	\$ 36.22
Tribology Technician	B	\$ 32.81	\$ 33.63	\$ 34.47	\$ 35.33	\$ 36.22
Heavy Equipment Operator	B	\$ 32.81	\$ 33.63	\$ 34.47	\$ 35.33	\$ 36.22
Plant Services Operator	B	\$ 32.81	\$ 33.63	\$ 34.47	\$ 35.33	\$ 36.22
Shop Clerk	C	\$ 29.59	\$ 30.33	\$ 31.09	\$ 31.87	\$ 32.66
Senior Lubrication Specialist	C	\$ 29.59	\$ 30.33	\$ 31.09	\$ 31.87	\$ 32.66
Machinist Second Class*	C	\$ 29.59	\$ 30.33	\$ 31.09	\$ 31.87	\$ 32.66
All Crafts Second Class*	C	\$ 29.59	\$ 30.33	\$ 31.09	\$ 31.87	\$ 32.66
PDM Technician Helper**	C	-	\$ 36.95	\$ 37.87	\$ 38.82	\$ 39.79
All Crafts Helper	D	\$ 23.15	\$ 23.73	\$ 24.33	\$ 24.94	\$ 25.56
Lubrication Specialist	D	\$ 23.15	\$ 23.73	\$ 24.33	\$ 24.94	\$ 25.56
Utility / Laborer	U	\$ 19.32	\$ 19.80	\$ 20.30	\$ 20.81	\$ 21.33
Utility / Janitor	U	\$ 19.32	\$ 19.80	\$ 20.30	\$ 20.81	\$ 21.33

\*Receives \$.10 per hour tool allowance for all hours worked

\*\*Receives \$.20 per hour tool allowance for all hours worked

**GROUP VII  
BORIC ACID DEPARTMENT**

<b>JOB CLASSIFICATION</b>	<b>LEVEL</b>	<b>Begins</b>	<b>Begins</b>	<b>Begins</b>	<b>Begins</b>	<b>Begins</b>
		5/17/2016	5/17/2017	5/17/2018	5/17/2019	5/17/2020
BAP Operator B, Chief	B	\$ 32.81	\$ 33.63	\$ 34.47	\$ 35.33	\$ 36.22
BAP Operator C	C	\$ 29.59	\$ 30.33	\$ 31.09	\$ 31.87	\$ 32.66
BAP Operator D	D	\$ 23.15	\$ 23.73	\$ 24.33	\$ 24.94	\$ 25.56

**GROUP VIII  
LABORATORY DEPARTMENT**

<b>JOB CLASSIFICATION</b>	<b>LEVEL</b>	<b>Begins</b>	<b>Begins</b>	<b>Begins</b>	<b>Begins</b>	<b>Begins</b>
		5/17/2016	5/17/2017	5/17/2018	5/17/2019	5/17/2020
Senior Analyst	C	\$ 29.59	\$ 30.33	\$ 31.09	\$ 31.87	\$ 32.66
Analyst	D	\$ 23.15	\$ 23.73	\$ 24.33	\$ 24.94	\$ 25.56

**GROUP IX  
PILOT PLANT**

<b>JOB CLASSIFICATION</b>	<b>LEVEL</b>	<b>Begins</b>	<b>Begins</b>	<b>Begins</b>	<b>Begins</b>	<b>Begins</b>
		5/17/2016	5/17/2017	5/17/2018	5/17/2019	5/17/2020
Utility Maintenance Technician	B	\$ 32.81	\$ 33.63	\$ 34.47	\$ 35.33	\$ 36.22
Senior Pilot Plant Technician	C	\$ 29.59	\$ 30.33	\$ 31.09	\$ 31.87	\$ 32.66
Pilot Plant Technician	D	\$ 23.15	\$ 23.73	\$ 24.33	\$ 24.94	\$ 25.56

**GROUP X  
ENGINEERING DEPARTMENT**

<b>JOB CLASIFICATION</b>	<b>LEVEL</b>	<b>Begins</b>	<b>Begins</b>	<b>Begins</b>	<b>Begins</b>	<b>Begins</b>
		5/17/2016	5/17/2017	5/17/2018	5/17/2019	5/17/2020
Senior Environmental Technician	C	\$ 29.59	\$ 30.33	\$ 31.09	\$ 31.87	\$ 32.66

**GROUP XI  
SUPPLY WAREHOUSE**

<b>JOB CLASIFICATION</b>	<b>LEVEL</b>	<b>Begins</b>	<b>Begins</b>	<b>Begins</b>	<b>Begins</b>	<b>Begins</b>
		5/17/2016	5/17/2017	5/17/2018	5/17/2019	5/17/2020
Senior Supply Specialist	C	\$ 29.59	\$ 30.33	\$ 31.09	\$ 31.87	\$ 32.66
Supply Specialist	D	\$ 23.15	\$ 23.73	\$ 24.33	\$ 24.94	\$ 25.56



**APPENDIX B**  
**401(k) PLAN**

(1) Employees shall be eligible to participate on the first of the month following the start of their employment.

(2) Ongoing outside administrative costs and expenses shall be paid from the Boron Hourly 401(k) Plan and will not be borne by U.S. Borax.

(3) Catch-up contributions shall be permitted, to the extent allowed by law.

(4) Each eligible participant may direct that one percent (1%) to thirty percent (30%) in full percentages only, of his/her eligible gross pay be reduced to fund his/her 401(k) account. Such contributions shall be on a before-tax basis and through payroll deduction. All contributions will be subject to applicable laws and regulations.

(5) Contributions to be invested in a fixed income fund chosen by the Company and such other investment option(s) as the Company may decide to make available in its sole discretion or as required by law. Participants may select the investment option(s) of their choice from those available and direct and allocate the amounts to be applied to such option(s) in accordance with Plan provisions established by the Company.

(6) Company to match employee contributions at 30% up to 5% of eligible earnings.

(7) Complaints or disputes concerning the 401(k) Plan shall not be a proper subject of the grievance and arbitration procedure and are therefore excluded from such procedure without exception.

(8) Loans will be permitted as allowable by law. The Company shall have the right to charge participants fees for loans and administration expenses.

(9) In-service withdrawals shall be permitted in accordance with IRS hardship withdrawal regulations.

(10) Changes in the amount of before-tax contributions and/or investment options twice per year on dates selected by the

Company. A participant may stop all contributions at any time, but must then wait one (1) year before commencing contributions again.

(11) Any items not covered above, including but not limited to administration, funding and investment management, shall be at the sole discretion of the Company.

(12) The Company will pay the 401(k) administrative fees for each plan participant, but the Company will not pay any investment management fees, which investment management fees shall continue to be charged to each participant's account.

## **APPENDIX C**

### **WORK RULES & CONDUCT GUIDELINES**

We strive to deliver high-quality products and services, while maintaining a good relationship with our customers and within our Company. All employees are expected to conduct themselves in a manner that will further this objective. Disregarding or failing to conform to these general standards shall warrant progressive disciplinary action, ranging from verbal counseling, to corrective notice, to written warnings, to disciplinary time off, to dismissal. Notwithstanding the foregoing, in the case of a serious violation of these Work Rules, the Company may proceed with any form of discipline, up to and including discharge, based on the nature and seriousness of the offense. There shall be only one track of discipline, not separate tracks based for absenteeism, drugs alcohol, safety violations, bad acts, and/or different categories of bad acts. The record of any discipline that is in an employee's personnel file will not be considered for the purpose of future discipline or discharge beyond three (3) years from the date discipline was issued.

The list that is contained in the following pages is a catalogue of offenses that are recognized as being grounds for discharge or discipline. This list is not intended to be exhaustive. Because these Work Rules are intended only as a non-comprehensive guideline,

grounds for disciplinary action (up to and including dismissal) include, but are not limited to, the following:

1. Sleeping during working time as verified by two witnesses.
2. Possession, use, or sale of alcohol, illegal drugs, prescription medication without a prescription, or drug paraphernalia on Company premises.

3. Destroying or damaging, or the proof of concealment, unauthorized removal, or theft from Company premises of, property or product of the Company or its suppliers, employees, or visitors.

4. Sexual, lewd acts, or unlawful or criminal activity on Company premises.

5. Possession of firearms, weapons, or other dangerous, non-work related items on Company premises.

6. Failure to comply with established safety and health rules, regulations, or operating procedures, or performing any acts or engaging in any behavior that endangers the safety or health of any person, including:

- a. Operating equipment or performing any task without required and documented safety training.

- b. Failing to following established safe-work practices, including but not limited to failing to perform a pre-operation or other required inspection before performing one's job responsibilities.

- c. Working without required Personal Protective Equipment (PPE).

- d. Working at heights without fall-prevention or fall-protection equipment.

- e. Entering into a confined space without following entry procedures.

- f. Working on plant or equipment without following lockout tagout/isolation procedures.

- g. Tampering with, sabotaging, or making inoperable any Company property or equipment, including safety devices.

h. Smoking on Company property in other than designated areas.

i. Failing to promptly report to your supervisor an on-the-job injury or accident (regardless of how minor) involving an employee.

j. Exceeding the posted speed limit, failing to use seat belts, or violating traffic rules while on duty, while on Company property, while operating Company equipment.

k. Any employee creating or contributing to unsanitary, hazardous, unsafe, or poor housekeeping conditions.

l. Any action which results in, or could result in, property damage or personal injury.

m. Reporting for work, or engaging in work, while unfit for duty, except for reasons of illness or injury if authorized by the Company's Occupational Health Department.

7. Fighting on Company premises, unless in self-defense when the fight was started solely by the other party and the self defense was a reasonable response thereto.

8. Horseplay.

9. Insubordination or other refusal to follow a direct order or instruction.

10. Use of abusive or threatening language.

11. Falsification of, or failure to properly or timely complete, any Company-required or government-required document, including the unauthorized punching, signing, or altering of another employee's time card or recording the time of another employee (or allowing the same to be done to your time card), and further including the misrepresentation or withholding of pertinent facts in securing or maintaining employment or dishonesty in any Company investigation.

12. Walking off the job or otherwise quitting work early without authorization.

13. Unauthorized loss of time from work due to arrest, confinement, restricted activity order, court appearance, plea, or conviction.

14. Participating in or promoting a work stoppage, a work slow down, or a sympathy strike.
15. Careless operation of equipment that results in damage or downtime.
16. Leaving one's assigned work area without authorization.
17. Unauthorized or excessive tardiness.
18. Violation of Company Attendance Policy.
19. Abuse of break times and meal periods.
20. Reading or viewing of unauthorized materials during working time, or possessing or viewing pornographic materials, gambling, game playing, or engaging in any other inappropriate personal activities at any time on Company premises, or bringing on to Company premises television, satellite equipment or video players without the Company's prior authorization (excluding personal computers).
21. Unsatisfactory work performance.
22. Bringing or parking unauthorized vehicles inside the plant gates.
23. Posting of unauthorized materials on bulletin boards or elsewhere on Company premises.
24. Violating the Company's rules concerning solicitation and distribution of literature, including the unauthorized distribution of literature during working time or in work areas, and including the unauthorized solicitation of employees during working time.
25. Improper or unauthorized use of Company communications and computer equipment and systems.
26. Failing to comply, if the employee has been informed, with any applicable rule or regulation issued by any governmental entity.
27. Unauthorized disclosure of confidential or proprietary matters concerning Company business, its customers, suppliers, employees or personnel associated with the Company.

These rules and guidelines shall supersede all previous rules, guidelines, and agreements related to the subject matters addressed herein.

## **APPENDIX D**

### **SURVIVING SIDE LETTERS AND PAST PRACTICES**

The following past practices, settlement agreements, and side letters shall survive the expiration of the 2010-2017 collective bargaining agreement and shall remain in force and effect throughout the term of this Agreement:

1. Those employees in the I/E Group with a job seniority date prior to January 6, 1986, should not be subject to disqualification from I/E Group due to lack of qualification in the classification to which they were reclassified as of March 14, 1995.

2. The Company will advise the Union of Craft Qualification testing and extend an invitation to observe such testing.

3. The Company will notify the Union of anyone participating in craft testing off the street or in the plant.

4. Hours taken as paid vacation within the fixed work week shall be counted as hours worked for the purposes of calculating overtime for that work week.

5. An employee on Long Term Disability will retain his/her seniority for days off and shift selection for a period of two (2) years.

6. The Company will periodically perform Performance Assessments. The Company and Union agree to use Performance Assessment for the sole purpose of consultation and communication, unless the Company should implement a performance incentive plan which, in the Company's sole discretion, may utilize the Performance Assessment process.

7. The Company will maintain two (2) Chief Operators on all shifts in the Dissolving and Thickening Department, Granulating Department, and Boric Acid Department.

8. Gr. 2011-45 and Mine & Shipping Step-Up (dated March 16, 2012).

9. Gr. 2012-08 (dated effective April 23, 2013).
10. Gr. 2015-25 (dated Sept. 8, 2015).
11. Gr. 2011-19 re: Robbie West's Fusing seniority.
12. Gr. 2013-12 (dated Sept. 29, 2014) and Gr. 2014-36 (dated Sept. 27, 2016).

**APPENDIX E**  
**DEFINED CONTRIBUTION**  
**PLAN/COMPANY CONTRIBUTION**

**Eligibility** – You are generally eligible to receive the Company contribution after you have satisfied the probationary period.

**Company Contribution** – The Company contributes on your behalf 4% of eligible base pay.

Eligible base pay used to determine the Company contribution generally excludes:

- Overtime
- Shift Differentials
- Any extraordinary items such as tool allowances or any expense reimbursements
- Ratification bonus
- Gifts and awards paid to an employee
- Severance pay paid after termination of employment

**Investments** – You may invest the Company contributions made to your account in any of the investment funds offered by the U.S. Borax 401(k) Plan. However, you will not be able to invest any of the Company contributions into Company stock.

**Vesting** – You are vested in the Company contributions and earnings based upon the following schedule:

Completed Full Years of Vesting Service	Vested Percentage
Five	100%

**Distributions** – At retirement or if you otherwise terminate employment, you may choose how to have your account distributed. You may elect one of the following options:

- A lump sum distribution paid to you
- A rollover distribution to a qualified plan or IRA, or
- Installment payments for up to one (1) year.

**Access to your Company Contributions** – The main purpose of the Company Contributions is to help you save for retirement. Therefore, the following are not allowed by the Plan:

- Loans
- Withdrawals while employed
- Hardship withdrawals

## **LETTER OF UNDERSTANDING**

### **Red-Circle Pay**

The time during which employees were locked-out from January 31, 2010, through May 17, 2010, shall be excluded from the calculation of the 12-month duration applicable to red-circle pay, pursuant to Article XXII.Section 2 above of the Agreement.

## **LETTER OF UNDERSTANDING**

### **Group III – Primary Process**

As a result of the consolidation of Groups II and III from the 2004 Agreement into Group III (Primary Process) in this Agreement, no employee's job seniority (as defined in Article VIII.Section 1(b) of this Agreement) is being affected, and Plant 1 and Plants 2, 3, and 4 shall continue to be separate departments for shifts and days off and shall continue to maintain separate "group" overtime boards. Furthermore, no layoff shall result from this consolidation.



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