

## **AGREEMENT**

THIS AGREEMENT, made and entered into as of the \_\_\_ day of \_\_\_\_\_, 2010 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 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, steam-plant engineers, professional chemists, quality laboratory technicians, pilot plant employees, experimental employees, research and development employees, accountants, chief clerks, payroll clerks, industrial hygiene technicians, environmental technicians, warehouse supply specialists, technicians, telephone technicians, trainers, 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 race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, or sexual orientation. Qualifications and competence shall be the only determinants.

## **ARTICLE II. General Provisions**

### **Section 1. *Indemnification.***

The Union must indemnify and hold harmless the Company for all employment-related claims asserted by the Union or by any bargaining-unit employee, whether individually or collectively, that the Union has failed to grieve and arbitrate. Such indemnification shall include payment of the Company's underlying damages, penalties, interest, and attorneys' fees and costs related to the defense of any such claim outside of the parties' grievance/arbitration process. The Company shall have the right to use counsel selected by the Company in its defense.

### **Section 2. *Cost Neutrality.***

In the event that an Arbitrator or Court determines that the Company has violated any non-disciplinary provision of this Agreement, or that any provision of this Agreement is unlawful, then the cost to the Company (if any) of any such Arbitrator/Court-ordered remedy shall be offset by a corresponding reduction in wages and/or benefits, such that cost neutrality shall be maintained throughout the life of the Agreement. To this end, the Company and Union shall meet to negotiate in good faith any such mid-term wage/benefit reductions that may be required by this provision, and, if the parties cannot agree upon such a reduction, then the Company shall have the right to unilaterally implement its last, best and final offer regarding same.

### **Section 3. *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 4. *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 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, theft of Company time, 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 5. *Union Orientation***

The Company will distribute a one-page flyer to all new employees upon the conclusion of the Company's training and orientation process inviting new employees to an orientation conducted by the Union at the Union Hall. This orientation process will be conducted during the employee's non-working time, and shall not be paid by the Company. The flyer that will be distributed must be approved in advance by the Company, will be printed at the Union's expense, and must contain the following: "No employee is required to attend this Union orientation process. If you choose not to attend this orientation, the Union will not retaliate, harass, bother, annoy or take any other unlawful action against you."

#### **Section 6. *Management Rights***

(a) The Company has, retains and shall possess and exercise all management rights and functions, powers, privileges and authority to operate, conduct, control and direct the Company and its employees in all of its operations and affairs, excepting only such as are specifically and expressly relinquished or restricted herein. As illustrative and to be in no way construed as a limitation thereof, the Company, at its sole discretion, retains the exclusive right and power to determine, implement, use, change, discontinue, alter, or modify, in whole or in part, temporarily or permanently, any of the following:

(1) The number, location, organization, and types of plants, and the assigned work therein;

(2) The products to be manufactured and the services to be rendered, their quality and quantity, and the methods and processes of service and manufacture, and the materials, processes, and equipment to be used;

(3) The sales methods and sales price of all products and services, the purchase price of all purchases, and the corporate and financial structure of the Company;

(4) The subcontracting of any or all of the products to be manufactured and the services to be rendered, the methods and processes of service and manufacture, facility construction and maintenance, and the operation of the overall facility;

(5) The services, tools, equipment, machinery, production schedules, and production standards;

(6) The hiring, firing, promotion, demotion, transfer, scheduling (including the right to schedule any employee to any schedule, shift, and days off), assignment (including the right to assign any qualified employee to perform any task), training, layoff, and recall of all employees, based on the employee's qualification, experience, efficiency, performance, organizational effectiveness, discipline history, attendance, attitude and teamwork;

(7) The creation, determination, modification and assignment of working hours, shifts, schedules (of up to 12-hour shifts throughout the plant), and of days off;

(8) The number of employees and classifications, including the number and classification of employees assigned to any particular machine, operation, schedule, shift, days off, or overtime; and whether, when, or where there is a job opening;

(9) The work pace, work performance levels, efficiency, and standards of performance for any job classification, and whether any employee meets such work pace, levels, efficiency, or standards;

(10) The job duties and responsibilities, job qualifications, and job classifications, and the rates of pay for new job classifications;

(11) The need for and the administration of physical or mental examinations, fitness-for-duty examinations, drug/alcohol tests, or mental tests for any reason;

(12) The retirement of employees for disability or otherwise;

(13) The control, direction and supervision of all employees and the determination regarding the relative ability and qualification of employees;

(14) The quality of work performed; the direction and control of plant operations; and the assignment and transfer of employees between job classifications and between shifts;

- (15) The policies, procedures, rules, and regulations for all employees;
  - (16) The management of and eligibility determinations respecting all leaves of absence;
  - (17) When overtime shall be worked; the assignment and scheduling of employees and classifications to such overtime; and whether to require employees to work overtime;
  - (18) The workday, workweek, vacation schedules, and shift schedules;
  - (19) The use of temporary or part-time employees, or both;
  - (20) The use of non-bargaining unit employees and contractors and subcontractors to do work that is normally done by bargaining unit employees, including, but not limited to, as to all projects, construction, maintenance, and operations;
  - (21) The method of funding of each Company benefit, including the identity and selection of each carrier or insurer or trustee of Company benefits;
  - (22) The procedures for the security of the employees, plant, premises, facilities, and property of the Company;
  - (23) The utilization of all Company premises, equipment, and facilities;
- and
- (24) The discipline, termination or layoff of employees as the result of the exercise of any of the rights enumerated above or as a result of the exercise of any of the rights of the Company not limited by the clear and explicit language of this Agreement.

(b) All other rights of management not expressly limited by the clear and explicit language of this Agreement are also expressly reserved to the Company even though not enumerated above, and the express provisions of this Agreement constitute the only limitations upon the Company's rights. The exercise of any right reserved to management in a particular manner or the non-exercise of any such right shall not be deemed a waiver of the Company's right or preclude the Company from exercising the right in a different manner. To this end, the Company's failure to exercise any of its management rights in particular circumstance and/or in a particular manner shall not be considered or result in a waiver of the Company's ability to exercise those rights in other circumstances and/or in other manners.

(c) Any dispute arising out of or in any way connected with either the existence of or the exercise of any of the rights of the Company enumerated in Sections (a) and (b) above or any other rights of the Company not expressly limited by the clear

and explicit language of this Agreement or arising out of or in any way connected with the effects of the exercise of any of such above-described rights is not subject to the grievance and arbitration provisions set forth in ARTICLE V below. The Union expressly waives any rights it may have and releases the Company from any obligation it may have under the provisions of the National Labor Relations Act, as amended, or otherwise to negotiate or bargain collectively over a decision by the Company to exercise any of the rights enumerated in Sections (a) and (b) above.

**Section 7. *No Strike, No Lockout.***

(a) During the term of this Agreement, or during any extension or renewal thereof, neither the Union nor its members, agents, or representatives, or any person acting in concert with it, will cause, sanction or take part in any strike, sympathy strike, walkout, picketing, stoppage of work, retarding of work, slowdown, boycott (whether of primary or secondary nature), or any other interruption or interference with the operation or conduct of the Employer's business. During the term of this Agreement, or during an extension or renewal thereof, neither the Union, nor its members, agents, or representatives, or any person acting in concert with it, will cause, require, induce or encourage any employee of the Employer to refuse to cross any picket line at the Employer's place(s) of business.

(b) Violation of any of the provisions of this Section by any employee of the Employer shall be just cause for the immediate discharge of that employee.

(c) During the term of this Agreement, or any extension or renewals thereof, the Employer shall not cause, permit or engage in any lockout of its employees.

(d) The Union will not be liable for damages in breach of contract in the event of strikes, sympathy strike, walkout, picketing, stoppage of work, retarding of work, slowdown, boycott (whether of primary or secondary nature), or any other interruption or interference with the operation or conduct of the Employer's business, provided the Union immediately directs the employees to return to work and gives the Company a written disavowal of any such actions.

**Section 8. *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 those which are expressly incorporated in this Agreement. The terms of this written Agreement encompass all limitations on the rights of management, and no agreements, promises, customs, benefits, practices or usage, whether written or oral, which were established or in effect before the execution of this Agreement, will be binding upon either party subsequent to the execution of this Agreement. All agreements, promises, customs,

benefits, practices or usage, established during the term of this Agreement must be in writing.

### **ARTICLE III. Union Security**

#### **Section 1. *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 & Discharge**

#### **Section 1. *Management's Rights.***

The right to maintain discipline and efficiency of employees is vested exclusively in the Company.

#### **Section 2. *Just Cause.***

No employee shall be disciplined or discharged without just cause, nor may the Company discriminate against any employee. [relocate from Art. II, Section 3(b)] Just cause for discipline or discharge shall include, but not be limited to, the violation of any rule, regulation, code of conduct or policy of the Company. In determining whether there is just cause for discharge or discipline, the Company must give due consideration to the seriousness of the offense and/or the progressive corrective action previously administered.

#### **Section 3. *One Track of Discipline.***

There shall be only one track of discipline, not separate tracks based for absenteeism, drugs/alcohol, bad acts, and different categories of bad acts.

#### **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. [relocate Art. III, Section 3]

### **Section 5. *Expedited Arbitration for Discharge.***

In the event the parties are unable to come to agreement over the Union's objections to the 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. [revise & relocate Art. III, Section 3]

### **Section 6. *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 five (5) years from the date discipline was issued. No discharge or discipline for absenteeism shall be based upon any absences which occurred more than two (2) years before the action was taken. [revise & relocate from Art. II, Section 3(b)]

### **Section 7. *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. [relocate Art. II, Section 3(c)]

## **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. Each grievance may only be pursued on behalf of the Union or named grievant(s) and any remedy shall be limited to the Union or named grievant(s).

### **Section 2. *Recognition of Stewards.***

The Company agrees to recognize a Steward for Production, a Steward for the Mine, a Steward for Maintenance, a Steward for Shipping



### **Section 3. *Authority of Stewards.***

No Steward shall go outside his/her group or area to solicit grievances at any time. No time involved in the investigation or exercise of any Union steward's or official's union-related functions shall occur during that employee's or any other affected employee's working time; all such functions must occur during rest periods, meal periods, or before or after work.

### **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 Immediate Supervisor.

Any employee affected by a grievance, or any Steward who chooses to do so, may present a grievance orally to the immediate supervisor or Area Supervisor concerned for adjustment, and must specifically identify the matter as a grievance. No employee shall be denied the presence of a Steward upon request.

- (b) Step 2 – Written Grievance to Human Resources.

If no settlement is reached in the Step 1 proceeding, then the grievance shall be deemed to have been denied by the Company. At that stage, the grievance may be reduced to writing on forms furnished by the Company and signed by the aggrieved employee, Steward, or union representative. The written grievance 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. The written grievance shall be delivered to the Area Supervisor, or in the case of a grievance filed by the Union itself to the Human Resources Department. Any written grievance not delivered within fifteen (15) working days following the date of the incident giving rise to the grievance, or following the date when the basis for the grievance is first discovered, or with the exercise of reasonable diligence could have been discovered, either by the grievant or the Union, shall be untimely and shall be waived. If the written grievance is not delivered within the time limits as set forth herein, or does not contain the exact clauses of the contract claimed to be violated, does not contain the specific events that form the basis for the grievance, and/or does not contain the specific remedies sought, then it shall be treated by the Company as settled on the basis of the Area Supervisor's decision and shall not be subject to further processing hereunder.

- (c) Step 3 – Grievance Meeting.

Within ten (10) working days of the delivery of the written grievance, a grievance meeting shall be held at a mutually convenient time. The meeting shall be attended by the grievant and not more than four (4) Union representatives, which shall include the Union

President and Steward involved. The meeting shall be attended by the Director of Human Resources and, in the case of a disciplinary grievance, the supervisor or manager who made the decision to discipline. 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. If no agreement is reached at the grievance meeting, then the Company shall have ten (10) working days after the meeting to deliver its written answer relating to the grievance to the Union. The Company's written answer shall contain its preliminary explanation of the reasons surrounding its answer, subject to further revisions after the Company receives the Union's demand for arbitration.

(d) Demand for Arbitration.

Within 45 calendar days after the Company's written Step 3 response, the Union 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. The grievant and/or Union may not thereafter identify additional clauses of the contract claimed to have been violated, may not thereafter identify other events that form the basis for the grievance, and may not thereafter identify additional remedies sought. The Company shall then have 45 calendar days to answer the Union's written demand for arbitration.

(e) Step 4 – Arbitration.

(1) Within 10 calendar days from the date of the Company's answer from Section (d) above, the parties shall mutually agree upon an arbitrator or, if they cannot mutually agree, then within those 10 calendar days the grievant shall request from FMCS a panel of seven (7) Los-Angeles-based arbitrators. Failure to timely request an arbitrator panel from FMCS shall result in the grievance being considered waived.

(2) If an FMCS panel is obtained, then the parties shall alternate in striking one name from the FMCS panel, until the final arbitrator is determined to be the arbitrator chosen by the parties for that particular grievance. The party who strikes first will be decided by the flip of a coin. Each party shall once have the option of requesting, prior to any strikes having occurred, a new FMCS panel for any particular grievance.

(3) 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 working days after their receipt of the arbitrator's available hearing dates, the Company and the Union shall jointly select a hearing date from among those offered by the arbitrator. In the event that the parties have failed to timely select a hearing date, then the grievance shall not be subject to further processing hereunder and shall be deemed to have been withdrawn by the grievant with prejudice.

(4) 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. All fees and expenses of the arbitration, including as to FMCS fees and costs, the arbitrator's fees and costs, court reporter's fees and costs, location expenses and amenities, and attorneys' fees and costs, shall be paid by the losing party.

(5) The decision of the arbitrator shall be final and binding upon the Company, the Union, 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.

(6) The arbitrator shall have initial authority to determine whether a particular grievance is arbitratable or not. The Company and the Union shall endeavor to arrive at a submission agreement setting forth the issue to be submitted to arbitration. If no submission agreement can be reached between the parties, the arbitrator shall define the issue in accordance with the grievance. Absent good cause established at 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, and the Company's response thereto, as established by the parties' processing of the instant grievance, in reaching the Arbitrator's decision.

(7) The arbitrator shall have no power to render a binding decision on any issue not submitted to him/her; and s/he 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. All agreements, promises, customs, benefits, practices or usage established during the term of this Agreement must be in writing signed by a Company manager and a Union officer.

(8) 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. If the employee was out of the labor market or failed to make diligent efforts to apply or look for work during unemployment, no back pay shall be awarded for that period of time.

#### ***Section 5. Additional Claims Subject to Grievance & Arbitration Procedures.***

All claims by any employee or by the Union, including in an individual, representative and/or class-action capacity, for any alleged violation of federal, state, or local laws and regulations, including without limiting the generality of the foregoing, any claim under Title VII of the Civil Rights Act of 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, the California Government Code, the California Labor Code, or the California Business & Professions Code, shall be subject to the instant grievance and arbitration procedures, beginning at Step 3, as the employee's and the Union's sole, exclusive, final, and binding remedy for any such alleged violation. Arbitrators shall apply appropriate law, and may award all available remedies, in rendering decisions based upon all claims. 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

**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, shall promptly clock out of work, and shall thereafter return to work as promptly as possible and clock back in at that time.

**ARTICLE VI.  
Wages**

**Section 1. *Wage Rates.***

During the term of this Agreement, the Company shall pay employees for all hours worked at the minimum rate of pay applicable to the job classification held by the employee set forth below:

- |                           |              |
|---------------------------|--------------|
| (a) Utility:              | \$16.56/hour |
| (b) Technician Level I:   | \$19.87/hour |
| (c) Technician Level II:  | \$25.40/hour |
| (d) Technician Level III: | \$28.15/hour |

(e) Technician Level IV: \$30.91/hour.  
(By \_\_\_\_\_, 2012, the Company will create an upper end of a wage range for highly skilled Technician Level IV at \$35.00.)

**Section 2. *Annual Wage Increases.***

The Company shall increase annually base wage rates by two percent (2%) per year. The first such increase will occur on the anniversary date of this Agreement in 2011 and, subject to Section 3 below, every year thereafter for the life of this Agreement.

**Section 3. *Wage Reopener.***

Beginning on or after the anniversary date of this Agreement in 2014, either party may provide written notice to the other of their desire to re-open the contract for the sole and limited purpose of re-negotiating wages. This contract re-opener may only be utilized once by the Company and once by the Union. All other provisions of the contract shall remain in full force and effect.

**Section 4. *Annual Incentive Pool.***

The Company shall establish an annual incentive pool to be distributed at year's end to qualifying employees based on the Company's determination of individual performance. The pool for the annual incentive will be determined as follows:

- (a) Equal to 1.0% of base wages in 2010
- (b) Equal to 1.2% of base wages in 2011
- (c) Equal to 1.4% of base wages in 2012
- (d) Equal to 1.6% of base wages in 2013
- (e) Equal to 1.8% of base wages in 2014
- (f) Equal to 2.0% of base wages in 2015
- (g) Equal to 2.0 % of base wages in 2016
- (h) Equal to 2.0% of base wages in 2017

**Section 5. *Ratification Signing Bonus.***

The Company shall pay each active, bargaining-unit employee a Four Thousand Dollar (\$4,000) signing bonus, if the parties agree upon, and the union membership has ratified, a new collective bargaining agreement by February 14, 2010.

**Section 6. *Red-Circle Pay Arrangements.***

All existing red-circle pay arrangements shall be void and without future force or effect as to such red-circle pay arrangements only.

**Section 7. *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 8. *Job Progression.***

There shall be no automatic progression from one job classification to the next job classification.

**Section 9. *Shift Premiums.***

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. Shift differential will be paid for the twelve (12) and ten (10) hour night shift only, using the prevailing night-shift premium. No evening shift differential will be paid.

**Section 10. *Training Wages.***

While an employee is in training, the employee shall receive his original, lower rate of pay. Only after the Company has determined that the employee is fully qualified to perform all of the functions of the new classification without any additional supervisory oversight, and only after the Company has thereafter promoted the employee to this new, higher job classification, shall the employee be paid the new job classification's wage rate.

**Section 11. *Pay Days.***

Wages shall be paid bi-weekly within ten (10) working 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.

**Section 12. *Payroll Deposit Plan.***

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.

**ARTICLE VII.**  
**Working Hours and Overtime Pay**

**Section 1. *Overtime Pay.***

All hours worked in excess of forty (40) hours in any workweek will be paid at one and one-half (1½) times the employee's regular rate of pay.

**Section 2. *Overtime Worked.***

(a) No employee may refuse to work overtime, unless applicable law prohibits the requirement of such overtime work. If employees fail to work any required overtime, the Company may use any means possible to perform the work, may discipline said employee, and may disqualify said employee from working any voluntary overtime.

(b) An employee may be excused from overtime work for good and verifiable reasons as determined by the employee's supervisor.

(c) No employee will be required nor allowed to work in excess of sixteen (16) consecutive hours worked, except in cases of emergency.

**Section 3. *Overtime Distribution.***

(a) Overtime will be distributed in a fair and equitable manner. In an effort to balance overtime work opportunities, area overtime units will develop procedures for fairly and equitably administering overtime. The area overtime unit and the overtime procedure/policy will be discussed with the area overtime unit's employees and the Union and, if reduced to writing, the Company will furnish the Union with a copy. In developing these overtime-assignment procedures, the Company and Union recognize the following conceptual guidelines:

(1) The Company will strive to first assign overtime to any qualified employee within the area overtime unit who expresses their interest in working such overtime;

(2) The Company will then strive to assign overtime to any qualified employee from outside the area overtime unit who expresses their interest in working such overtime;

(3) The Company has the right to require any employee to work overtime; and

(4) Just as the Company has the obligation to not assign overtime in a discriminatory manner, so too does the Union have an obligation to ensure that employees do not game the overtime system.

(b) Employees should identify valid overtime imbalances and work with their Supervisor to resolve such imbalances in a mutually agreeable manner.

(c) Job Continuation Overtime: Notwithstanding the foregoing, the Company has the right to assign overtime to any employee who, in the Company's determination, needs to continue working on an assigned task beyond the end of the employee's shift.

#### **Section 4. *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/her services are not required shall be paid a reporting allowance equivalent of two (2) 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.

#### **Section 5. *Meal Periods***

The Company shall provide unpaid, 30-minute meal period(s) to all employees, pursuant to California law, during which time the employee shall be relieved of all duties. 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). Failure of an employee to immediately advise the Company's Human Resources Department shall create a conclusive factual presumption that the employee has been provided with lawful meal period(s) and has not been forced to forego same. The Company will provide any employee working an unscheduled, unplanned overtime with a meal of the Company's choosing whenever that employee works more than 10 hours during the workday.

#### **Section 6. *Rest Periods.***

The Company authorizes and permits all employees to take a paid, 10-minute rest period for every 4 hours, or major fraction thereof, worked. It is the employees' obligation to take these rest periods 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.



## **ARTICLE VIII.**

### **Seniority**

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

The principle of seniority shall be recognized with respect to lay-off and recall of employees, subject to the terms and conditions of 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 seniority. A supervisor will not accrue seniority while occupying the position of supervisor.

#### **Section 2. *Definitions.***

For the purpose of this Agreement, seniority is defined as each employee's length of continuous service with the Company and shall date from the most recent date of hire. Seniority shall govern in promotions, demotions, and transfers in which skill, ability to perform the work, and experience are relatively equal, which is the definition of "qualified" in this Agreement. The Company will determine qualifications. The Company will not be arbitrary or capricious in determining qualifications. The employee or the Union may file a grievance if they disagree with the Company's determination of an employee's qualifications.

#### **Section 3. *Promotions and Transfers.***

The Company intends to fill many promotions and transfers by promoting and transferring its qualified employees. The determination of who is selected to fill a vacancy will be the decision of the Promotion and Transfer Committee chaired by the General Manager, the Operations Manager responsible for the area where the vacancy exists, one other Operations Manager, and the Director Human Resources. If any of the listed members of this committee are not available to meet when required, an appointed designee may represent any of the above individuals in the Promotion and Transfer Committee meetings.

(a) Seniority and qualifications as defined in Section 2 above of this Article shall govern in promotions and transfers. The Company will instruct and train the employee(s). In the event employees are not selected for advancement by the Company, they shall be advised of the reasons for their rejection, and the employee or the Union may grieve the decision.

(b) A vacancy will be determined solely by the Company, unless otherwise specifically required in this Agreement.

(c) Employees who are desirous of transferring to a different position in their area, or in obtaining a promotion within their area, shall fill out a Company prepared form indicating their promotional desire and up to four (4) areas where the employee

would like to transfer. When a vacancy in an area occurs, consideration shall be given to the senior qualified employee who has completed the form referenced above thirty (30) days prior to the occurrence of the vacancy. The senior qualified employee will be selected for the position. In the event the vacancy cannot be filled by either promotion or transfer, the Company may hire to fill the vacancy from any source. Employees who fill a vacancy by transfer or hire shall not be eligible to apply for an additional transfer only for a period of two (2) years. If an employee is given a second transfer, that employee will not be eligible to apply for any additional transfer for a period of two (2) years.

(d) Employees who accept a transfer or promotion and are assigned shall have fifteen (15) working days to decide whether to remain in the new pay level or return to the pay level they previously held. (He/she will be charged with the use of one transfer request.) Temporary assignment may be made until the job is permanently filled. Consistent with the Company's business needs, the Company will strive to train employees in order that they may qualify for promotion or transfer. Employees disqualified at a later date will be subject to the provisions of the Layoff and Recall provisions of this Article, unless the parties mutually agree to make other accommodations.

(e) A copy of the transfer report will be supplied to the Union on a quarterly basis. Promotion request forms will be made available for review upon request from the Union representative.

#### **Section 4. *Retention of Skilled Workers.***

In the event of a reduction in force, the Company may retain in its employment in their respective classifications Technicians III and IV who perform as their primary roles maintenance or Chief-Operator functions, irrespective of their seniority, as it deems necessary or advisable in the interest of efficiency and economy of operations.

#### **Section 5. *Lay-Off Notice.***

Except in the case of emergency, the Company shall give three (3) calendar days advance notice to any employee to be laid-off and three (3) calendar 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) calendar 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. Should an employee fail to provide such notice, such employee shall forfeit his right to payment at time of termination for any accrued, but unused, vacation pay.

**Section 6. *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.

**Section 7. *Notice to Company re: Recall.***

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's 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.

**Section 8. *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.

**Section 9. *Copy to Union.***

A copy of all recall notices will be provided to the Union.

**Section 10. *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) calendar 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.

**Section 11. *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.

**Section 12. *Probationary Period.***

Each new employee shall be on probation for a period of 150 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 150 calendar days of active employment his/her seniority shall be recognized retroactively to the date of hire of his/her current period of employment. During the probationary period, the employee shall receive only those benefits required to be provided by federal or state law and those benefits expressly offered to such employees under the terms of this Agreement. Probationary employees may be discharged for any reason without recourse to the grievance and arbitration procedures of this Agreement, and shall not be eligible for mandatory recall.

**Section 13. *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.

**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          |

Labor Day

New Year's Eve Day

shall be paid for by the Company at the straight time rate plus time and one-half. Each employee also will be provided one Floating Holiday at straight time rate.

All time worked on any of the foregoing holidays shall not be considered as overtime for any other purpose under this Agreement simply because premium pay was paid to the employee; such time worked shall be included in the calculation of an employee's weekly "hours worked" to determine if overtime is due pursuant to ARTICLE VII. Section 1 above.

Holiday crews' notices shall be posted no less than 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.

(a) One additional holiday, Veteran's Day, will be provided during the 2010 calendar year. Beginning 2011, the above holidays will be observed as detailed in Section 1.

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

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. 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. Although an employee on sick leave is not entitled to Holiday Pay, s/he shall be eligible as outlined above if s/he works his/her last regularly scheduled shift before, and 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 6:59 A.M. on the day following the holiday.

**ARTICLE X.**  
**Vacations**

**Section 1. *Accrual of Vacation Benefits.***

Employees shall earn and accrue vacation, on a pro rata basis throughout the year, based on the employee's regular hours worked, as follows:

Years of Service	Vacation Days' Annual Accrual
20 or more	25
19	24
18	23
17	22
16	21
15	20
14	19
13	18
12	17
11	16
5-10	15
Post Prob. Pd. – 4	10

**Section 2. *Rules Governing Vacation.***

An employee's vacation time shall be paid based on the stated rate of pay for the employee's current job classification. An employee can only take vacation when his/her accrued, but unused, vacation bank has sufficient time for such vacation; an employee cannot go negative into his/her vacation bank. An employee may accrue up to twice the amount of vacation that he/she may annually earn, after which time the employee shall have reached his/her vacation accrual cap and shall not earn any additional vacation unless and until the employee has used some of his/her accrued, but unused, vacation, thereby reducing the vacation bank below the vacation cap. Employees are required to use their accrued, but unused, vacation when on any approved leave of absence, to the greatest extent permitted by law. Employees shall forfeit any accrued, but unused, vacation upon the conclusion of their employment.

**Section 3. *Vacation Scheduling.***

By November 1, all employees must submit their requested vacation dates for the next calendar year. Vacation shall be assigned on the basis of an employee's date-of-hire seniority. If an employee has not timely submitted his/her requested vacation dates, or if said dates are not available, then the Company shall schedule the employee's vacation.

#### **Section 4. *Vacation Shutdown.***

The Company may schedule up to six (6) weeks of vacation shutdown on a plant-wide and/or department-wide basis each year to be scheduled at any time at the Company's discretion. The Company will give written notice to the Union at least 15 calendar days before commencement of said vacation shutdown(s). During a vacation shutdown, the Company has the right to schedule skeleton and maintenance/PM workers, and to require employees to utilize their accrued, but unused, vacation. In addition 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. These vacation shutdowns also may be referred to as plant shutdowns and/or department shutdowns.

### **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, these additional leaves of absences as set forth below, which shall be coordinated to the maximum extent possible with all applicable state and federal leaves of absences:

(a) Short Leaves of Absence.

Any employee shall be entitled to short leaves of absence when s/he can show legitimate reason therefor; 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 forty-five (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, 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.

**Section 3. *Employee's Obligation To Cooperate.***

Each employee has the obligation to timely, fully and truthfully cooperate with the Company's handling of any leave of absence.

**Section 4. *Use of Vacation & Sick Leave.***

While an employee is on an approved leave of absence, the employee is required to use their accrued vacation and sick leave, to the greatest extent permitted by law. Otherwise, there shall be no other compensation supplement provided by the Company and no other benefits shall accrue.

**Section 5. *COBRA Benefits While On Leave.***

COBRA shall trigger for all leaves of absence, unless otherwise required by law.

**Section 6. *Duration of Disability Reasonable Accommodation Leave.***

As to 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 6 months shall presumptively be deemed to be unreasonable in light of the Company's legitimate business, operational, and staffing needs.

### **Section 7. *Military Service Benefits.***

(a) 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. [modified/relocated Art. XVI, Section 2]

(b) Laid-Off Employees. 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 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 conditions (a) and (b) above, shall have the same accumulated seniority rights as if s/he had been continuously available for employment with the Company. [existing Art. XVI, Section 4]

(c) 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. [existing Art. XVI, Section 5]

(d) 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. [existing Art. XVI, Section 6]

### **Section 8. *Funeral Leave.*** [existing Art. XIII, as modified]

(a) Funeral Leave. 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 and/or to have time to grieve an amount equivalent to the straight time pay for no more than five (5) days. 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.

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.

(b) **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.

## **ARTICLE XII. Sick Leave**

### **Section 1. *General Rules Re: Sick Leave***

(a) Upon the conclusion of an employee's probationary period, the employee shall earn five days' sick leave per calendar year on a pro rata basis. These newly earned sick days shall be the first sick days used in any calendar year.

(b) If any sick leave earned on or after the date of this Agreement is not used in the calendar year in which it is earned, then the unused sick leave shall be forfeited as of December 31.

(c) Fifty percent (50%) of all sick days earned before the date of this Agreement shall be eliminated. As to the fifty percent (50%) of those sick days earned before the date of this Agreement that shall not be eliminated, each such hour of sick leave shall be paid at sixty percent (60%) of the employee's base hourly wage rate.

(d) A doctor's note shall be required to return to work if an employee is out sick for two or more days.

**Section 2. *Integration with EDD/SDI Benefits.***

Employees shall be required to timely apply for California SDI benefits. Until such time as such benefits are granted, sick leave earned on or after the date of this Agreement shall be paid at 100% of the employee's base wage rate (to the extent that the employee has sick days available). 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 3. *Abuse of Sick Leave Privileges.***

The Union and the employees shall endeavor to avoid any abuse of sick leave privileges. The employees covered by this Agreement and the Union recognize their obligation to being truthful and honest in preventing unnecessary absence or other 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. However, no employee shall be reprimanded or face disciplinary action for the legitimate use of sick leave.

**ARTICLE XIII.  
Jury Duty and Witness Pay**

Employees whose absence from work is necessitated by performance of jury duty 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. During the period of time that an employee serves on jury duty, if the employee is regularly scheduled to work on swing shift, graveyard shift, Saturday, or Sunday, then, at the employee's request, the employee shall be afforded time off without pay on such shifts and/or days.

**ARTICLE XIV.  
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 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 per 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 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 any cleanup equipment will be required to receive this training.

The Company will 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 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.

Because of the dangerous nature of the Company's mine and production operations, safety critical jobs are all jobs covered by this Agreement.

## **ARTICLE XV. Contracted Work**

The Company shall provide the Union with notice of any contracted work that involves work presently performed by the bargaining unit that will result in the immediate loss of employment of ten or more bargaining unit members.

## **ARTICLE XVI. Health & Welfare Benefits**

### **Section 1. *Group Medical Insurance.***

The Company shall provide group medical insurance to the Company's active employees, as follows:

- (a) Plan Design – See charts produced by Company re: HMO, PPO, and Rx Plans.
- (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) Plan Design – See chart produced by Company re: 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 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) No retiree medical benefits shall be extended to new hires after \_\_\_\_\_, 2010.

(c) 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) Long-Term Disability benefits will not be available for those persons applying for new benefits after February 1, 2010.

(b) Those individuals currently receiving Long-Term Disability insured benefits will continue to do so until such benefits expire or the individual is no longer eligible for such benefits.

(c) 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.

**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 XVII.  
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 Benefit Plan multiplier will be \$75 for all pensionable service accrued through \_\_\_\_\_, 2010, and thereafter will be \$60 for all hours worked.



**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 the “Defined Contribution Plan, Company Contribution” document that was presented on October 28, 2009.

**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 XVIII.  
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 March 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 July 31, 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 April 30, 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 March 31, 2010, through age 76 (estimated life expectancy), as follows:

Age as of <u>April 30, 2010</u>	<u>Offer</u>
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 April 30, 2010, who participate in this option;

(e) 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 XIX.  
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.

(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 any other layoff, including 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 beginning with the first vacation shutdown in 2011, to employees who have less than ten years of employment and who have met all other conditions of eligibility.

(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 average number of regular hours worked 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, "Hours Worked" are based on the total number of hours worked in the twelve (12) months preceding the qualifying layoff. "Hours worked" includes all regular hours work and:

- 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 on Company-related matters
- 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 depending upon the employee’s most recent Date of Hire, as discounted by the number of hours worked in the twelve (12) months preceding the qualifying layoff, as follows:

<u>Most Recent Date of Hire</u>	<u>Duration</u>
1-5 years before qualifying layoff	2 weeks
6-10	3 weeks
11-15	4 weeks
more than 15	5 weeks

The foregoing weeks of SUB Plan benefits shall be discounted as follows:

- 1600 or more hours worked = No discount
- 1200 -1599 hours worked = 25% discount
- 800 -1199 hours worked = 50% discount
- 400 - 799 hours worked = 75% discount

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

**ARTICLE XX.**  
**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 XXI.**  
**Complete Agreement**

The Company shall not be bound by any requirement that is not clearly, explicitly and specifically stated in this Agreement. Specifically, but not exclusively, the Company is not bound by any past practices of the Company or understandings with any labor organization, unless such past practices or understandings are specifically stated in this Agreement.

The Union and the Company agree that they each had a full opportunity to bargain collectively on every lawful subject, that this Agreement is intended to cover all matters affecting wages, hours and other terms and conditions of employment and all other lawful subjects, and that during the term of this Agreement neither the Company nor the Union will be required to bargain collectively on any further matters, whether or not these matters were discussed during the negotiations which resulted in this Agreement, except as expressly provided within this Agreement.

**ARTICLE XXII.**  
**Duration**

**Section 1. Termination.**

This Agreement shall be and become effective as of \_\_\_\_\_, 2010, and shall continue in full force and effect without any change or modification whatsoever until 12:00 noon, \_\_\_\_\_, 2018. If either the Company or the Union desires to terminate this Agreement on \_\_\_\_\_, 2018, 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 paragraph) shall continue in effect for successive one (1) year periods from year to year thereafter; with the first period commencing on \_\_\_\_\_, 2018, and concluding on \_\_\_\_\_, 2019, subject to termination by either party on \_\_\_\_\_, 2019, or on \_\_\_\_\_, 2020, 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 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, and except as provided by ARTICLE VI. Section 3 above, by ARTICLE XVI. Section 1(e) above, and by ARTICLE XVI. Section 3(e) above, this Agreement shall not be subject to modification or amendment in any respect whatsoever prior to \_\_\_\_\_, 2018, but it may be modified or amended as of \_\_\_\_\_, 2018, or as of \_\_\_\_\_, 2019, or as of \_\_\_\_\_, 2020, 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.

IN WITNESS WHEREOF, the parties hereto have executed this Labor Agreement as of \_\_\_\_\_, 2010.

U.S. BORAX INC.

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

By \_\_\_\_\_  
CHRIS ROBISON

By \_\_\_\_\_  
DAVID LIEBENGOOD







## APPENDIX A – 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 B – WORK RULES & CONDUCT GUIDELINES**

We strive to deliver high-quality 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 disciplinary action, as the Company may determine, ranging from verbal counseling, to written warnings, to disciplinary time off, to dismissal – although there is no required progression through these steps. The specific action taken by the Company will depend on the nature and severity of the offense as determined by the Company. No fixed number (if any) of counselings, warnings, and/or disciplinary time offs is required prior to discharge for any reason, including performance or conduct. Similarly, to the extent that the Company chooses to engage in progressive discipline, there shall be only one track of discipline, not separate tracks based for absenteeism, drugs/alcohol, bad acts, and different categories of bad acts.

If it becomes necessary to correct employees' deficiencies through disciplinary measures, such measures will be applied constructively and fairly. Two of the major factors considered are the nature and seriousness of the offense or deficiency and the employee's past record with the Company. However, the Company retains sole and absolute judgment and discretion as to when and whether it will apply a progressive discipline procedure or the same or similar discipline for like offenses. Prior decisions to treat similar misconduct differently will not be a basis for altering disciplinary action or discharge.

Because this disciplinary policy is intended only as a non-comprehensive guideline, grounds for disciplinary action (up to any including dismissal) include, but are not limited to, the following:

1. 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. Failing to protect property or persons while operating Company equipment;
  - d. Working without required Personal Protective Equipment (PPE).
  - e. Working at heights without fall-prevention or fall-protection equipment.

- f. Entering into a confined space without following entry procedures.
  - g. Working on plant or equipment without following lockout/tagout/isolation procedures.
  - h. Tampering with, sabotaging, or making inoperable any Company property or equipment, including safety devices.
  - i. Smoking on Company property in other than designated areas.
  - j. Failing to promptly report to your supervisor an on-the-job injury or accident (regardless of how minor) involving an employee, customer, contractor, visitor, equipment, or property.
  - k. Exceeding the speed limit, failing to use seat belts, driving or parking improperly, carrying unauthorized property or passengers, or violating traffic rules while on duty, while on Company property, while operating Company equipment, or while en route to customer premises.
1. Any action which results in, or could result in, property damage or personal injury.
  - m. Any action which endangers the health or safety of others, including violating a safety rule or practice.
2. Violating Rio Tinto America Inc. policies and procedures, including but not limited to the Equal Employment Opportunity Policy and the Anti Discrimination, Harassment & Retaliation Policy, and the Rio Tinto Minerals Conflict of Interest Corporate Policy.
  3. Destruction, misuse, damage, theft, concealment, or unauthorized possession or use or removal (or the attempt to engage in any of the foregoing) of the Company's, contractors', customers' or fellow employees' property or merchandise, including of scrap and recyclable materials.
  4. Inefficient or careless performance of job responsibilities or inability to perform duties satisfactorily.
  5. Productivity or workmanship not meeting Company standards, including but not limited to those relating to product quality.
  6. Unnecessary delay of production or equipment operation, including but not limited to interfering with others in the performance of their jobs and engaging in non-job-related activities during working time.

7. Falsification of records and documents, including but not limited to, documents regarding wages and benefits.
8. 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).
9. Excessive, chronic and/or unexcused absence or tardiness; failure to follow reporting procedures regarding absence or tardiness; abuse of sick leave; abuse of an approved vacation or other absence; or failure to request and obtain approval of an absence or an extension in a timely manner.
10. Misrepresentation of the reasons in applying for any leave of absence, sick leave, or other time away from work.
11. Failure to report to work without a proper excuse.
12. Leaving the work place or assigned work area without prior authorization during working hours.
13. Failure to return from an authorized leave of absence on the designated return date.
14. Entering Company property during off-duty hours without authorization.
15. Bringing or parking an unauthorized private vehicle inside the plant.
16. Participating in or promoting a work stoppage, a work slow down, or a sympathy strike.
17. 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.
18. Insubordination, including refusal or failure to perform or complete assigned work or responsibilities, and to follow Company instructions.
19. Refusal to follow orders or instructions of supervisory or authorized personnel.
20. Selling or attempting to sell, purchasing or attempting to purchase, possessing, distributing, using, consuming, being under the influence of, or having present in your body alcohol, marijuana, cocaine, narcotics, or hallucinogenic, stimulant, sedative, hypnotic or any other mind-, perception- or behavior-modifying drugs, intoxicants, or chemical substances during working hours, at any work or work-related locations, while on Company or customer premises or business, excepting only the taking of a prescribed

drug under the direction of a physician with notification to the Company's Occupational Health Department for the purpose of determining any appropriate work restrictions.

21. Soliciting, procuring, or engaging in immoral, indecent, lewd, or sexual conduct during working hours, at any work or work-related locations, while on Company or customer premises or business.
22. Gambling, or playing cards or other games, during working hours, at any work or work-related location, while on Company or customer premises or business.
23. Sleeping, loafing, malingering, unauthorized reading, unauthorized listening/watching media, or unauthorized computer use while on duty or at any work location.
24. Disorderly conduct, fighting or provoking a fight, horseplay, engaging in acts of violence or threatening behavior, intimidating, coercing, or interfering with anyone during working hours, at any work or work-related locations, while on Company or customer premises or business.
25. Bringing onto Company property, posting, distributing, and/or making malicious, false, profane, insulting, defamatory, scurrilous, abusive, libelous, or derogatory statements that may damage the integrity or reputation of the Company, its services, its customers, its contractors, its visitors, or employees.
26. Posting of unauthorized material on bulletin boards or elsewhere on Company premises.
27. Rude, unprofessional or discourteous conduct or attitude toward Company personnel, clients, contractors, and visitors.
28. Making a false allegation that the Company or any employee has violated federal, state or local law, or any Company policy or procedure.
29. Misrepresentation or withholding of pertinent facts in securing or maintaining employment.
30. Tape recording any conversation without the express permission of all parties to that conversation.
31. Failing to possess your ID badge during working hours, at any work or work-related locations, or while on Company or customer premises or business.
32. Failing to have or maintain satisfactory inter-personal relationships with Company personnel, client personnel, contractor, and visitors.

33. Interfering with the work of others.
34. Creating or contributing to unsanitary, hazardous, unsafe, or poor housekeeping conditions.
35. Failing to properly or timely complete or file any document required by the Company or any governmental entity.
36. Dishonesty in any Company investigation.
37. Failing to comply with any applicable rule or regulation issued by any governmental entity.
38. Improper use of Company telephones, radios, and computers.
39. Bringing onto Company premises radios, cameras, televisions, or video equipment without the Company's prior authorization.
40. Abuse of break times and meal periods.
41. Using Company-issued or Company-sponsored credit cards for non-Company purposes.
42. Possession, display, or use of explosives, firearms, or other weapons on Company property (including the parking lot and all access roads) at any time.
43. Soliciting gratuities or kickbacks.
44. Unauthorized solicitation of vendors or contractors for non-Company-sponsored events.
45. 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.
46. Loitering.
47. Failure to report change of address, name, telephone number, or marital status to Human Resources.
48. Unauthorized disclosure of confidential or proprietary matters concerning Company business, its customers, suppliers, employees or personnel associated with the Company.



49. Failure or refusal to follow the policies, rules and procedures of the Company, including as such may be adopted or amended hereafter.

50. Engaging in any activity which is in conflict with the best interests of the Company.

It is impossible to define rules for every conceivable situation that might arise. Activities that are not expressly covered in these rules will be handled on a case-by-case basis. All employees are expected to act with good common sense and in a totally professional manner. The Company reserves its right to demote, transfer, suspend, terminate or otherwise discipline any employee without prior warning should the Company, in its sole discretion, believe such action is warranted or appropriate.

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

## **APPENDIX C – PENDING GRIEVANCES**

All outstanding grievances as of the date of this Agreement shall be considered by the parties hereto to have been withdrawn with prejudice and shall not be subject to any further prosecution hereunder.