AGREEMENT

between
MERCK SHARP & DOHME CORP., a wholly owned subsidiary of
MERCK & CO., INC.

and

UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION, AFL-CIO, CLC and its LOCAL 10-00086

UNITED STEELWORKERS

USW®

UNITY AND STRENGTH FOR WORKERS

Effective May 1, 2020 through April 30, 2025

MERCK

INVENTING FOR LIFE

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A G R E E M E N T

This Agreement is made and entered into as the first day of May, 1 2020, by and between Merck Sharp & Dohme Corp., a wholly owned subsidiary of Merck & Co., Inc. a corporation organized under the laws of the State of New Jersey (hereinafter termed the "Company" or "Merck") solely for operations at West Point, Pennsylvania and UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION, AFL-CIO, CLC and its Local 10-00086 (hereinafter termed the "Union"). All references to Union are understood and intended to apply as well to its successor or successors.

ARTICLE I - RECOGNITION

The Company recognizes the Union as the sole and exclusive representative of its employees (as hereinafter defined) in the bargaining unit at West Point, Pennsylvania for the purpose of collective bargaining with respect to wages, hours of work, working conditions and other conditions of employment. Included in the bargaining unit are the following employees of the Company at West Point, Pennsylvania: all hourly production and maintenance employees including shipping department employees, warehouse department employees, all hourly paid laboratory employees and technicians (except Junior Research Associates), employees in the research departments and production clerical employees. Excluded from the bargaining unit are the following employees of the Company at West Point, Pennsylvania: salaried administrative employees, salaried professional employees, confidential secretaries and stenographers to supervisory employees, all employees in the human resources area, all office clerical employees, all guards, landscape maintenance employees and all supervisory employees of the rank of assistant department managers and above, and all

other supervisory employees with authority to hire, promote, discharge, discipline or otherwise effect changes in the status of employees, or effectively recommend such action.

ARTICLE 2 - POLITICAL ACTION COMMITTEE VOLUNTARY CONTRIBUTIONS

2.1 **Effective Date.** Effective July, 2007, the Company agrees to provide a mutually acceptable mechanism to check off and transmit voluntary contributions to the United Steelworkers Political Action Committee ("USW/PAC") for the USW Political Action Fund from those USW bargaining unit employees who voluntarily authorize such contributions on forms provided for that purpose by the USW/PAC. In providing the check off mechanism, the parties agree to the following conditions:

2.2. **First Deduction.** The first deduction will be made no sooner than the last pay period in July 2007.

2.3. **Deduction Period.** Once per month on the last pay period occurring in that month.

2.4. **Method of Deductions.** Deductions will be expressed in dollar/cents.

The Union will provide the Company with all of the following information: Employee Participants, the monthly contribution amount per employee and any participant additions, deletions or changes to the deduction amount.

2.5. **Union Obligations.** The Union will indemnify the Company for any and all claims, demands, suits or other forms of liability that shall arise out of or by reason of action taken or not taken by the Company for the purpose of complying with the check off mechanism.

2.6. **Time to Transfer the Funds.** The Union agrees to set up a wire transfer and provide the Company with the necessary information to facilitate the transfer of funds. The Company shall transfer the funds to the Union within fifteen (15) days of deduction.

2.7. **Employee Participation.** The Company shall use best efforts to send a report of employee participation to the USW/PAC within fifteen (15) days following the ending of any pay period in which any deduction is made.

ARTICLE 3 - GROUP LIFE INSURANCE

During the term of this Agreement the Group Life and Accidental Death and Dismemberment Insurance Plan presently in effect shall not be discontinued as to bargaining unit employees, nor shall any amendment of said Plan be made which would adversely affect such employees except as may be required to assure that premium payments made by the Company pursuant to the Plan shall be deductible expenses under the Internal Revenue Code.

A resume of the Plan currently in effect is set forth below in this Article 3. The complete terms of the Plan are set forth in the Plan document, which is incorporated herein by reference thereto, which governs.

3.1. **Eligibility.** Coverage under the program is compulsory as a condition of employment. New employees will be eligible for and covered by the insurance benefits provided herein upon commencement of employment.

3.2. **Benefits.**

a. For the period beginning January 1, 2011, the benefits provided by the insurance program are as follows: Employee Group Term Life Insurance shall be equal to one (1) times and Accidental Death and Dismemberment Insurance shall be equal to two (2) times in each case the individual employee's annual base pay rounded to the next one thousand dollars ($1,000).

b. Effective January 1, 2011, in addition to the employee group term life insurance provided in accordance with Article 3.2 (a) above, employees will be allowed to purchase employee group term life insurance up to an additional four (4) times the individual employee's annual base pay rounded to the next one thousand dollars ($1,000), subject to the evidence of insurability rules described in Article 3.2 (c) below.

c. Employees may increase their employee group term life insurance as described in Article 3.2 (b) only if they satisfy the proof of insurability requirements described in the summary plan description. In addition, new employees must submit proof of insurability to elect coverage under Article 3.2 (b) effective as of their hire date in

excess of two (2) times the individual employee's annual base pay rounded to the next one thousand dollars ($1,000).

3.3. **Contributions.**

a. For the employee group term life insurance coverage described in Article 3.2 (a) above, no contribution is required of employees. No contribution is required of employees for Accidental Death and Dismemberment Insurance.

b. For the employee group term life coverage described in Article 3.2 (b) above, employees contribute by payroll deductions the entire premium per one thousand dollars ($1,000) of any additional group term life insurance purchased in accordance with Article 3.2(b). The applicable premium is the premium established by the insurance carrier from time to time based on the terms and conditions of the Plan, the experience of the employees in the bargaining unit and as it applies to an individual employee, the age of the covered employee.

3.4. **Retirement Coverage.**

3.4-1. **Normal Retirement.** Group Term Life insurance for employees who retire is continued in the amount of six thousand dollars ($6,000) until death, without reduction. The difference between this six thousand dollars ($6,000) and the amount of group term life insurance in effect at the time of retirement (under both Article 3.2 (a) and (b)) up to two (2) times base pay is reduced at the rate of one and one-half (1-1/2) percent per month (the first such reduction to be made on the date of normal retirement) until such difference is exhausted. Any remaining balance which is unexhausted at the death of such retired employee is added to the six thousand dollars ($6,000) of life insurance

mentioned above and paid to his designated beneficiary or estate, as the case may be. No contributions are required of retired employees for life insurance coverage after the date of retirement. All accidental death and dismemberment insurance and all group term life insurance coverage (under Article 3.2 (a) and (b)) in excess of the lesser of (i) the amount in effect at the time of retirement or (ii) two (2) times base pay terminates as to future coverage on the date of normal retirement.

3.4-2. **Early Retirement.** Those employees voluntarily retiring pursuant to the Company's Pension Plan before their normal retirement date, receive six thousand dollars ($6,000) of group term life insurance until death. The expense of such life insurance is borne entirely by the Company. All accidental death and dismemberment insurance terminates as to future coverage on the date of early retirement. All employee group term life insurance coverage under Article 3.2(b) terminates as to future coverage at age 65, unless sooner terminated due to non-payment of required retiree premiums.

Employees retiring before their normal retirement date who have employee group term life coverage in effect on their retirement date of one (1) times base pay under Article 3.2 (a) and no additional coverage under Article 3.2 (b) will continue to have one (1) times base pay coverage (including the $6,000 minimum) up to age 65. Starting at age 65, the difference between six thousand dollars ($6,000) and one (1) times base pay is reduced at the rate of one and one-half (1-1/2) percent per month (the first such reduction being made on the normal retirement date) until such difference is exhausted. No contributions are required of retiring employees for group term life insurance coverage described in this paragraph.

Employees retiring before their normal retirement date who have employee group term life coverage in effect on their retirement date of one (1) times base pay under Article

3.2 (a) and at least one (1) times base pay under Article 3.2 (b) will continue to have one (1) times base pay coverage (including the $6,000 minimum) up to age 65 with no contribution required of the retiring employee. Starting at age 65 and provided they had continued to pay the contributions required to continue at least one (1) times base pay under Article 3.2 (b), the difference between six thousand dollars ($6,000) and two (2) times base pay is reduced at the rate of one and one-half (1-1/2) percent per month (the first such reduction being made on the normal retirement date) until such difference is exhausted. If the employee does not continue to pay the contributions required to continue at least one (1) times base pay under Article 3.2 (b) until age 65, then starting at age 65, the difference between six thousand dollars ($6,000) and one (1) times base pay is reduced at the rate of one and one-half (1-1/2) percent per month (the first such reduction being made on the normal retirement date) until such difference is exhausted. Other than the requirement to pay contributions to continue at least one (1) times coverage under Article 3.2(b), no contributions are required of retiring employees for group term life insurance coverage described in this paragraph.

3.4-3. **Retirement After Normal Retirement Date.** Employees who work beyond their normal retirement date shall receive the benefits set forth in Section 3.2 above, until they retire. Upon retirement, such individuals shall receive the benefits set forth in Section 3.4-1 above, provided that benefit levels shall be computed as if the employee had retired on his normal retirement date. All accidental death and dismemberment insurance and all other group term life insurance coverage terminates as to future coverage on the date of retirement.

3.5. **Disability Options.**

3.5-1. **Before Age 60.** Upon termination of employment by reason of total disability before age sixty (60), (a) no further contributions are payable by the employee in question; and (b) the employee is entitled, upon proof of total disability, to payment of the face value of the life insurance in effect at the time of such termination up to a maximum of twenty thousand dollars ($20,000) in sixty (60) equal monthly installments or, at his election, in a lump sum. The amount paid or payable under clause (b) reduces the amount of life insurance coverage in effect upon termination. Upon reaching normal retirement date, this insurance (as reduced, if applicable) is treated as specified in Article 3.4. Accidental death and dismemberment insurance terminates as to future coverage upon disability.

3.5-2. **At Or After Age 60, And Before Age 65.** Upon termination of employment by reason of total disability at or after age sixty (60) but before age sixty-five (65), upon proof of total disability, no further contributions are payable by the employee in question. The cost of maintaining the life insurance in effect at the time of such termination is borne by the Company. Upon reaching normal retirement date, this insurance is treated as specified in 3.4. Accidental death and dismemberment insurance terminates as to future coverage upon such termination of employment.

3.6. **Absence Because Of Labor Disputes.** In the event of absence because of labor disputes, an employee's life insurance described in Article 3.2 is kept in force by contribution by the Company for a period of ninety (90) days. Thereafter such insurance is canceled unless kept in force by timely contributions by the employee. Contributions advanced by the Company for the account of the employee during the ninety (90) day

period referred to, shall be repaid to the Company over a like period upon the employee's return to active employment.

3.7. **Leave Of Absence For Union Business.** The Company shall continue in force the insurance of an employee granted a leave of absence for Union business so long as the employee continues to make timely contributions.

3.8. **Living Benefit Option.** Employees declared to be terminally ill (as defined in the Plan), will be permitted to cash in up to 50% of their employee group term life insurance to a maximum of fifty thousand dollars ($50,000). For employees whose claims for the Total and Permanent Disability Benefit (the "T&P Benefit") under the Life Insurance Plan have been approved before the approval of a claim under the Living Benefit Option, the face amount of coverage is determined as if the T&P Benefit had not been approved, but the distribution under the Living Benefit Option is reduced dollar-for-dollar (but not below $0) by the amount of the T&P Benefit approved. For employees whose claims for T&P Benefit have not been made or approved by the time a claim for the Living Benefit Option is approved, the amount distributed under the Living Benefit Option will reduce dollar-for-dollar (but not below $0) by the amount available to be distributed under the T&P Benefit.

Amounts distributed under the Living Benefit Option will reduce an employee's term life death benefit on a dollar-for-dollar basis but will not be an offset against LTD benefits.

ARTICLE 4 - RETIREMENT AND PENSION BENEFITS

The Retirement Plan for the Hourly Employees of Merck & Co., Inc. is hereinafter in this Article referred to as the "Plan". Part I of the Plan (providing for retirement benefits

pursuant to a group annuity contract between Merck & Co., Inc. and Prudential Life Insurance Company of America) is hereinafter referred to in this Article as the "Insured Plan"; Part II of the Plan (providing for retirement benefits funded by a trust fund) is hereinafter referred to in this Article as the "Trust Plan".

Although the Plan by its terms is subject to amendment or discontinuance by the Company in whole or in part, the Company agrees that it will not, at any time during the term of this Agreement, discontinue the Plan as to bargaining unit employees and that it will not amend the Plan in any way which would adversely affect them except as may be required to maintain the Plan's status as a qualified Plan under the provisions of the Internal Revenue Code or as a plan in compliance with the provisions of the Employee Retirement Income Security Act.

If any amendment required to maintain the Plan status as a qualified plan under the Internal Revenue Code or to keep the Plan in compliance with the Employee Retirement Income Security Act as aforesaid should adversely affect the benefits, contributions from participants, or qualifications for retirement with respect to such employees, the Company will immediately notify the Union in writing to that effect and will, upon the Union's written request, promptly meet with the Union and negotiate in good faith with respect to the problems thereby created. If no agreement is reached within ninety (90) days after the Union has given said notice, the Union may by written notice to the Company terminate this Agreement in its entirety.

A resume of the Plan presently in effect is set forth below.

4.1. **Eligibility.** An employee shall be eligible to participate on the January 1 or July 1 coincident with or next following the date of hire. No particular period of service with the Company is required.

4.2. **Contributions And Retirement Income.** All contributions to the Trust Plan shall be made by the Company. With respect to participation subsequent to July 1, 1970, the straight life annuity payable upon normal retirement is payable at the rate of one and one-quarter (1 1/4) percent of the first forty-eight hundred dollars ($4,800) of the total remuneration paid in each calendar year subsequent to July 1, 1970; and one and one-half (1 1/2) percent of such remuneration in excess of forty-eight hundred dollars ($4,800).

The Plan provides that the definition of remuneration for every calendar year prior to 2001 shall mean the 18-year average of remuneration as otherwise defined in the Plan for the highest separate 18 years (whether or not consecutive), between calendar years 1981 and 2000, inclusive. The definition of remuneration after 2000 shall not be amended. This paragraph does not apply to the calculation of the pension wearaway enhancements described in Paragraph 4.14-4.

4.3. **Minimum Retirement Allowance.** The minimum monthly retirement benefit for employees retiring on or after May 1, 2013 shall not be less than $60 per month multiplied by the participant's credited service provided that the monthly retirement benefit of a participant in the Plan on July 1, 1970 who did not elect a return on contributions shall not be less than $61 per month multiplied by the participant's credited service.

For this purpose, credited service includes each year of service from the January 1 or July 1 following the date of hire, but excluding any year during any part of which the employee, although eligible, elected not to participate in a pension plan to which the

Company contributed. Commencing January 1, 1976, credited service shall include each full month of service from the earlier of (1) the January 1 or July 1 following the date of original hire, or (2) the date the employee first became a Plan participant, to retirement or termination date, but excluding any month during any part of which the employee, although eligible, elected not to participate in a pension plan to which the Company contributed. Notwithstanding the foregoing provisions, credited service or participation in the Plan will not include time on layoff past fifty-four (54) months, unless the employee is recalled from layoff or is transferred to another site covered by the Interplant Transfer Agreement, prior to losing seniority at the site where he was laid off.

4.4. **Retirement Date.**

4.4-1. Normal Retirement date is the first of the month following the attainment of age sixty-five (65).

4.4-2. Provision is made for early retirement at any time after age fifty-five (55) if the participant has had at least ten (10) years of credited service with the Company. Retirement income in the event of early retirement is based on participation to the date of such retirement, and if payable prior to the normal retirement date, is reduced at a rate of three (3) percent per annum for each year benefits begin before age sixty-two (62). However, a participant eligible for early retirement may retire with full, unreduced benefits on or after age fifty-five (55) if the participant's age and years of credited service total at least eighty-five (85).

4.4-3. A participant, who becomes mentally or physically incapacitated, as established by satisfactory proof, may retire at any time prior to normal retirement date.

In the event of such disability, the employee shall be entitled to his full accrued benefit without reduction.

4.5. **Rights On Termination Of Employment**.

4.5-1. In the event of the termination of a participant's employment prior to retirement, the participant is entitled to a return of his/her own contributions, if any, held in the trust fund created by the Trust Plan with interest compounded annually. The interest rate applied shall be equal to the interest annually determined pursuant to the Omnibus Budget Reconciliation Act of 1989 and/or any successor statute.

4.5-2. A participant who completes or has completed, immediately prior to his termination of employment other than by death, at least five (5) years of service with the Company, with any fraction of a year calculated as a full year, shall be eligible to receive retirement income commencing on his normal retirement date or an actuarially reduced benefit commencing on the first of any month following attainment of age fifty-five (55) (subject to the provisions of Sections 4.4-1 through 4.4- 3 above).

4.6. **Retirement Income Options.** Unless a participant elects otherwise, (1) the normal retirement income for a participant who is married at the time such participant retires shall be a joint and fifty (50) percent survivor annuity, and (2) the normal retirement income for a participant who is unmarried at the time such participant retires shall be a straight life annuity. However, a participant may elect, subject to such uniform rules as the Hourly Pension Committee may prescribe, any optional form of retirement income payment provided for by the Plan. Such election should be made at least five (5) days before the participant becomes a retired participant. At least twelve (12) months prior to retirement, the Company shall provide the participant with a summary of the benefits

available under the Plan. The Trust Plan provides the following retirement income options:

4.6-1. Standard Social Security equalization option for a participant who retires prior to being entitled to the immediate payment of benefits under Social Security which so far as possible will provide the same amount each year before and after such social security benefit commences.

4.6-2. A retirement option which provides that a participant who retires on a normal or early retirement benefit may elect to receive a reduced pension payable for life with the provision that if the participant dies before receiving payments of the reduced benefit an aggregate amount equal to five (5) times the accrued benefit which would otherwise have been payable at normal retirement age (after adjustment for the minimum benefit of the Plan), the excess of such amount over the payments the participant has received will be paid in a lump sum to the participant's designated beneficiary or estate. The amount of the reduced benefit under such election is determined on the basis of actuarial equivalents.

4.6-3. A retirement option which provides a retirement income payable to the participant during the participant's life and after the participant's death an annuity for the life of the participant's spouse which is equal to one hundred (100) percent of the amount payable during their joint lives.

4.6-4. A contingent annuitant option which provides for a reduced retirement income payable to the participant during the participant's life, and after the participant's death a retirement income payable during the life of a surviving contingent annuitant designated by the participant.

4.6-5. A single cash payment equal to the entire cash value of a participant's benefit.

a. Effective for annuity starting dates on or after January 1, 2005, the Retirement Plan will be amended to apply the IRS mortality tables required for lump sums under Code Section 417 or a successor thereto to all forms of benefit under the Retirement Plan, subject to any legally required grandfather provisions.

b. Effective for annuity starting dates on or after January 1, 2008, the Retirement Plan will be amended to provide that interest rates and mortality tables for payment of lump sums shall be determined by reference to the interest rate and mortality tables established by the Internal Revenue Service under Section 417(e) or any successor thereto. If a different interest and mortality basis is adopted at any time during the contract period for the Retirement Plan for the Salaried Employees of Merck & Co., Inc. (the "Salaried Retirement Plan") that provides for a greater lump sum, such interest and mortality basis shall apply for the Retirement Plan on the same terms and conditions as such interest and mortality basis applies to the Salaried Retirement Plan. Notwithstanding the foregoing, the interest rate for the Retirement Plan will remain in effect for the entire calendar year and the rate shall be selected with reference to the fourth calendar month preceding the Plan year (i.e., the September rate published in October). Because the interest rate for the Retirement Plan is set annually and the interest rate for the Salaried Retirement Plan is set quarterly, this amendment to the Retirement Plan does not

provide that the rate in effect under the Retirement Plan will be the same as (or more or less favorable than) under the Salaried Retirement Plan.

4.6-6. A retirement option in any other form of retirement income as the Plan may permit.

4.7. **Funding Medium.** The funding medium of the Trust Plan is a trust fund consisting of all the contributions of the participants and the Company administered by an independent trustee. The administrative expenses of the trust fund are paid by the Company and are not deducted from such contributions.

4.8. **Contributions.** If a participant has elected to leave his/her contributions in the Plan and, if at retirement, it is determined that the participant's career average benefit exceeds the highest minimum in effect at that time, then at the participant's option, the contributions plus interest may be refunded in a lump sum.

4.9. **Leave Of Absence.** A participant, upon return from an approved leave of absence, will receive credit towards retirement benefits to the same extent as if he/she had been working for the Company during the period of the approved leave of absence. A participant on an approved leave of absence for Union business shall be entitled to receive credit towards retirement benefits in accordance with this provision. A participant on an approved leave of absence for Union business shall not be required to return to work in order to receive retirement benefits where the expiration of the participant's leave of absence coincides with the effective date of the participant's retirement.

4.10. **Pre-Retirement Spouse's Benefit.** In the event of the death of a vested participant prior to actual retirement and while in the employ of the Company, the participant's surviving spouse shall receive an annuity equal to fifty (50) percent of the annuity which would have been received during the joint lives of the participant and spouse had the participant elected a fifty (50) percent joint and survivor annuity and retired the day before the participant died. The surviving spouse of an active employee will be permitted to elect a lump sum in lieu of the foregoing amount. The lump sum will be the actuarial equivalent of the fifty (50) percent surviving spouse benefit.

4.11. **Unmarried Participant's Death Benefit.** In the event an unmarried vested participant dies, prior to actual retirement and while in the employ of the Company, a lump sum shall be payable to the participant's estate. This lump sum shall be the actuarial equivalent of the surviving spouse, fifty (50) percent joint and survivor annuity set forth in the Plan, calculated as if the participant had been married at the time of his/her death to a spouse of the same age as the participant and had retired the day before his/her death, and had elected a fifty (50) percent joint and survivor annuity.

4.12. **Adjustment For Retirees.** In no event will a retiree receive less than seven dollars and 50/100 ($7.50) per month per year of credited service.

4.13. **Miscellaneous.**

4.13-1. A former employee other than a retired participant who re-enters the service of the Company as an employee shall, upon again becoming a participant in the Plan, be entitled to the credited service acquired during his former period of employment as well as that acquired during the period after the participant's re-employment.

4.13-2. All refunds of contributions will be returned with interest in the manner provided in Section 4.5. hereof.

4.13-3. During such period of time as a participant may be absent by reason of a labor dispute to which his collective bargaining representative is a party, contributions to the Trust Plan are not payable by or with respect to such participant.

ARTICLE 5 - SEPARATION BENEFIT ALLOWANCE PLAN

5.1. **Separation Benefit Allowance.** The Company will grant a Separation Benefit Allowance to an employee (excluding temporary employee) who is laid off from the Company for a period in excess of thirty (30) consecutive calendar days due to lack of work. Such employee shall have his/her Net Separation Benefit Allowance advanced to him/her at the time of layoff. The employee's Separation Benefit Allowance shall be computed in accordance with the following schedule:

Length of Continuous Service as of Date of Layoff	Amount of Separation Benefit Allowance
6 months & less than 1 year	1 week - 40 hours
1 year & less than 3 years	2 weeks - 80 hours
3 years & less than 5 years	4 weeks - 160 hours
5 years & less than 7 years	6 weeks - 240 hours
7 years & less than 10 years	8 weeks - 320 hours
10 years & less than 15 years	10 weeks - 400 hours
15 years & less than 20 years	12 weeks - 480 hours
20 years & less than 25 years	15 weeks - 600 hours
25 years & over	20 weeks - 800 hours

5.2. **Net Separation Benefit Allowance.** Shall be the accrued separation benefit allowance set forth in the schedule above, computed on the basis of the employee's hourly rate of pay (excluding shift premium), less any previous separation benefit allowance paid by and not repaid to the Company. Where an employee has worked for twenty-six (26) weeks or more in the twelve (12) month period immediately preceding the date of the employee's layoff in a job classification at a higher rate than the job classification the employee held at the time of layoff, the employee's Separation Benefit Allowance will be computed on the basis of the higher hourly rate.

5.3. **Effect Of Recall On Separation Benefit Allowance.** If an employee is recalled in less than thirty (30) consecutive calendar days from the date the employee was laid off, the employee must, as a condition of reinstatement, return any Separation Benefit Allowance received. Such repayment shall be in amounts of ten (10) percent of the employee's weekly earnings after recall, unless otherwise agreed between the Company and the employee.

5.4. **Alternate Separation Benefit Allowance.** Between May 1, 2020 and April 30, 2025 only (the "Program Term"), the Company will provide the following Separation Benefit Allowance Program (the "Program") as an alternative to the separation benefit allowance as described in Article 5.1 of this Agreement.

5.4.1. **Purpose.** The Program was negotiated by the parties to deal with the effects of layoffs that occur as a result of the subcontracting of bargaining unit work during the Program Term and/or in such other cases as determined by the Company in the sole discretion of the Senior Management Representative.

5.4.2. **Eligibility.** Subject to the provisions of this Section 5.4.2, employees who are impacted either directly (i.e., employees working in a department, area, classification or other work unit impacted by the decision) or indirectly (i.e., as the result of being displaced by a more senior employee directly so affected) by a decision to reduce the number of employees at a site are eligible for the Program, provided that (i) the impact was the result of a Company decision with respect to the work performed at West Point ; or (ii) (a) the impact was the result of a decision other than as described in (i); and (b) the Senior leader at West Point for the applicable area (i.e., MMD, MRL or Site Services)(the "Senior Management Representative") has made the Program applicable to the impacted employees. Employees eligible in accordance with the provisions of this Section 5.4.2 are referred to as "Impacted Employees."

5.4.2.1. In order to be eligible for the Program, Impacted Employees must:

a. Be selected for layoff during the Program Term;
b. Continue to work until the identified layoff date;
c. Sign a general release of all claims against USW, Local 10-00086 and Merck, in a form satisfactory to Merck that includes an acknowledgement that their employment with Merck, accrual of credited service under the Retirement Plan and all recall rights end as of their layoff date.

5.4.2.2. Employees who receive separation pay and benefits described below are not eligible for the separation benefit allowance under the Separation Benefit Allowance Plan described in Article 5.1 of the collective bargaining agreement.

5.4.3. **Procedure.** The following procedures apply whenever a reduction in force results in eligibility for this Program (under either Section 5.4.2(i) or (ii) above):

5.4.3.1. **Program Initiation.** In all cases, the Senior Management Representative will initiate a layoff under this Program by determining the number of surplus employees, the timing of layoffs, and which classifications will be impacted. Once initiated, the layoffs will proceed under the processes and procedures of the collective bargaining agreement, except as modified by this Section 5.4.

5.4.3.2. **Employee Solicitation.** In accordance with the principles set forth in this Section 5.4.3.2, the Senior Management Representative will solicit volunteers for layoff from within the affected classification (i.e., those within the classification subject to outsourcing or other impact) (the "Affected Classification") and may solicit volunteers from classifications not directly affected by the layoff decision in an effort to reduce the impact of involuntary layoffs provided that such solicitation will be at the Senior Management Representative's discretion based upon consideration of business impact

including, without limitation, a determination of the number of required skilled and trained workers to perform the required work.

a. In considering whether to solicit volunteers for layoff, the Senior Management Representative or his/her designee will consider the skills and qualifications of those employees in the Affected Classification and whether such employees possess the requisite skills and qualifications to perform the work done by employees in classifications not subject to the layoff.

b. The Senior Management Representative or his/her designee will notify the Union of the impending layoff and afford it the opportunity to express its views on the appropriateness of soliciting volunteers from other classifications.

c. The Senior Management Representative or his/her designee will have the discretion to determine whether soliciting volunteers will be consistent with maintaining a sufficient number of skilled workers necessary to perform the required work.

d. In the case where the Senior Management Representative determines that volunteers may be solicited, he/she will determine the number of volunteers that will be accepted in the aggregate as well as the number of volunteers that will be accepted from otherwise unaffected

classifications and will accept volunteers up to the lesser of the applicable number.

e. Volunteers will be solicited in writing and will be required to sign an acknowledgment indicating that they are volunteering for layoff, that they will be selected for layoff by seniority up to the number established by the Company, that if selected, absent a material change in personal circumstances, they cannot change their mind, that they will be offered an enhanced separation agreement upon their selection and that if selected they will be forfeiting all seniority rights, including recall rights, under the collective-bargaining agreement.

f. In no case will the Company be compelled to accept more volunteers than is required to meet its business need or more volunteers from any given classification than it determined eligible.

5.4.3.3. **Selection of Employees.** Employees will be selected for layoff up to the determined number of surplus employees in the following order: (i) Employees in the Affected Classification who have volunteered for layoff will be selected first regardless of seniority; (ii) employees in classifications other than the Affected Classification who have volunteered for layoff will be selected next in seniority order (i.e., with more senior employees being selected first) up to the number of employees that the Senior Management Representative has

authorized for the individual unaffected classifications; and, to the extent that additional layoffs are required to meet the number of surplus employees; (iii) employees in the Affected Classification will be selected for layoff in seniority order (i.e., with the less senior employees being selected first). In the case where the layoff needs to proceed to (iii) above, the employees selected for layoff will be offered the choice to select layoff in accordance with the Program or layoff under the other provisions of the collective-bargaining agreement.

5.4.4. **Program Pay and Benefits.**

5.4.4.1. **Amount of Pay.** In determining the amount of the Separation Pay, the following calculation will be used: Two (2) weeks (80 hours) pay per complete year of continuous service. The minimum Separation Pay shall be two (2) week's pay. The maximum Separation Pay shall be 78 weeks of pay. A "Week's Pay" shall be based on 40 hours per week at the hourly rate of pay in effect on the layoff date (excluding shift premium). Where an employee has worked for at least 26 weeks in the 12-month period immediately preceding the date of his layoff in a job classification at the higher rate than the job classification he held at the time of layoff, his separation pay will be computed on the basis of the higher hourly rate.

5.4.4.1.1. **Service**. In determining an employee's length of service, the following will be excluded: Partial years and for those employees with a

break in service, service before the employee's most recent rehire date will be excluded.

5.4.4.1.2. **Offsets.** Separation pay is reduced by the following: (i) the total amount of any previous separation pay (including Separation Benefit Allowance under the prior contract) paid by and not repaid to the Company as of the employee's layoff date; and (ii) the amount the Company reasonably concludes the employee owes the Company (e.g., unpaid benefit premiums, wage overpayments, etc.).

5.4.4.2. **Benefits Continuation.** Continued medical, dental, employee assistance program (EAP) and basic life insurance, as follows:

5.4.4.2.1. **Benefits Continuation Period.** Medical, dental, EAP and basic life benefits will continue for the number of weeks upon which separation pay is calculated, with a minimum continuation period of 6 months, provided however that to be eligible for medical and dental coverage during the Benefits Continuation Period, the employee must be enrolled for such coverage as of the date the employee's employment ends. If the employee is not enrolled for such coverage as of the date the employee's employment ends, then the employee will not be eligible for continuation of medical and/or dental coverage during the Benefits Continuation Period or otherwise.

5.4.4.2.2. **COBRA.** Former employees may continue medical benefits, unless they otherwise enroll for retiree medical benefits described below, and/or dental benefits after the end of the Benefits Continuation Period, provided the former employee timely elects and pays the full COBRA contribution.

5.4.4.2.3. **Employee Contribution.** Employee contributions during the Benefits Continuation Period will be at the same rate as active employees and will be invoiced by plan administrators.

5.4.4.2.4. **Other.** (a) Waiver -- An employee can decline coverage, but must irrevocably decline all (or none) upon layoff; (b) Death – covered dependents may continue medical and dental coverage at the active employee rates for the remainder of the Benefits Continuation Period, provided they continue to satisfy the definition of an eligible dependent and thereafter (A) for medical coverage (x) if the deceased satisfied the age and service requirements to be eligible for retiree medical on his Separation Date, his or her covered eligible dependents will be eligible for COBRA to the extent required by law for the remainder of the COBRA period by timely electing and paying the full COBRA contribution and for retiree medical benefits under the terms of retiree medical plan applicable to surviving dependents, as they may be amended from time to time or (y) if the

deceased did not satisfy the age and service requirements to be eligible for retiree medical on his Separation Date, his or her covered eligible dependents will be eligible to continue medical coverage under COBRA for the remainder of the COBRA period by timely electing and paying the full COBRA contribution and (B) for dental coverage, his or her covered eligible dependents will be eligible to continue dental coverage under COBRA for the remainder of the COBRA period by timely electing and paying the full COBRA contribution; (c) Retirees -- following the completion of the Benefits Continuation Period, the former employee will be eligible for (A) medical coverage either (x) for the remainder of the COBRA period by electing and paying the full COBRA contribution or (y), if he or she satisfies the age and service requirements to be eligible for retiree medical benefits on the date his or her employment with the Company ends, he or she will be eligible for COBRA to the extent required by law for the remainder of the COBRA period by timely electing and paying the full COBRA contribution and for retiree medical benefits under the terms of retiree medical plan applicable to him or her, as it may be amended from time to time, and (B) dental coverage for the remainder of the COBRA period by timely electing and paying the full COBRA contribution; (d) Dual Coverage: A former employee is not eligible for coverage under the Company's retiree medical plan until the expiration of his or her Benefits Continuation Period. A former employee cannot be covered under the Company's health and insurance benefits as an active employee (including under COBRA) and a retired employee

during the same period. However, a former employee may be covered under COBRA dental and be a retired employee covered under the Company's retiree medical plan during the same period.

5.4.4.3. **Administration.**

a. This Program shall be administered by Merck as an ERISA plan and shall be subject to ERISA's claims and appeals provisions.

b. If an employee's layoff date does not occur on the last day of the month and the employee is otherwise eligible for retiree medical, the employee can terminate employment as a retiree and be eligible for retiree medical.

c. All accrual of credited service under the Retirement Plan and recall rights shall end on the layoff/retirement date.

ARTICLE 6 - COMPREHENSIVE HEALTH INSURANCE PLAN

6.1. **Coverage, Contributions and Administration.** The Plan will provide medical, mental health and substance abuse and prescription benefit coverage to active Union employees (which includes employees temporarily laid off in accordance with Article 23.7-2) and their dependents through an insurance contract or on a self-insured basis with a reputable health insurance carrier. The Plan and an Administrator hired by

the Plan will be solely responsible for all benefit administration, including but not limited to, distribution of annual enrollment materials, maintenance of enrollment additions and deletions due to new hire or other status changes, based on information provided by the Company, Form 5500 filings, summary annual reports, COBRA administration and resolving Union employee benefit complaints. A trust ("Trust") to pay all insurance premiums, claims under the Plan (to the extent that the plan is self-insured) and Plan administrative costs has been established. The Plan will be funded by Company and employee contributions.

The Company will make monthly “per capita” contribution as set forth in this Article 6. For clarity, the term “per capita” shall exclude members participating as a dependent of another member and shall exclude members who are not enrolled for medical coverage under the Plan. The Company will not be responsible for any additional costs incurred by the Plan in providing medical, mental health and substance abuse or prescription benefits to Union employees during such period.

Employees will make minimum bi-weekly contributions by payroll deductions as set forth in this Article 6. Such contributions will be based on the employee’s coverage level of employee only, employee plus one dependent and employee plus two or more dependents. Where employees have sufficient wages, employees’ medical contributions shall be withheld from employees’ wages on a pre-tax basis in accordance with Section 125 of the Internal Revenue Code and the regulations promulgated thereunder as they apply to salaried employees as they may be modified from time to time. Where contributions cannot be withheld on a pre-tax basis (e.g., for employees on LTD or unpaid leaves of absence), employees shall pay such

contributions with after-tax dollars. Grievances challenging benefits issues are not arbitrable, because the Company is not a party to the contractual relationship between the insurance carrier and the Plan.

6.1-1. **Company and Employee Contributions Until June 30, 2021.**

From May 1, 2020 through June 30, 2021, the Company and the employees will make the following contributions:

a. The Company will contribute a monthly per capita premium of one thousand four hundred ninety-three dollars and 63/100 ($1,493.63); and

b. The employees will contribute a bi-weekly premium as follows:

Bi-weekly Employee Contributions*		
EE only	EE + 1	EE +2 or more
$71.50	$95.33	$121.33

* Deductions will be taken from the first two paychecks each month for a total of 24 in a calendar year.

6.1-2 **Contributions on and after July 1, 2021.** The Parties wish to ensure that the Fund is properly funded and monitored and that the Fund maintains a sufficient level of reserves to sustain the Fund but also that the Company and

employee contribution levels not be increased unnecessarily. In order to measure the level of reserves, each Party will direct its respective Trustees to request that the Fund's actuary provide monthly cash-flow projections based on actual Fund historical medical and prescription trend factors ("Trend Projection"). Either Party may, at its own expense, retain an independent actuary for the purpose of monitoring the Trust Fund; each Party will direct its respective Trustees to require that the Fund actuary provide all information relevant to such purpose to an independent actuary retained by a Party.

Beginning in calendar year 2021 and continuing for calendar years 2022, 2023 and 2024, the Parties agree that the Company and the employee contribution levels will be set for the period starting July 1 of that calendar and ending June 30 of the following calendar year as follows:

a. if the March Trend Projection of the calendar year indicates that the level of reserves will be at least twelve months through December of that calendar year, then the Company and employee contributions will be increased by 2%.; or
b. if the March Trend Projection indicates that the level of reserves will drop below twelve months at any time in or before December of that calendar year, then the Company and Union will ask the Fund's actuary to calculate the percentage of contribution increase it believes necessary to maintain a twelve month level of reserves at the same

level of benefits that are currently provided until July 1 of the next calendar year and, unless the Parties agree on a different percentage, the Company and employee contributions will be increased by that percentage.

6.1-3. The Plan will provide the Company with any amendments to the Plan documents and by the end of the third month following the end of the insurance carrier contract year, an annual financial accounting including, but not limited to, any administrative and benefit costs paid.

6.2. **Retirement Coverage.** Active employees who retire with 10 or more years of credited service under the Pension Plan at or over age 55, and their eligible dependents, will immediately be eligible to be covered by Retiree Choice or its successor program(s) applicable to salaried retirees, as the terms and conditions of such medical and dental benefits programs may be modified by the Company from time to time at its sole discretion. For purposes of the preceding sentence only, 'credited service' for any employee under the age of 50 on January 1, 2004 or who is hired or rehired on or after January 1, 2004 will not include any service earned before the employee attains age 40. Notwithstanding the foregoing, employees who qualify for disability retirements during the term of this contract may be younger than 55 so long as they have at least 10 years of credited service (including credited service while the employee was under 40 years of age) under the Pension Plan at the time of their disability retirements; provided, however, that such coverage may be provided under plans different from Retiree Choice but on the same terms and conditions applicable to salaried retirees who qualify for disability retirements, as the terms and conditions of such medical and dental benefits programs may be modified by the Company from time to time at its sole discretion.

6.3. **Surviving Spouse and Dependent Coverage.** For the Plan described in Article 6.1, "dependent" means an employee's spouse who is not legally separated from the employee and an employee's unmarried child who derives at least 50% of his support and maintenance from the employee (including any stepchild, foster child or legally adopted child) from birth to age 19 (age 25 if such a child is a full-time day student in an accredited secondary school, college, or university or vocational school other than a school provided for rehabilitation or occupational therapy). After July 1, 2011, the definition of dependent shall reflect Section 1004 of the Affordable Care Act (as amended by the Reconciliation Act) and the regulations implementing this Section relating to coverage of dependents up to age 26, as such statute and regulations may from time to time be amended. In addition, the coverage for a physically or mentally handicapped child who remains a dependent of the employee can continue beyond the age when coverage would otherwise end in accordance with the terms of the Plan. The dependent(s) of a retiree who dies while covered by the Company's medical plan applicable to retirees shall continue to have coverage under the Company's medical plan applicable to retirees, provided that such dependent(s) satisfy the definition of an eligible dependent under the Company's medical plan applicable to retirees at the date of the retiree's death.

Where an active employee has twenty-five (25) or more years of service or is eligible for early retirement pursuant to the terms of the Company's Pension Plan and dies while still an active employee, the surviving spouse and dependent children shall be eligible for coverage under the Company's medical plan applicable to retirees, provided such survivors satisfy the definition of eligible dependent under the Company's medical plan applicable to retirees at the date of the retiree's death. Where an active employee does not meet either of the above eligibility requirements and dies while still an active

employee, the surviving spouse and dependent children shall continue to have coverage under the Plan's insurance carrier for a period of twenty-four (24) months following the employee's death.

6.4. **Insurance Arranged for By the Union.**

6.4-1. **Cancer Coverage.** The Union has arranged for the provision of cancer insurance coverage ("Cancer Insurance Coverage"), at no cost to the Company, from a single insurer ("the Insurer") selected by the Union, to all employees covered by this Agreement who voluntarily elect to purchase Cancer Insurance Coverage on an individual basis; provided that any plan, contract or policy providing for Cancer Insurance Coverage shall require that covered individuals shall have no recourse against the Company for any claim arising out of or relating to such Cancer Insurance Coverage, including but not limited to any claim relating to or concerning the scope, applicability, sufficiency or payment of premiums, coverage or claims under such Cancer Insurance Coverage. The Company shall not be deemed a sponsor of Cancer Insurance Coverage. The Company shall make reasonable accommodations at each site covered by this Agreement to allow employees to enroll in Cancer Insurance Coverage during nonworking time. Where consistent with applicable state law and with the terms of Cancer Insurance Coverage, the Company shall allow employees to pay for the full cost of Cancer Insurance Coverage through payroll deductions in an amount to be determined by the Union, provided that such employees execute and provide to the Company in advance an appropriate written authorization for such deductions in a format satisfactory to the Company, and further provided that the Insurer agrees in writing (in a form acceptable to the Company) to indemnify the Company and hold the Company harmless against any award, judgment, or loss or expense arising out of any legal claim related or arising out of the Cancer

Insurance Coverage. The Company shall remit such deductions to the Insurer or other entity designated by the Union within a reasonable time after such deductions are made.

6.4-2. **Universal Life and Accidental Injury Insurance.** Effective January 1, 2008, the Union may arrange for the provision of universal life and accidental injury insurance coverage ("Supplemental Insurance Coverage"), at no cost to the Company, from a single insurer ("the Insurer") selected by the union, to all employees covered by this Agreement who voluntarily elect to purchase Supplemental Insurance Coverage on an individual basis; provided that any plan, contract or policy providing for Supplemental Insurance Coverage shall require that covered individuals shall have no recourse against the Company for any claim arising out of or relating to such Supplemental Insurance Coverage, including but not limited to any claim relating to or concerning the scope, applicability, sufficiency or payment of premiums, coverage or claims under such Supplemental Insurance Coverage. The Company shall not be deemed a sponsor of Supplemental Insurance Coverage. The Company shall make reasonable accommodations at the site covered by this Agreement to allow employees to enroll in Supplemental Insurance Coverage during nonworking time. Where consistent with applicable state law and with the terms of Supplemental Insurance Coverage, the Company shall allow employees to pay for the full cost of Supplemental Insurance Coverage through payroll deductions in an amount to be determined by the Union, provided that such employees execute and provide to the Company in advance an appropriate written authorization for such deductions in a format satisfactory to the Company, and further provided that the Insurer agrees in writing (in a form acceptable to the Company) to indemnify the Company and hold the Company harmless against any award, judgment, or loss or expense arising out of any legal claim related or arising out of the Supplemental Insurance Coverage. In the event such indemnification commitment cannot be obtained in a format acceptable to the Company by August 1, 2007, then the

Company shall not be required to implement the payroll deduction procedure for Supplemental Insurance Coverage. The Company shall remit such deductions to the Insurer or other entity designated by the Union within a reasonable time after such deductions are made.

6.5. **Adoption Assistance.** Employees will be covered by the same Adoption Assistance Program, and on the same terms, as those applied to salaried employees of the Company as such terms may be modified from time to time in the sole discretion of the Company.

ARTICLE 7 - EMPLOYEE DENTAL INSURANCE PLAN

7.1 Dental coverage for employees and dependents (and former employees and their dependents eligible for COBRA will be provided under a plan funded through the Trust established in accordance with Article 6.1.

7.2 The dental plan coverage design and insurer/administrator shall be determined by the Trustees from time to time. The plan and the plan administrator hired by the Trustees will be solely responsible for all benefit administration, including but not limited to, distribution of annual enrollment materials, maintenance of enrollment additions and deletions due to new hire or other status changes, based on information provided by the Company, Form 5500 filings, summary annual reports, COBRA administration and resolving Union employee benefit complaints. This plan shall not provide retiree dental coverage.

7.3 The Company will contribute for the period January 1, 2020 to December 31, 2020 a monthly per capita premium of sixty-eight dollars and 20/100 ($68.20); January 1, 2021 to December 31, 2021 a monthly per capita premium of sixty-nine dollars and 56/100 ($69.56); January 1, 2022 to December 31, 2022 a monthly per capita premium of seventy dollars and 96/100 ($70.96); January 1, 2023 to December 31, 2023 a monthly per capita premium of seventy-three dollars and 79/100 ($73.79); January 1, 2024 to December 31, 2024 a monthly per capita premium of seventy-six dollars and 75/100 ($76.75); and January 1, 2025 to December 31, 2025 a monthly per capita premium of seventy-nine dollars and 82/100 ($79.82).

7.4 Employees will make minimum monthly contributions by payroll deduction for employee only, employee plus one dependent and employee plus two or more dependents as follows:

Bi-Weekly Employee Contributions*			
Comprehensive Dental			
Effective Date	EE only	EE +1	EE + 2 or more
1/1/2020	$7.00	$14.50	$21.50
1/1/2021	$7.14	$14.79	$21.93
1/1/2022	$7.28	$15.09	$22.37
1/1/2023	$7.57	$15.69	$23.26
1/1/2024	$7.88	$16.32	$24.19
1/1/2025	$8.19	$16.97	$25.16

* Deductions will be taken from the first two paychecks each month for a total of 24 in a calendar year.

Where employees have sufficient wages, employees' dental contributions shall be withheld from employees' wages on a pre-tax basis in accordance with Section 125 of the Internal Revenue Code and the regulations promulgated thereunder as they apply to salaried employees as they may be modified from time to time. Where contributions cannot be withheld on a pre-tax basis (e.g., for employees on LTD or unpaid leaves of absence), employees shall pay such contributions with after-tax dollars.

7.5 The Plan of Benefits has been amended to add dental coverage. The Parties agree that the dental portion will be subject to a separated accounting and that the dental benefits are intended to be self-sufficient.

ARTICLE 8 - EMPLOYEE STOCK PURCHASE & SAVINGS PLAN

8.1. During the term of this Agreement, the Employee Stock Purchase & Savings Plan adopted by the stockholders of the Company on April 28, 1959, as amended to the date of this Agreement, shall not be discontinued as to bargaining unit employees, nor shall any amendment of said Plan be made which would adversely affect such employees, except as may be required to maintain said Plan's status as a qualified plan under the provisions of the Internal Revenue Code. The Plan may be amended, subject to IRS approval, to provide that, where an employee receives information from which she/he reasonably should have known that an error has been made with respect to his/her account, and the employee does not report the error to the Savings Plan administrator within six months of receipt of that information, the employee will be deemed to have elected to participate on the basis as shown on such information. If such an error is reported to the Savings Plan administrator within six months of receipt of such information, the Company will take reasonable steps to correct the information, but in no event will it be liable for consequential damage such as forgone gains or losses.

The Company has amended the Merck & Co., Inc. Employee Stock Purchase and Savings Plan (the "ESP&SP") to permit Union participants ("Union Savings Participants") to receive dividends on Merck Common Stock. The amendment provides that the Merck Common Stock Fund for Union Savings Participants on and after July 1, 2004 will satisfy the requirements of an employee stock ownership plan within the meaning of Section 407(d)(6) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and Section 4975(e)(7) of the Internal Revenue Code of 1986, as amended (the "Code"), or any successor clauses thereto, contingent upon approval by the Internal Revenue Service. Elections to receive dividends shall be made in the time and manner as in effect from time to time and initially shall be made directly with the trustee of the ESP&SP. If dividends to be paid to any Union Savings Participant are less than $10, no amount either will be distributed or carried forward for any successive period. If a Union Savings Participant does not elect otherwise, then dividends will be reinvested in the Merck Common Stock Fund. For administrative purposes, the same terms and conditions will apply to both Union Savings Participants and participants in the Merck & Co., Inc. Employee Savings and Security Plan as in effect from time to time.

Union Savings Plan participants who are "non-highly compensated" may contribute up to 25% of base pay (formerly, 18% of base pay plus COLA). Non-highly compensated employees are those employees other than highly compensated employees within the meaning of Section 414(q) of the Internal Revenue Code as determined by the Company, provided that such determination shall apply beginning March 1 of a Plan Year and ending on the last day in the following February based on compensation (as defined in Code Section 414(q)(4)) received during the prior plan year. This amendment does not change the Company matching provisions of the ESP&SP or any provision applicable to highly compensated employees.

If during the term of this Agreement, the Company amends the Employee Savings and Security Plan (the "Salaried 401(k) Plan") to increase the percentage of base compensation participants are allowed to contribute, the Company also will at the same time or as soon thereafter as is possible amend the ESP&SP to permit Union Savings Participants to contribute the same percentage of base compensation. If different percentages are permitted for highly compensated employees and non-highly compensated employees for the Salaried 401(k) Plan, the same percentages will apply to highly compensated employees and non-highly compensated employees who are Union Savings Participants in the ESP&SP. Notwithstanding the foregoing, the ESP&SP will not be amended, and if amended the contributions will not be permitted (during the Contract period or thereafter), if and to the extent the Company, in its sole and non-reviewable discretion, determines that if the amendment were adopted or implemented in any Plan year, the ESP&SP appears more likely than not to fail applicable tests required by the Internal Revenue Code as in effect from time to time; provided, further that the Company shall, for any Plan year in which such additional contributions were permitted, take such reasonable steps as it deems necessary or advisable if it reasonably determines that any applicable test required by the Internal Revenue Code will be failed without such steps. In no event and under no circumstances will this amendment permit an increase in the amount of Company match or Company contributions to the ESP&SP.

8.2. Any employee participating in the Plan who is laid off shall be entitled to receive all Company contributions made to his account up to the date of layoff.

8.3. The Company shall contribute to the ESP&SP each month, an amount equal to 65 percent of the amount of each employee's contributions for such month, provided that in no event shall the Company's monthly contribution for an employee

exceed 3.9 percent of such employee's base compensation, subject to the terms and conditions set forth in the plan.

8.4. Employees participating in the Plan will be offered 401k coverage subject to the conditions set forth in Sections 8.1 and 8.3 of this Article.

8.5. The Company will amend the ESP&SP to permit employees hired on or after July 1, 2007 to join the ESP&SP as soon as administratively feasible following commencement of employment but not later than as soon as administratively feasible on or after the 2nd first of the month following commencement of employment.

ARTICLE 9 - HOLIDAYS

9.1. Beginning in calendar year 2014, the Company will observe the following paid holidays:

New Year's Day	Labor Day
Martin Luther King's Birthday	Thanksgiving Day
President's Day	Friday after Thanksgiving
Good Friday	Day Before Christmas
Memorial Day	Christmas Day
Independence Day	New Year's Eve

The Company will also observe one (1) floating holiday each year. A determination regarding when the holiday shall be observed will be made at the time of the election of Union officials.

9.2. In the event any of the above holidays (except December 31) falls on a Sunday, the following Monday shall be observed as such holiday and if the holiday falls on a Saturday, it will be celebrated either on the preceding Friday or following Monday, in accordance with local area practice so long as production requirements permit. The Company will give the Union two weeks' notice of the day to be observed. In the event that December 31 falls on a Sunday, then the holiday will be observed on the preceding Friday.

9.3. All employees, except those on leave of absence or on non-temporary layoff, shall receive eight (8) hours' pay, including shift differential for each of the holidays not worked.

9.4. In order to qualify for such holiday pay, the employee must work his/her scheduled day before and after the holiday, unless such absence occurred because of an absence that qualifies as an Excluded Absence under Section 5(a)-(h); (j); or (m) of Appendix (G) or because of a bona fide illness or injury (supported by a doctor's note) or unless such day or days shall have been his/her regular day or days off.

9.5. If a holiday occurs during a waiting period prior to qualifying for disability under the Disability Benefits Plan (sick pay plan), an employee shall receive his holiday pay, but the holiday shall be excluded in computing the waiting period. If a holiday occurs on a day for which an employee is eligible for sick pay under the Disability Benefits Plan, the employee will receive holiday pay and the number of days for which he/she is eligible for disability will be extended by one day for each such holiday. No employee shall be eligible for holiday pay and sick pay for the same day. The Company will pay for holidays that occur during the six (6) month period following the onset of disability providing the employee remains on the payroll during that time.

9.6. Subject to Article 22.4-2.2 any employee, when required to work on a paid holiday, shall be paid two (2) times his hourly rate for work performed during the first eight (8) hours and three (3) times for the hours worked in excess of eight (8) hours plus shift differential, if applicable, in addition to his pay for the holiday, as described in Paragraph 9.3 above.

9.7. If any of the paid holidays falls within an employee's vacation, such employee shall arrange with the Company in advance of the employee's vacation whether the employee shall:

9.7-1. add another day to such vacation;

9.7-2. take a day off with pay at a time to be designated by the Company;

9.7-3. receive two (2) times his/her hourly rate plus shift differential, if applicable, for one day's work in lieu of a day off.

9.8. A holiday for which an employee is entitled to receive holiday pay shall be considered as eight (8) hours worked for the purposes of computing weekly overtime even though no work or less than eight (8) hours work was performed on the holiday. If such holiday falls on a scheduled day off, it will not be counted in computing overtime except as may be provided in the Agreement.

9.9. In the event an employee is paid a temporarily higher rate of pay for all hours on the last working day preceding or the first working day following a holiday, the

employee's holiday rate of pay, for the purpose of this Article, shall be the higher rate of pay.

ARTICLE 10 - VACATIONS

10.1. **Definition.** An employee's eligibility for vacation is measured by all periods of service with the Company as of December 31 of each year (hereinafter referred to as the qualifying year) and will be scheduled to be taken during the following calendar year (hereinafter referred to as the vacation year). An employee shall not be eligible for a paid vacation during the calendar year in which his/her employment begins, nor before he/she has completed six (6) months of continuous service with the Company.

10.2. **Eligibility.**

10.2-1. An employee who on December 31 of a qualifying year has not passed his/her fifth (5th) December 31 shall be granted during the vacation year one (1) day of vacation for each month of service completed on December 31 of his qualifying year, unless previously paid for such service under Paragraph 10.3 of this Article; however, the vacation period shall not exceed ten (10) working days in any vacation year.

10.2-2. An employee who on December 31 of a qualifying year has passed his fifth (5th) December 31, but not his/her twelfth (12th) December 31, shall be granted, during each following vacation year, one and one-half (1 1/2) days of vacation for each month of service completed on December 31 of such qualifying year unless previously paid for such service under Paragraph 10.3 of this Article; however, the vacation period shall not exceed fifteen (15) working days in any vacation year.

10.2-3. An employee who on December 31 of a qualifying year has passed his twelfth (12th) December 31, but not his/her twentieth (20th) December 31, shall be granted, during each following vacation year, two (2) days of vacation for each month of service completed on December 31 of such qualifying year unless previously paid for such service under Paragraph 10.3 of this Article; however, the vacation period shall not exceed twenty (20) working days in any vacation year.

10.2-4. An employee who on December 31 of a qualifying year has passed his twentieth (20th) December 31, but not his/her twenty-seventh (27th) December 31, shall be granted, during each following vacation year, two and one-half (2 1/2) days of vacation for each month of service completed on December 31 of such qualifying year unless previously paid for such service under Paragraph 10.3 of this Article; however, the vacation period shall not exceed twenty-five (25) working days in any vacation year.

10.2-5. An employee who on December 31 of a qualifying year passed his/her twenty-seventh (27th) December 31 shall be granted during each following vacation year, three (3) days of vacation for each month of service completed on December 31 of such qualifying year, unless previously paid for such service under Paragraph 10.3 of this Article; however, the vacation period shall not exceed thirty (30) working days in any vacation year.

10.3. **Vacation Pay On Layoff Or Termination.** An employee with six (6) or more months of service with the Company who thereafter by reason of a non-temporary layoff due to lack of work or termination for any reason does not work the full qualifying year, shall receive vacation pay for each full month worked in the qualifying year, in accordance with Paragraph 10.2 of this Article. At the time of layoff, the employee may elect to receive his/her pro rata vacation pay in full or leave it with the Company to be

applied in the event he/she is re-employed and is required to take a vacation in the following vacation year because of the Plant shutdown. In the event the employee takes this option and the pro rata pay is not applied to a vacation by December 31 of the following vacation year, a full cash payment will be made to the employee at that time.

10.4. **Rate Of Vacation Pay.** A day of vacation pay shall be computed as eight (8) times the employee's standard hourly rate for the employee's regular job including shift differential, if applicable, at the time the employee's vacation is scheduled to begin. When an employee is entitled to receive vacation pay, it shall be considered as eight (8) hours worked for the purpose of computing weekly overtime.

10.5. **Time Of Vacation.**

10.5-1. Vacation leave will be scheduled by the Company during the vacation year, at times desired by the employee whenever feasible, but the final scheduling of vacation is reserved to the Company in order to insure the orderly and efficient operation of all departments. An employee's request to take vacation shall not be unreasonably denied. Insofar as practicable, seniority shall govern in the choice of vacations where two (2) or more employees are applying for the same vacation time. The Company shall, except in emergencies, give a minimum of four (4) weeks' notice to any employee whose scheduled vacation time is changed for the convenience of the Company. All employees who are scheduled for vacation are required to take time off as scheduled. In those departments where a shutdown is scheduled, the vacation schedule will be posted at least ninety (90) days prior to the shutdown; however, such schedule may be changed at any time up to sixty (60) days prior to the shutdown and thereafter changed only in the event of an emergency. In the event of such an emergency, the Union will be notified as far in advance as possible. In the event that a plant shutdown for vacation purposes is

scheduled, it shall be scheduled between June 15 and Labor Day. In addition, starting in calendar year 2014, vacation shutdown may be scheduled between December 23 and 30 during which time no more than five (5) days of vacation shutdown may be scheduled. During all shutdown periods, employees may be required to work the first shift at straight time. Additional plant shutdowns for vacation may be scheduled at other times during the year with the concurrence of the Union. All vacations will be consistent with the employee's current work schedule. The Company will endeavor to schedule shutdowns only when operational needs require a shutdown.

10.5-2. Employees may schedule their full vacation allotment in units of one (1) or more full days, except employees working in shutdown departments will be required to schedule and to take their vacation during the shutdown period. Requests for vacation days under this Paragraph must be made at least forty-eight (48) hours prior to the proposed vacation day(s). The standards and practices established pursuant to vacation scheduling under this Section 10.5 shall govern the scheduling of vacation days under this Paragraph. Notwithstanding any contrary provisions in this Agreement, forty-eight (48) hours' notice shall be deemed sufficient notice to the Union and employees affected by any schedule changes resulting from a vacation requested under this Paragraph.

10.6. **Recall From Vacation.** Subject to Article 22.4-2.2, any employee who has actually completed his/her last regularly scheduled day of work prior to his/her vacation leave and is recalled to work before his/her scheduled vacation leave is completed shall receive vacation pay in lieu of the remaining part of his/her vacation leave and shall, in addition, be paid for work performed during the balance of his/her vacation leave at one and one-half (1-1/2) times the employee's regular rate provided the employee works each scheduled day, or at such higher rate as may be applicable. Vacation leave lost under this Section 10.6 will be rescheduled as soon as mutually practicable.

10.7. **Hospitalization Or Illness During Vacation.** An employee on paid vacation, who by reason of injury or illness requires at least seventy-two (72) hours of non-elective hospitalization and who, as a result of such hospitalization, may be disabled for any period of the employee's scheduled vacation, shall upon returning to work with evidence of such hospitalization and period of disability, receive a sick pay adjustment and have this period of his/her vacation lost under this Section 10.7 rescheduled. In the event that such hospitalization or resulting disability occurs during an employee's previously scheduled vacation in the fourth (4th) quarter of a calendar year, the employee shall have the option of either scheduling his/her lost vacation time in the first (1st) quarter of the following calendar year or receiving vacation pay in lieu thereof. In the event that an injury or illness not requiring at least seventy-two (72) hours of non-elective hospitalization disables an employee for any part of a vacation previously scheduled during the fourth (4th) quarter of any calendar year, the Company shall have the option either to pay the employee for the lost vacation time or to reschedule the lost vacation time in the first (1st) quarter of the following calendar year.

10.8. **Vacations Not Accumulative.** All vacations must be taken in the vacation year. Subject to Article 22.4-2.2, when any employee has all or any part of his scheduled vacation cancelled for the convenience of the Company and it cannot be rescheduled in the current vacation year, the employee shall have the option of receiving pay in lieu of such vacation at one and one-half (1-1/2) times the standard base rate, provided the employee works each scheduled day, or rescheduling such vacation, to be taken during the first (1st) three (3) calendar months of the next year. If for any other reason an employee does not use his/her vacation in the vacation year, then such employee will be paid for such time at his/her appropriate hourly rate.

10.9. **Computation Of Vacation Credits.** Each month of service as used in this Article 10 shall mean fifteen (15) working days, which days shall include days actually worked, time spent on Union business or Union activities not to exceed two (2) weeks at any one time, holidays, vacation, days of absence to perform jury duty, and while on annual military encampment or cruise, and days of absence due to death in family, as provided by this Agreement, or the first twenty-six weeks of a substantiated worker's compensation leave of absence. For clarity, employees on leave for greater than 26 weeks for any reason including workers compensation are not eligible to accrue vacation credits. Such working days shall be accumulated on an annual basis for the purpose of computing the vacation pay provided herein; however, no vacation credit shall be granted for any fractions resulting from such computations.

10.10. **Vacation Credit for Employee Returning from Long-Term Disability.** An employee returning from long-term disability will be provided with vacation credits (a) in the year of return – no less than a pro-rated portion (based on number of full months remaining in the year) of the employee's full vacation allotment (based on seniority); and (b) in the following year -- the employee's full vacation allotment (based on seniority).

10.11 **Vacation Credit Upon Reemployment.** A former employee who re-enters the service of the Company as an employee shall be entitled to vacation credit for all former periods of employment as well as that acquired during the period after the employee's re-employment.

ARTICLE 11 - LEAVES OF ABSENCE

11.1. **Leaves Of Absence Without Pay.**

11.1-1. **Personal Reasons.** Any non-probationary employee who desires a leave of absence not to exceed thirty (30) calendar days will be granted such leave upon written request, provided it is for good reason and does not interfere with plant operations. The Company's consent to such requests may not be unreasonably withheld. Such leaves, in any event, shall not be used for the purpose of working for another employer, trying out new work or venturing into business for the employee. The Union will be notified of all personal leaves granted which exceed thirty (30) days. Leaves may be extended by the Company.

11.1-2. **Union Convention Attendance.** Leaves of absence without pay to specified Union representatives for the purpose of attending Union conventions shall be granted by the Company upon the written request of the Union in a number agreed upon by the Company and the Union.

11.1-3. **Other Union Business.** Any employee who is appointed or elected to office in the Union which necessitates a leave of absence from his/her job shall be granted such a leave without pay for a period not to exceed two (2) years. Unless the employee signifies his/her intention to return to work, such leaves may be extended from year-to-year with the consent of the Company. Seniority shall accrue during such leaves of absence. Initial requests for leaves of this nature must be in writing and approved by the Union. The number of employees on such leaves shall be subject to agreement between the Company and the Union.

11.1-4. **Maternity And/Or Childcare Leave.**

a. When requested, a leave of absence for maternity and/or childcare for a period not to exceed twelve (12) months shall be granted. It is understood by the Company and the Union that this maternity/child-care leave will begin at the completion of the birth-related disability period. In the case of adoption, this leave will begin on the date of the adoption.

b. Such leaves requested for less than twelve (12) months will be extended upon request, provided the maximum leave of twelve (12) months has not already been taken. Failure to report at the expiration of the maternity and/or childcare leave or any of its extensions is equivalent to resignation and is subject to conditions governing resignations. Any employee returning at the expiration of twelve (12) months shall do so without loss of seniority. Any employee absent for more than twelve (12) months for maternity/childcare reasons shall be terminated from the Company with loss of seniority. Whenever an employee takes a maternity and/or childcare leave, the Company shall give the employee a printed copy of this clause. Where applicable state or federal law entitles an employee to maternity and/or childcare leave on terms other than those specified above, or entitles an employee to family leave for reasons other than pregnancy or childcare, such leave will be granted consistent with law. Failure to report at the expiration of such leave, or to comply with the terms of such leave, is equivalent to resignation and is subject to conditions governing resignations.

c. If contractual entitlements are superior to entitlements provided by law, then contractual entitlements will govern.

11.1-5. **Return From Leave Of Absence.** An employee returning from a leave of absence will return to the same job held prior to the leave of absence. In the event the job formerly held by such employee no longer exists, such employee shall exercise his/her rights including seniority in accordance with Article 23.7-3(b). However, the returning employee must then have the physical and mental qualifications for the job to which they are entitled under this Paragraph 11.1-5.

11.1-6. **Family and Medical Leave Act.** Employees will be granted leaves of absence pursuant to the Family and Medical Leave Act ("FMLA"). Effective January 1, 2008, the Company will grant employees up to twelve (12) weeks unpaid leave each rolling year in accordance with the FMLA. The Company will exercise all of its rights and abide by all of its obligations under applicable FMLA and other federal, state and local laws.

11.2. **Leaves Of Absence With Pay.**

11.2-1. **Jury Duty.** An employee who presents official court certificates to the Company showing dates when called for jury duty and remuneration received, shall be paid the difference between the amount received for such jury duty and the employee's standard base rate of pay plus shift differential, if applicable, only for each regularly scheduled day lost from work.

11.2-2. **Court Appearance.** An employee may receive a court appearance benefit for a maximum of one (1) day for each court case in which the employee is subpoenaed. This benefit is applicable to court cases in which the employee is not a party and to which the Company or the Union is not a party. An employee shall be paid the difference between the amount received for such appearance and the

employee's standard base rate of pay plus shift differential, if applicable, only for one regularly scheduled day lost from work for each case. An employee requesting court appearance benefits must present to the Company official documentation of the employee's court appearance including the subpoena, indicating the remuneration received from any source for their appearance.

11.2-3. **Military Leave.** Employees will be covered by the Company's U.S. Military Leave Policy, or its successor program, ("Military Leave Policy") as such Military Leave Policy may be modified from time-to-time by the Company in its sole discretion. The Company will make reasonable efforts to inform the Union in advance of any changes to the Military Leave Policy; however, any such change (including, without limitation, the discontinuance of the Military Leave Policy) will not be subject to bargaining.

11.2-4. **Death In Family.** An employee shall be paid the employee's standard base rate plus shift differential, if applicable, for absence from scheduled work, not to exceed four (4) days where such absence is necessitated by death in the immediate family (i.e., husband, wife, child, mother, father, brother, sister, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandmother, grandfather, grandchild, or any other person who, in the opinion of the Company, is in a similarly close personal relationship to the employee), or not to exceed one (1) day where such absence is necessitated by death of a close relative other than those mentioned above; provided that such absence is authorized by the immediate supervisor. Additionally, death-in-family benefits will be granted during a vacation for a death in the immediate family, only. In order to obtain these benefits, an employee must contact his/her supervisor at the time of death.

Time off with pay under Paragraphs 11.2-1 through 11.2-4 shall be considered as time worked for the purpose of computing weekly overtime.

11.2-5. **In The Event Of Layoff.** Leaves of Absence, regardless of reason, will not be granted to an employee who is laid off, and will not be extended if the employee would have been laid off had the employee been working during his/her leave. In the latter case, the employee shall be considered as having been laid off on the date on which the employee would have been laid off if working.

ARTICLE 12 - GRIEVANCE PROCEDURE

12.1. Should differences arise between the Company and the Union or between the Company and any employee, in order to promote and improve industrial harmony, an earnest effort shall be made to settle such differences in accordance with the following procedure:

12.1-1. **First Step.** An aggrieved employee, with or without the steward, shall discuss the grievance with the employee's immediate supervisor and the latter shall give an answer within five (5) working days after the grievance is presented. The supervisor has the authority to resolve disputes at this step. Resolutions at this step shall be non-precedent setting.

12.1-2. **Second Step.** If the written answer in First Step is not satisfactory, the grievance shall be submitted by the Union within three (3) working days of the supervisor's written answer in First Step to the Company's designated representative at a higher level of supervision. The latter shall hold a meeting with no more than two (2) representatives of the Union, with or without the employee, and give a written answer no later than ten (10) working days following receipt of grievance. Resolutions at this step shall be non-precedent setting.

12.1-3. **Third Step.** If the answer in Second Step is not satisfactory, the Union may submit the grievance within thirty (30) calendar days to the Company's designated representative(s). The Union's submission to third step must identify the specific provision of the agreement that it contends the Company has violated and state specifically how the Company allegedly violated that agreement in the comments section of the electronic grievance tracking system. The Company shall hold a meeting within thirty (30) working days with no more than eight (8) total people on the Union side and shall give a written answer no later than thirty (30) working days following the meeting at this Step. The Company will permit the USW International Representative to attend the Third Step Grievance Meetings.

12.1-4. **Fourth Step.** Any grievance as to the meaning or application of the provisions of this Agreement which is not satisfactorily settled under Third Step above may be submitted by either party for arbitration upon written notice to the other party within thirty (30) calendar days after receipt of the written answer. The arbitration of any disputes will be governed by the provisions of Article 12.9 below or, upon agreement of the parties, by the expedited process as set forth in Article 12.10.

12.2. Any employee caused to suffer any loss of compensation through Company action shall, if upheld in grievance or arbitration proceedings in a claim of unfair action, be reimbursed for such loss, except that a lesser amount may be determined to be appropriate by the parties or the arbitrator, provided that no adjustment of compensation shall be retroactive beyond thirty (30) calendar days prior to the date the grievance was first submitted to the Company in writing. The parties agree, however, that adjustment of compensation shall not be limited retroactively to thirty (30) calendar days as described

above when the loss of compensation results solely from a clerical error as established by the Company records.

12.3. Plant Committee members or stewards will be given necessary time off from their regular work to attend grievance hearings with Company representatives. For such time off a Union representative or other employee present at such meetings with the Company shall receive his/her standard base rate of pay plus shift differential, if applicable. However, he/she shall not be paid for time spent at such meetings with the Company which are before or after his normal or regularly scheduled hours of work.

12.4. Any individual employee or group of employees shall have the right at any time to present grievances to the Company and to have such grievances adjusted, without the presence of Union representatives, as long as the adjustment is not inconsistent with the terms of this Agreement, provided that the Union has been given the opportunity to be present at such adjustment.

12.5. If a grievance is not appealed to the next step in the grievance procedure within the time specified or within the mutually extended time, the grievance shall be considered settled on the basis of the last decision given. If the Company shall fail at any step of this procedure to observe stated time limits, and in the absence of a mutual extension, the grievance shall automatically go into the next step of the procedure unless notice is given by the Union to the contrary.

No grievance will be accepted for adjustment unless raised within thirty (30) calendar days of occurrence or of the time that the employee could reasonably have been expected to know of the grievance. The time limits provided at any step of the grievance procedure may be extended by mutual agreement.

12.6. Representatives of the Union shall upon request of the Union to the Plant Manager or other designated representative and upon explanation of the purpose, be admitted to the Plant at any reasonable time during working hours for the purpose of assisting in the adjustment of grievances.

12.7. Whenever employees are mentioned in this procedure, their number shall not exceed two (2).

12.8. Whenever "working day" is mentioned in the above procedure, it shall not mean Saturdays, Sundays, or holidays, except for handling First Step grievances of employees who are scheduled and work on such days.

12.9. **Arbitration Guidelines.** The arbitration of any grievances under the Agreement shall be subject to the following provisions.

12.9-1 **Arbitration Panel.**

12.9-1.1. **Panel Size.** The parties will develop and maintain a standing panel of no fewer than four mutually-agreeable arbitrators, who will hear and decide arbitration cases. The parties shall also identify and maintain a “reserve” arbitrator, who shall be asked to make him/herself available to hear arbitration cases in the event of disqualification of one of the standing panel members. In such case, the parties will immediately identify a new, mutually-acceptable “reserve” arbitrator.

12.9-1.2. **Disqualification and Replacement of Panel Members.** Arbitration panel standing members, and reserve, will serve on a year-to-year basis, subject to the

condition that either party may disqualify a panel-arbitrator by written notice to the arbitrator and the other party at least thirty (30) days before the disqualified arbitrator's next-scheduled case.

12.9-1.3. **Assignment to Reserve Arbitrator.** In the event of disqualification or resignation of a standing panel arbitrator, the parties will attempt to reassign the departing member's remaining number of arbitration dates to the Reserve Arbitrator, and will immediately solicit the Reserve Arbitrator to schedule those arbitrations. In the event that the Reserve Arbitrator is activated, the parties will identify a mutually acceptable replacement as soon as possible.

12.9-1.4. **Discontinuation of Panel System.** Either party has the right to discontinue the arbitration-panel system upon 90 days' written notice to the other party, to become effective not earlier than the next coming January 1 of the subsequent calendar year. In the event that either party discontinues the panel system, the parties agree that future arbitration cases will be submitted to the Philadelphia office of the American Arbitration Association ("AAA") for resolution. In such event, the Company or the Union shall request the AAA to furnish a panel of arbitrators within ten (10) calendar days after notice under Paragraph 12.1-4 above. The Company and the Union shall separately rate and request that the AAA designate the arbitrator, selecting the arbitrator with the highest combined rating. Only one (1) grievance may be heard before the designated arbitrator except where the parties agree otherwise.

12.9-1.5 **Scheduling Process.**

a. **Selection and Notification of Arbitrators.** No later than September 30 of each calendar year, the parties will identify the mutually agreeable Arbitration Panel

members and Reserve Arbitrator for the following year, and will contact the Arbitration Panel members to solicit their available hearing dates for the following year.

b. **Assignment of Dates.** Arbitration dates provided by the arbitrators will be scheduled based on the following considerations:

i. **Rotation of Arbitrators.** The parties will attempt to schedule standing Panel Arbitrators such that dates are evenly distributed among the Arbitrators throughout the calendar year, both in number and timing.

ii. **Monday/Friday Arbitrations.** Arbitrations will not be scheduled on Mondays or Fridays except by mutual agreement.

iii. **Number of Arbitrations Per Week.** The parties will not schedule more than one arbitration hearing in any given week except by mutual agreement.

iv. **December Arbitrations.** The parties will not schedule arbitration dates during the last 3 weeks of December except by mutual agreement.

c. **Annual Arbitration-Date List.** Upon conclusion of the scheduling process, the parties will develop and maintain a master list that shows, by Arbitrator, all of the arbitration dates for the following year.

12.9-1.6 **Arbitrator Fees.** The fees and expenses of the arbitrator will be shared equally by the Union and the Company, provided that the party who requests and secures a cancellation in a case both parties have agreed will go forward will bear the entire

cancellation fee. All other expenses shall be borne by the party incurring them. The Arbitrator will resolve any disputes over the assignment of fees.

12.9-1.7 **Arbitrator's Authority.** The arbitrator shall not be governed by legal rules of evidence but may receive any logical evidence which the arbitrator deems to have probative value. The decision of the arbitrator shall be final and binding on the Company, the Union, and the employee, except that the arbitrator shall have no power to add to, subtract from, or modify any of the terms of this Agreement or any agreements made supplementary hereto. The arbitrator shall be asked to render his/her decision within fifteen (15) days after the case is presented for arbitration.

12.9-2 **Scheduling of Arbitrations.**

12.9-2.1 **"Arbitration-Ready" Grievances**. Only "arbitration-ready" grievances will be heard in arbitration proceedings. In order for a case to be "arbitration ready," two conditions must be met: (1) the Union must provide the Company with a written notice of the grievance to arbitration, and (2) there must be at least 21 calendar days between the Company's receipt of the written notice of arbitration and the hearing date. However, the parties may mutually agree to waive the second condition and hear a case in fewer than 21 days' notice.

12.9-2.2 **Assignment of Arbitration-Ready Grievances.** Arbitration-ready grievances will ordinarily be assigned to arbitration dates at least two months in advance, subject to changes necessitated either by the submission of new arbitration-ready discharge grievances or for any other mutually acceptable reason.

12.9-2.3 **Number of Arbitrations.** The parties will use their best efforts to schedule and process four arbitration cases per calendar quarter. Beginning in calendar year 2017, one arbitration case per quarter will be designated as a Contract Interpretation Date and shall be reserved for matters of contract interpretation, provided however that the Union may select a Discharge Grievance to be heard on its designated Contract Interpretation Dates. Notwithstanding the order of selection, the Company will select the cases to be heard on the first and third quarter Contract Interpretation Dates and the Union will select the cases to be heard on the second and fourth quarter Contract Interpretation Dates.

12.9-2.4 **"Arbitration Cases" Defined.** In order to ensure that the parties meet the mutual commitment to resolve an appropriate number of arbitrations as set forth above, a "completed arbitration case" will be counted as follows:

a. Any date on which an arbitration hearing occurs and is completed as scheduled counts as one arbitration case.

b. Predicate-discipline discharge arbitrations that require multiple days of hearing will count as two arbitration cases no matter the number of hearing dates needed.

c. Arbitration-ready grievances not involving predicate-discipline that nonetheless require multiple days of hearing will only count as one arbitration case.

d. Matters involving a number of consolidated arbitration-ready grievances, which require multiple days of hearing will count as up to two (2) arbitration cases, no matter the number of hearing dates needed.

e. Arbitration-ready grievances that are settled within the 21 days immediately preceding the arbitration hearing will ordinarily count as one (1) arbitration case if no other case is substituted to fill that slot in accordance with Section 12.9-2.7(b).

f. In the event that the parties meet or exceed the number of arbitration cases for a given calendar year, the parties may agree to cancel arbitration dates that had previously been scheduled for December.

12.9-2.5 **Categories of Arbitrations.**

a. Arbitration-ready grievances will be classified into either of two categories: (1) cases involving a discharge ("Discharge Grievances"); and (2) all other cases (i.e., discipline and contract interpretation)("Non-Discharge Grievances"). Discharge Grievances will be scheduled first, by date of the discharge (or, in cases in which the discharge is immediately preceded by a suspension pending discharge, the first date of the suspension) and non-discharge grievances will be scheduled next in accordance with Article 12.9-2.5(c) below. Beginning in calendar year 2017, the Rule that Discharge Grievances will be heard first shall not apply to Contract Interpretation Dates.

b. The parties will maintain a master list that contains, by category and by date order, all grievances that have been submitted to arbitration ("Master List"). The fact that a grievance is on this list does not constitute a waiver of the Company's right to challenge the arbitrability of that grievance.

c. Non-Discharge Grievances shall be scheduled by an alternate selection method, subject to and in accordance with the following:

i. The Union shall select the first Non-Discharge Grievance to be heard, the Company shall select the second Non-Discharge Grievance to be heard and the selection method will continue with alternating picks. For clarity, an intervening Discharge Grievance shall not count towards either party's selection and this alternate method does not apply to Contract Interpretation Dates.;

ii. In the event that the selecting party does not make a selection in a timely manner, the case to be heard will be the oldest case on the Master List and the next pick shall shift to the other party.

12.9-2.6 **Commencement of Arbitration.** Arbitration will be commenced via a written arbitration-demand to be filed within 30 calendar days of the Company's Third Step written answer or its due date. Any questions concerning arbitrability related to the timing of arbitration-demands will be governed by Article 12.5 of this Agreement.

12.9-2.7 **Settlement of Scheduled Grievances.**

a. The parties will make every effort to resolve scheduled arbitrations more than 30 days in advance of the arbitration dates.

b. In the event that an arbitration-ready grievance is settled more than 30 days in advance of a scheduled arbitration date, the parties will assign another grievance to fill that slot. In the event that a grievance is settled within the 30-day period

but prior to 14 days of the scheduled hearing date, the parties will make a good-faith attempt to assign another grievance to fill that slot, but are not required to do so. The general rule is that there will be no substitution of cases for grievances settled within 14 days of a scheduled hearing date, but the parties may nonetheless attempt to do so.

c. In the event that a grievance is settled within the 30-day period and a replacement grievance is not identified for that date, the parties may utilize the open date to convene regarding the potential settlement of outstanding grievances. The date will count as an arbitration case.

12.9.2-8 **Predicate-Discipline Arbitrations.** In discharge arbitrations where the Company relies upon prior disciplinary action(s) that is/are the subject of an arbitration-ready grievance(s) that has/have not yet been arbitrated, the "predicate discipline" and the discharge will be consolidated into one proceeding. In such cases, the Arbitrator will hear all of the pending disciplinary grievances in chronological order, and will issue a decision on the discharge, and, to the extent he/she also deems appropriate, may also address the predicate disciplines at issue.

12.9-2.9 **Cancellation or Postponement.** Arbitrations may be cancelled or postponed by mutual agreement of the parties or for good cause. Neither party has the right to unilaterally cancel or postpone an arbitration. In the event of a dispute over cancellation or postponement, the parties will schedule a conference call with the Arbitrator assigned to the case as soon as possible, and the Arbitrator will resolve the dispute. The Parties shall share equally any and all Arbitrator fees associated with the cancellation or postponement of a case by agreement; however, the Party seeking cancellation for good or other reasons over the objection of the other Party shall bear all Arbitrator fees associated with any such cancellation or postponement.

12.9-3 **Arbitration Hearings**

12.9-3.1 **Location.** Arbitrations will ordinarily be held at the West Point facility, provided that either party may relocate an arbitration to a nearby facility upon 21 days written notice. In such case, the requesting party will bear all costs associated with the new arbitration site.

12.9-3.2 **Start and Finish Time.** Arbitration hearings will ordinarily convene at 9:30 a.m. and conclude by 5:00 p.m.

12.9-3.3 **Extended Hearings.** If an arbitration is extended beyond one day of hearing, the parties will attempt to secure additional dates from the Arbitrator in order to complete the arbitration as soon as possible.

12.9-3.4 **Witnesses and Party Representatives.**

a. **Sequestration.** The arbitrator may consider requests for the sequestration of witnesses, provided that both sides will be permitted to have up to seven persons present as non-testifying client representatives.

b. **Party-Opponent Witnesses.** The use of party-opponent witnesses is discouraged.

12.9-3.5 **Information Requests.** Information requests will be in writing. The Arbitrator will resolve any disputes concerning the production of information in response to a written request.

12.9-3.6 **Briefs/Court Reporters.**

a. The practice of filing post-hearing briefs in connection with single-day discipline hearings is discouraged. In the event that briefs are filed, they will normally be submitted within 30 days of close of the record, unless the parties agree otherwise.

b. Either party may request the services of a court reporter. If the parties agree, then they will split the cost of the court reporter. If one party does not agree, then the requesting party will be responsible to pay the court reporter's fee. In all instances a party requesting a transcript of the proceeding is responsible to pay the fee for such transcript.

12.9-3.7 **Procedural Rules.** In regard to issues not addressed in this Agreement, the parties will follow the procedures utilized for arbitrations conducted under the auspices of the American Arbitration Association.

12.9-4 **Acknowledgment.**

12.9-4.1 **Mutual Desire for Efficient Process.** The parties acknowledge that the arbitration procedure outlined in this Agreement has been developed with the intention to provide a fair and expeditious process for the resolution of grievances and to encourage an environment of labor-management cooperation at the West Point facility.

12.9-4.2 **Deviation from Express Terms.** The parties acknowledge that any or all of the provisions of this Agreement may be revised by mutual consent.

12.10. **Expedited Arbitration.** Between May 1, 2020 and April 30, 2025, the arbitration of a grievance under the Agreement may proceed to expedited arbitration in accordance with the provisions of this Article 12.10.

12.10-1 **Expedited Arbitration Panel.**

12.10-1.1. **Expedited Panel Size.** On or before August 1, 2020, the parties will meet and agree on the selection of a standing panel of no fewer than two arbitrators who will hear and decide expedited arbitration cases. If the parties cannot agree on the two arbitrators, then each side will have the right to designate one arbitrator to hear expedited arbitrations.

12.10-1.2. **Disqualification and Replacement of Panel Members.** Expedited Arbitration panel standing members will serve on a year-to-year basis, subject to the condition that, after January 1, 2022, either party may disqualify a panel-arbitrator by written notice to the expedited arbitrator and the other party at least sixty (60) days before the disqualified expedited arbitrator's next-scheduled case.

12.10-1.3 **Scheduling Process.**

a. **Selection and Notification of Expedited Arbitrators.** No later than September 30 of each calendar year, the parties will contact the Expedited Arbitration Panel members to solicit their available hearing dates for the following year.

b. **Assignment of Dates.** Beginning in the fourth quarter of 2020, the parties will schedule four expedited arbitration dates per year as follows: one date in the first quarter, one date in second quarter, one date in the third quarter and one date in the

fourth quarter, based on expedited arbitrator availability (each such date an "Expedited Arbitration Date"). The expedited arbitrators will be scheduled for two Expedited Arbitration dates each, which dates, absent agreement otherwise, will not be on a Monday or a Friday.

12.10-1.4 **Expedited Arbitrator Fees.** The fees and expenses of the expedited arbitrator will be shared equally by the Union and the Company; provided that the party who requests and secures a cancellation in a case both parties have agreed will go forward will bear the entire cancellation fee. All other expenses shall be borne by the party incurring them. The Arbitrator will resolve any disputes over the assignment of fees.

12.10-1.5 **Expedited Arbitrator's Authority.** The expedited arbitrator shall not be governed by legal rules of evidence but may receive any logical evidence which the expedited arbitrator deems to have probative value. For the case submitted, the decision of the expedited arbitrator shall be final and binding on the Company, the Union, and the employee, except that the expedited arbitrator shall have no power to add to, subtract from, or modify any of the terms of this Agreement or any agreements made supplementary hereto.

12.10-2 **Scheduling of Expedited Arbitrations.**

12.10-2.1. **Expedited Arbitration Case List.** The Union Plant Chairman (or his/her designee) may submit to the Company's site Labor Relations lead a written request for agreement to submit any grievance (provided such grievance had been timely noted to arbitration) to expedited arbitration. The Company is free to accept or reject each such request at its discretion. The Company will maintain a list of all grievances

that the parties agree to submit to expedited arbitration (the "Expedited Arbitration Case List").

12.10-2.2. **Case Selection.** No later than forty-five days before each Expedited Arbitration Date, the Union Plant Chairman (or his/her designee) and the site Labor Relations lead (or his/her designee) will meet to select those grievances to be heard at the next Expedited Arbitration Date. In order to be eligible for selection, a case must have been placed on the Expedited Arbitration Case List at least sixty days prior to the Expedited Arbitration Date. Absent mutual agreement, no more than two grievances will be scheduled to be heard on an Expedited Arbitration Date. The parties agree to attempt in good-faith to agree on the grievances to be heard. If the parties cannot agree, then each side will have the right to select one case each from the Expedited Arbitration Case List. In the event that a selected grievance is resolved prior to the expedited arbitration, then the parties may select a replacement grievance upon mutual agreement.

12.10-2.3. **Cancellation or Postponement.** Expedited Arbitration Dates may be cancelled or postponed by mutual agreement of the parties or for good cause. Neither party has the right to unilaterally cancel or postpone an expedited arbitration. In the event of a dispute over cancellation or postponement, the parties will schedule a conference call with the expedited arbitrator assigned to the case as soon as possible, and the expedited arbitrator will resolve the dispute. The Parties shall share equally any and all expedited arbitrator fees associated with the cancellation or postponement of an Expedited Arbitration Date by agreement; however, the Party seeking cancellation for good or other reasons over the objection of the other Party shall bear all expedited arbitrator fees associated with any such cancellation or postponement.

12.10-2.4. **Additional Expedited Arbitration Date.** The parties may agree to add an additional Expedited Arbitration date to replace one of the non-Expedited Arbitration dates.

12.10-3 **Expedited Arbitration Hearings**

12.10-3.1. **Location.** Expedited Arbitrations ordinarily will be held at the West Point facility, provided that either party may relocate an expedited arbitration to a nearby facility upon 21 days written notice. In such case, the requesting party will bear all costs associated with the new arbitration site.

12.10-3.2. **Start and Finish Time.** Expedited Arbitration hearings will ordinarily convene at 9:30 a.m. and conclude by 5:00 p.m.

12.10-3.3. **Conduct of Hearing.** Expedited Arbitration cases will be presented informally in whatever manner the party desires to make its case. A party may present its case through argument of counsel, through witness narrative, through some combination of argument/witness narrative or in whatever means it desires to present its case *provided however* that the party bearing the burden of proof must provide relevant testimonial evidence on the issue in dispute. All testimonial witnesses will be subject to cross examination (the time on cross examination will be charged to the Party conducting the cross examination). The parties will endeavor in good faith to reach stipulations of fact prior to the hearing day. Each side will have a maximum of 60 minutes to present its case with respect to each individual grievance and is free to allocate such time as it desires. The party bearing the burden of proof will present first and the other party will follow. The parties will continue to take turns in rebuttal until that party rests its case or until its total presentation time for that grievance has reached 60 minutes.

12.10-3.4. **Briefs/Court Reporters.** There shall be no briefs or court reporters at Expedited Arbitration hearings.

12.10-3.5. **Arbitrator Decisions.** The parties will request that the expedited arbitrator rule on each grievance at the conclusion of the presentation or at the conclusion of the Expedited Arbitration Date. The expedited arbitrator's ruling will be memorialized on a form that will be provided by the parties to the expedited arbitrator which form will identify the grievance and include the choices of "grievance sustained," "grievance denied" or "grievance mitigated" and a place for expedited arbitrator comments. Such form once completed will be uploaded to the grievance tracking system.

12.10-3.6. **Effect of Arbitrator's Decision.** The parties agree that the arbitrator's decision will govern only for the case submitted and will have no other precedential value and that a decision will not be admissible as evidence in or citable by either party in any proceeding other than an action to enforce its terms. For avoidance of doubt, either party is free to use an expedited decision in discussions with the other party in order to influence the other party's position in a subsequent matter.

ARTICLE 13 - UNION SECURITY

13.1. As used in this Agreement the term "employees" shall mean employees in the bargaining unit as defined in Article I.

13.2. All employees, who on the date of execution of this Agreement were members of the Union, and all employees who thereafter become members of the Union

shall, as a condition of continued employment, remain members of the Union in good standing for the duration of this Agreement.

13.3. All individuals, who by hire or transfer became or become employees as herein defined shall, at the expiration of their probationary period or the date of execution of this Agreement, whichever is later, become and remain members of the Union in good standing for the duration of this Agreement.

13.4. As used in this Article, membership in good standing in the Union shall require only that the employee tender to the Union the periodic dues and the initiation fee uniformly required as a condition of acquiring or retaining membership.

ARTICLE 14 - CHECK-OFF OF UNION DUES

14.1. **Check-Off.** The Company agrees that it will deduct from the pay of each employee who is a member of the Union, the employee's monthly dues and initiation fee, provided the employee certifies to the Company in writing that he/she wants such deductions made, in four equal installments in each of the first four pay periods each month, provided that the monthly dues are and remain divisible by four. Union dues and initiation fees shall be deducted on the thirty-first (31st) day following initial date of hire.

14.2. **Written Authorization For Check-Off.** The written authorization to deduct Union dues and initiation fees shall be in the following form:

To: Merck Sharp & Dohme Corp.

I hereby assign to and authorize and direct my Employer, Merck Sharp & Dohme Corp., a wholly owned subsidiary of Merck & Co., Inc., to deduct my regular monthly Union dues and my Union initiation fee (if any) out of my wages and pay same to the Union. This assignment and authorization shall be irrevocable for a period of one (1) year from the date hereof or until the expiration of the current labor contract, whichever occurs sooner, and shall automatically renew itself for successive irrevocable annual period or for the period of each successive applicable labor contract, whichever period expires first, unless I give notice in writing of a contrary intention to my Employer and to the Union at least thirty (30) days before expiration of any annual period of any applicable labor contract, whichever occurs first.

_____ _____

Date Signature

_____ _____

Witness Plant

_____

Business Unit

14.3. **Transmittal Of Dues.** The dues thus deducted will be transmitted by the Company to the, United Steelworkers International, at such official address as the Union shall authorize to the Company in writing within ten (10) days from the date of which such deductions were made. The Union will furnish the Company with its official receipt for all moneys thus transmitted to it.

14.4. **Protection Of Company Against Claims By Employees.** The Union agrees to indemnify the Company against any award, judgment, loss or expense arising out of any legal claim made against the Company by any employee because of such deductions from his wages.

ARTICLE 15 - SUBCONTRACTING

It is the intention of the parties and of this provision to protect and preserve bargaining unit work for bargaining unit employees.

The Company will not contract out work to individuals or to other companies which is normally performed by bargaining unit(s) employees where the necessary equipment is at hand, qualified employees are available, project completion dates can be met and the results would otherwise be consistent with efficient and economic operations.

ARTICLE 16 - NO STRIKE NO LOCKOUT

The Union agrees that while this Agreement is in effect, it will not call or in any manner sanction, and that the employees covered by this Agreement will not engage in any strike, slowdown or other concerted activity resulting in interference with or impediment to production, nor will the Union ignore or disregard any such strike or activity by employees. Union liability, however, shall exist in case, but only in case, the Union calls, sanctions, ignores or disregards such strike or activity. The Company agrees that there shall be no lockouts.

ARTICLE 17 - NONDISCRIMINATION

The Company and the Union agree that no discrimination shall be practiced against any employee because of race, creed, religion, color, national origin, ancestry, genetics, sex, marital status, veteran status, age, sexual orientation, gender identity and gender expression or the presence of a handicap, except in those instances where age,

sex, the exercise of Family Medical Leave Act rights or the absence of a handicap may constitute a bona fide occupational qualification or except as age is a factor in the Merck Pension Plan and/or in an apprentice training program, if applicable.

ARTICLE 18 - WAGE ADJUSTMENT

A request by any party to this Agreement for a wage rate adjustment to be applicable to this bargaining unit covered herein shall be a subject for negotiation solely under this Agreement and, therefore, shall be negotiated only by and between all parties thereto.

ARTICLE 19 – WAGE PROGRESSION

19.1 **Wage Progression.** Each labor grade will have a ten year wage progression, which will be set forth in Appendix A hereto.

19.2. **New Hires.** Employees hired (or re-hired) into the bargaining unit on or after May 1, 2010 will be hired (or re-hired) at the applicable start rate for the labor grade of the job for which they are hired. Such employees will then progress one level on the applicable wage progression on the day after the anniversary of their start date until they reach the tenth progression level (the "Top Rate"). To illustrate, an employee will move to the first level of progression on the day after the first year anniversary of their start date; the second level on the day after the second anniversary of their start date and so on until they reach Top Rate on the day after the tenth anniversary of their start date.

19.3. **Movement Between Labor Grades.** An employee moving into a job with a different labor grade (whether by bid, bump, placement or otherwise) will stay in his or her wage progression level and will receive the wage associated with that level of progression in the new labor grade. The employee will then continue to progress in the same manner as described in Article 19.2.

19.4. **Current Employees Moving into the Bargaining Unit.** An employee moving into the bargaining unit from some other job at the Company (including, without limitation, through interplant transfer) will be mapped into the wage progression schedule based upon his/her most recent start date with the Company (in other words, the commencement of his/her latest period of continuous employment) and will continue to progress through the schedule based on that most recent hire (or re-hire) date.

19.5. **Employees on Layoff.** Employees who are on layoff and continue to retain their seniority rights will continue to progress in the wage step progression schedule as if they were actively working. Once the employee accepts recall and reports to work, he/she will be credited for the time he/she was on layoff and placed at the appropriate wage progression level.

19.6. **Increased Starting Rate.** The Company may, at any time, provide that employees in any job classification covered may be hired at a wage progression that is higher than the start rate for the job classification as reflected in the wage progression table; provided however that in such case any incumbent employee in such job classification who is, at the time of any such hire, in a wage progression level below that which is applied to the new hire shall have his/her wage rate progression adjusted to a progression level no lower than the level at which the new employee was hired. The

Company shall notify the Union of any such hiring rate adjustments in the month preceding the adjustment.

ARTICLE 20 - LONG-TERM DISABILITY

20.1. During the term of this Agreement, employees shall be covered by a long-term disability plan.

20.2. The Long-Term Disability Plan shall provide benefits equal to sixty (60) percent of base wages received immediately prior to the date of accident or sickness, after a waiting period of twenty-six (26) continuous weeks in accordance with the terms and conditions set forth in the Long-Term Disability Plan. Long-term disability benefits are offset by any Merck compensation, pension, insurance payments and temporary worker's compensation benefits, federal social security (both primary and family) or similar benefits received subsequent to the expiration of the waiting period. The amount of offset for social security benefits shall be computed at the time the employee qualifies for long-term disability. Subsequent increases in social security benefits shall not be used to reduce long-term disability benefits. For illnesses commencing on or after July 1, 1981, the minimum long-term disability benefit shall be one hundred dollars ($100) per month, exclusive of offsets; subject to a total benefit level inclusive of offsets of eighty-five (85) percent of base wages received immediately prior to the date of accident or sickness. Employees need not be actively at work on the effective date of the plan in order to be eligible for coverage and U.S. military service-connected disability payments shall not be used to offset benefits received under the plan.

20.3. The Company will extend its short-term disability program set forth in this Agreement to provide a minimum benefit at least equal to the benefit provided under the New Jersey State Temporary Disability Benefits Law for a period equal to the waiting period required before benefits begin under the Long-Term Disability Benefits Plan.

20.4. An employee who recovers from long term disability or is denied long term disability benefits will return to his/her former position**.** If the employee is unable medically to perform the functions of his/her prior position, then he/she shall have the right to bid into an open job or may be placed into a vacant position within his/her restrictions on the same shift as the employee's former job. Upon successful bid or placement, the employee will receive the rate of the job in question. An employee who is denied long-term disability benefits must return to work and actively bid on jobs immediately. An employee who does not return to work after a denial of long term disability or, if medically unable to return to his/her former position, fails to actively seek alternative positions, fails to accept a successful bid or fails to accept a placement to an open job will be deemed to have resigned from employment and his/her seniority will be lost.

ARTICLE 21 - UNION-COMPANY RELATIONS

21.1. **No Union Solicitation Of Supervisors.** The Union will not solicit or accept membership from a supervisory employee of the Company as defined in Article I, and any member of the Union upon his/her promotion and while he/she occupies a supervisory position with the Company shall withdraw from the Union.

21.2. **Work Done By Excluded Personnel.**

21.2-1. No excluded person as defined in Article I, shall do work of a production or maintenance employee for the purpose of depriving other employees of work. The Company will see to it that supervisors perform work of a supervisory nature and do not perform work normally done by members of the bargaining unit.

21.2-2. The Union will, of course, recognize that tasks such as experimental work and training of employees are supervisory in nature and are normally performed by supervisors and that they can assist in production and maintenance difficulties.

21.3. **No Coercion Of Employees Nor Interference With Production.** The Union will not, and will not permit its members to, and the Company will not, and will not permit its employees to, intimidate, coerce, or threaten any other employee of the Company for any reason; and the Union further agrees that neither it nor any of its members will conduct any Union activity on Company time which interferes with production, or conduct Union solicitation during working hours except as permitted by this Agreement.

21.4. **No Discrimination For Union Activity.** The Company agrees that there will be no discrimination, interference, restraint or coercion by it or any of its agents against any employee because he joins the Union or because of his membership or lawful activity in the Union.

21.5. **Company's Rules and Regulations.** Employees shall abide by the existing rules and regulations of the Company as well as those that may be issued by the Company from time to time. The Company will notify the Local Union Plant Committee

where practical seventy-two (72) hours in advance of such contemplated changes and give the Local Union Plant Committee the opportunity to present its views. The Local Union Plant Committee shall have the right to question the reasonableness of such rules and regulations or the application thereof. Any changes in rules and regulations of the Company will be posted on the Company's bulletin boards. Violations of the Company's rules and regulations may result in warnings, suspensions, discharges or other disciplinary actions. The Company will continue its present practice of reviewing all written warnings approximately three (3) months following their issuance and will determine whether the cause of the warning has been corrected. A written record of this review will be given to the employee and the Local Union Plant Committee. Should the Local Union Plant Committee or employee disagree with the Company's determination as to whether the cause of the warnings has been corrected, such disagreement may be referred to the grievance procedure and arbitration as provided in this Agreement.

21.6. **Union Orientation.** The Company shall provide a facility for one (1) to two (2) hours per month for the purpose of Union orientation to be presented by a local Union officer. The agenda and content will be presented to the Company for its review and approval. This program will be renewable on each successive January 1, upon mutual agreement of the parties.

ARTICLE 22 - WORKING HOURS

22.1. **No Guarantee Of Hours.** This Article is intended only to provide a basis for calculating overtime and is not a guarantee of hours worked per day or per week.

22.2. **Normal Work Week.** The normal workweek shall consist of forty (40) hours per week. The normal workday shall consist of eight (8) hours per day on each shift.

22.3. **Definition Of Work Week.** The Company's present workweek begins on Monday at 12:00 A.M. and ends at the beginning of the following week. The Company will continue its past practice of a forty (40) hour week to consist of five (5) consecutive eight (8) hour days beginning Monday except in cases where the nature of the work requires continuous or daily attention, such as certain technical operations, certain manufacturing or packaging operations, stationary engineers, emergency warehouse employee, etc. It is recognized that in the future there may be new jobs or changes in the nature of present jobs that will require continuous attention. If such is the case, the Company reserves the right to change the shift schedules when such change is important for operational efficiency for such jobs and will notify the Union where practicable seventy-two (72) hours in advance of such contemplated changes and give the Union opportunity to present its views. The Company may unilaterally change each shift starting time for all employees on a shift up to one (1) hour, twice during the term of the contract. In the event the Company unilaterally changes the shift starting time for all employees on a shift by more than one (1) hour, or more than twice by one (1) hour or less, more than twice during the term of the contract, all employees on that shift will be laid off and their jobs reposted.

22.4. **Overtime.**

22.4-1. **Overtime Equalization.** Insofar as it is practical, overtime will be distributed equally among employees in the same Overtime Sharing Group (as defined below) on a calendar year basis. For the purpose of this provision, "equally" means within fifteen (15) percent of the employee in the Overtime Sharing Group with the highest number of charged hours (the "Threshold") as of December 31 of a calendar year. For

example, if the highest number of charged hours in the Overtime Sharing Group is 100 hours, then the Threshold is 85 hours.

22.4-1.1. **Definitions.**

a. "Overtime Sharing Group" means a group of employees who perform similar job tasks and who have been grouped together by the Company for the purpose of overtime distribution. The Company has the right to define, change and reconfigure the existing Overtime Sharing Groups by, for example, changing the group of employees in such group and/or adding, eliminating or combining groups. The Company will notify the Union of any change to existing Overtime Sharing Groups.

b. "Specialized Skill Overtime" means an overtime assignment which, in the discretion of the Company, requires an employee with specialized or unique skills not possessed by all of the employees in the Overtime Sharing Group.

c. "Continuation Overtime Assignment" means an overtime assignment on a task which has been started by an employee and which, in the discretion of the Company, requires that employee to continue on that task in order to promote efficient operations.

22.4-1.2. **Overtime Distribution Process.**

22.4-1.2.1 **In General.**

a. The Company will assign employees for overtime assignments in an Overtime Sharing Group based on low hours, high seniority, except that in the case

of Specialized Skill Overtime or Continuation Overtime the Company may assign such overtime regardless of hours.

b. The Company will designate when an employee is eligible to be included in the overtime rotation within an Overtime Sharing Group in accordance with the provisions of Article 22.4-1.3.

c. After the provisions of Article 22.4-1.2.2 have been exhausted, the Company may assign an overtime assignment to the lowest senior qualified employee in the Overtime Sharing Group if insufficient employees volunteer for such assignment, subject to the following:

i. An employee will not be drafted to work overtime on all of their normally scheduled off days in a single pay week;

ii. An employee will not be drafted to work overtime more than two drafted overtime assignments in a single pay week; and

iii. An employee will not be drafted to work overtime more than once in a twenty-four-hour period; except

iv. Notwithstanding the provisions of (i) through (iii) above if the application of (i), (ii) and (iii) above results in no employee being available for assignment, then (a) first, the limitation of (ii) above will be increased to three, and then four and so on until the required number of employees is met; (b) second, if the overtime need remains unmet, then the limitation of (i) above will be waived; and (c) third, if the overtime need is still not met, then the limitation of

(iii) will be waived. In the event that this subsection (iv) is triggered, the Company agrees to meet with the Union to discuss the reason(s) why the subsection was triggered and to seek a reasonable solution to avoid a reoccurrence of the problem.

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d. All overtime hours offered to an employee will be charged as overtime hours offered whether accepted or refused. Overtime will be charged on an hours paid basis, meaning that the hours an employee will be charged for the time/hours offered or worked will be based on the contractual premium (if any) applicable to those hours (but without regard to whether the individual would be qualified for that premium in light of Article 22.4-2.2). For example, an employee offered 8 hours of overtime will be charged for the number of hours that would be paid for those 8 hours.

e. Employees are responsible to notify management of their availability for overtime.

22.4-1.2.2 **Outside the OSG.** The Parties agree that when there is a need for additional workers in a particular area, the need for scheduled work normally will be addressed in the following order of priority: (i) work assignment or flex flow during the employee's regular shift; (ii) overtime by employees in the OSG; (iii) overtime by employees outside the OSG; and (iv) by assigning employees pursuant to Article 22.4-1.2.1(c). Notwithstanding the above, the Company need not offer overtime to employees outside the OSG if the need for the overtime becomes known within 24 hours of the start time of the shift where the overtime is needed.

a. Each OSG may maintain a list of qualified employees and their current work schedule ("Non-OSG List") and will maintain such a Non-OSG List in the event that the OSG drafts more than four employee shifts in the OSG in any four consecutive week period. Upon request, the Plant Committee will provide assistance in the identification of employees for placement on a Non-OSG List. Non-OSG Lists established during a calendar year will be good for the duration of that calendar year and then may or will be renewed in accordance with this subparagraph (a). The burden is on the employee to place his/her name on a Non-OSG List, to provide appropriate contact information, to list shifts for which he/she is available, and to obtain and maintain all of the necessary training in order to be considered "qualified." The Company is under no obligation to provide paid time to employees on a Non-OSG List for the purpose of training for a Non-OSG assignment. The Company may remove an employee from a Non-OSG List based on training status, work performance or overtime refusals.

b. The Company may offer overtime to employees who have signed a Non-OSG List when there are insufficient employees in the OSG to work the requisite overtime or where insufficient employees in the relevant OSG accept the requisite overtime (such overtime is referred to as "Non-OSG Overtime"). An employee who is offered overtime in his/her home OSG is not eligible to work overtime outside of the home OSG for that shift or for a shift that would make them ineligible to work the home OSG overtime.

c. The Company has no obligation to offer any, and the employees on a Non-OSG List have no right to be selected for any, Non-OSG Overtime assignment. Should the Company elect to offer a Non-OSG Overtime assignment, it may offer such overtime, on a rotation basis, on its determination of the employees' relative experience, skills and abilities. No grievances will be processed regarding the qualifications for placement on a Non-OSG List and/or selection or non-selection of an individual who is on a Non-OSG List.

d. Non-OSG Overtime hours need not be equalized among employees on a particular Non-OSG List or in any manner whatsoever and no monies will be payable by the Company to any employee on account of a disparity of overtime attributed to Non-OSG Overtime hours worked.

e. The following rules will apply to the management of overtime in an OSG when at least one employee in the OSG has worked Non-OSG Overtime:

    i. An employee's Total Overtime (defined as hours charged within the OSG and the charges for Non-OSG Overtime hours worked) will be used for the purpose of assigning overtime within the OSG. In other words, Non-OSG Overtime hours worked will be considered in offering overtime within the OSG;
    ii. The "Threshold" (as defined in Article 22.4-1), will be established by the highest number of charged hours in the OSG, without regard to Non-OSG Overtime. In other words,

Non-OSG Overtime hours worked will not be considered in setting the highest amount of overtime in the OSG and the subsequent establishment of the Threshold. For the purposes of determining whether an employee is below the Threshold and, if so, by how much, the employee's Total Overtime hours will be compared to the Threshold. Thus, for the purpose of completing the overtime distribution review in accordance with Article 22.4-1.6, an employee will be paid only if his/her Total Overtime hours are below the Threshold and, if so, such payment will be defined by the amount that the employee's Total Overtime hours are below the Threshold.

f. The following rules apply when an employee moves into another OSG, regardless of whether the move was Company or employee initiated, and either the employee who is moving or at least one employee in the OSG to which the employee is moving has worked Non-OSG Overtime:

   i. The high overtime hours in the receiving OSG will be established based on the employees' charged overtime within the OSG only, without regard to any Non-OSG Overtime hours worked by such employees;
   ii. The low hours in the receiving OSG will be established based upon the employees' Total Overtime, but in no case will this number be greater than the high hours calculated in accordance with (i) above; and

iii. In the event the employee has been moved by the Company, the moving employee's Total Overtime will be counted in determining his/her charged hours in the new OSG in accordance with Article 22.4-1.3.a.

22.4-1.3. **Movement into an Overtime Sharing Group.**

a. An employee who is moved by the Company into a different Overtime Sharing Group, will bring his/her current charged hours with him/her into the new group, except (i) if the employee has more charged hours than all other employees in the new Overtime Sharing Group, then he/she will be assigned hours equal to the highest number of hours in the group plus one; and (ii) if the employee has fewer charged hours than all other employees in the new Overtime Sharing Group, then he/she will be assigned hours equal to the lowest number of hours in the group minus one.

b. A new employee or an employee bumping or bidding into another position in another Overtime Sharing Group will be charged hours equal to the highest number of hours in the relevant Overtime Sharing Group once the employee becomes eligible for overtime within the new Overtime Sharing Group. A new employee or an employee who bids or bumps into a job will complete the training (required to do the job) before being eligible for overtime as part of the Overtime Sharing Group except that the Company will add the employee to an Overtime Sharing Group after no more than ninety calendar days (excluding periods of absence) after a bid or bump into a non-qualified job or one hundred eighty calendar days (excluding periods of absence) after a bid or bump into a qualified job or an initial hire into any job (non-qualified or qualified) *provided* the employee

has completed all training assignments provided to him/her by the Company in a satisfactory manner. (For avoidance of doubt, the Company may add an employee to an Overtime Sharing Group sooner than required above). Such an employee and will pick up high hours at the point he/she enters the Overtime Sharing Group. Apprentice Training Program rules for eligibility will still apply.

c. The Company may move an employee on a Flex Flow Assignment to an Overtime Sharing Group in the area of such assignment at its discretion but must make such move after the employee has been in the Flex Flow Assignment continuously for seven calendar days. (For avoidance of doubt, the Company may add an employee to an Overtime Sharing Group sooner than required above). Until such move is made, the employee will maintain their eligibility (if any) for available overtime (if any) in his/her Home Area Assignment. An employee returned to his/her Home Area Assignment by the Company will return to his/her Overtime Sharing Group status in that area. In either case, the employee's hours after a move to or return to an Overtime Sharing Group will be calculated as set forth in subsection (a) above.

22.4-1.4. **Unscheduled Overtime**. Anyone called in for overtime will be charged beginning two (2) hours after the call is made or when the employee who accepts the overtime arrives for work, whichever is greater.

22.4-1.5. **Vacation and Overtime Eligibility.** Excluding shutdown weeks and emergencies, an employee who uses vacation time and/or personal time for all regularly scheduled, non-holiday work days during any week, including a week with a holiday, will not be eligible to work any holidays during that week or for the sixth (6^{th}) and seventh

(7th) day following that week. An employee will not be charged for hours that they are not eligible to work under this paragraph.

22.4-1.6. **Distribution Review.** The Company will review the overtime distribution in the Overtime Sharing Groups on an annual basis at the end on each calendar year. Such review will involve a comparison of each employee's charged hours with the Threshold established in the employee's Overtime Sharing Group. Employees who have fewer charged hours than the Threshold as of December 31 will be paid at a rate of their then current hourly base rate for the number of hours equal to the difference between their charged hours and the Threshold, except that no such payment will be required for any hours short of the Threshold attributable to the employee's unavailability for work in December and that except that no such payment will be made to any employee who is short of the Threshold because of hours not charged to that employee because that employee was ineligible for the overtime based upon overtime actually worked (in other words, hours not charged due to the 16 hour rule will be disregarded).. The Company will continue its past practice of permitting stewards to inspect, on their request and at reasonable intervals, the past records of departmental overtime hours assigned.

22.4-1.7. **Reset of Hours.** Overtime hours will be reset to zero for all employees in all Overtime Sharing Groups on January 1 of each calendar year.

22.4-2. **Premium Pay For Overtime.**

22.4-2.1. **Overtime Rate.** Subject to the eligibility requirement of Article 22.4-2.2, any work performed in excess of eight (8) hours and less than twelve (12) hours in one (1) day or forty (40) hours in one (1) week shall be considered overtime and shall be paid

for at the rate of time and one-half (1-1/2). Daily overtime in excess of twelve (12) hours shall be paid for at the rate of double (2) time(s). The regular shift starting time will mark the beginning of the day for the purposes of calculating time worked in a twenty-four (24) hour period and the computation of the sixth (6th) and seventh (7th) days of the work week.

22.4-2.2. **Hours Worked for Purpose of Overtime/Eligibility for Premium Pay.**

a. In calculating an employee's eligibility for overtime, "hours worked," includes approved vacation, holidays, union business, military encampment, bereavement leave, jury duty, court appearance, temporary layoff, authorized personal time off, but excludes all other absences (whether authorized or not), including, without limitation, sick time, short–term disability, FMLA (e.g., intermittent or consecutive days off), long term disability, disciplinary suspension, leaves of absence and workers compensation.

b. An employee must work all scheduled straight time hours in a work week in order to be eligible to receive the premium pay and/or overtime pay for any time worked in that work week as described in this Agreement. This provision does not affect an employee's statutory right to overtime pay for hours worked in excess of forty (40) hours in a work week. For the purposes of this provision "straight time hours worked" includes those hours listed as "hours worked" in subparagraph (a) above.

22.4-2.3. **Notice Of Overtime Work.** Except in emergency situations, the Company will give reasonable notice of overtime work and will not require an employee who does not wish to work overtime to do so, unless there is an insufficient number of qualified volunteers in the Overtime Sharing Group. An employee designated to work overtime shall work in accordance with the Company's decision notwithstanding a claim

that this Section has been violated, but all such claims may be filed as grievances. The Union agrees that an employee working on a job performed on a multiple shift basis shall not leave the job at the close of his/her shift until the employee's replacement on the following shift reports for work unless given permission to leave by the supervisor.

22.4-2.4. **Single Day Vacation/Personal Day Overtime.** An employee is only restricted from working overtime during the twenty-four (24) hour period in which the single vacation day or personal day occurs. The only exception is second (2nd) and third (3rd) shift employees who schedule their fifth (5th) scheduled workday as a vacation day or personal day. In that instance, the employee will be eligible to work overtime on their sixth (6th) day, if only one shift is scheduled that day.

22.4-3. **No Reduction In Workweek Because Of Overtime.** When an employee works overtime in excess of the employee's normally scheduled eight (8) hour day or forty (40) hour-week, Monday through Friday (except in cases of continuous operation) the employee shall not suffer a diminution of work in the employee's regularly scheduled forty (40) hour week when the sole purpose is to equalize the time to a forty (40) hour-week.

22.4-4. **Layoff Overtime.** Any employee scheduled for layoff will be permitted to work a holiday and/or sixth (6th) and seventh (7th) day in the week in which the employee is laid off provided the employee is regularly scheduled to work the day before the holiday and/or the sixth (6th) and seventh (7th) day, and the overtime assignment is in accordance with the Business Unit's/Area's overtime guidelines. This provision does not apply to start-up overtime (two (2) hours or less) on the seventh (7th) day or any overtime involving an immediate bump.

22.5. **Report-In-Pay.** If an employee (other than a part-time employee) reports for work on a regularly scheduled day and the employee has not been notified on or before the previous day not to do so, the employee shall receive four (4) hours pay at his/her hourly rate if there is no work for him/her.

22.6. **Pay For Incomplete Day's Work.** If an employee is scheduled to report for work and does report and actually begins to work, the employee shall receive pay for all time actually worked at the applicable rate under this Agreement, but not less than the employee's hourly rate for the number of hours scheduled (not exceeding eight (8) or for four (4) hours, whichever is greater). In the event operations are suspended due to acts of God or other causes beyond the Company's control, such as fires, floods, storm, failure of power supply, work stoppages and related reasons, an employee shall be entitled to only four (4) hours pay at hourly rate, or pay for actual hours worked at the applicable rate, whichever is greater.

22.7. **16-Hour Rule.** An Employee will be allowed to work a maximum of sixteen (16) hours in any twenty-four (24) hour period. The sixteen (16) hour increment must include eight (8) hours of the employee's regular shift, whether worked or not. The only exception to this rule will be an employee who is scheduled to work start-up overtime (who in no event will be permitted to work more than seventeen (17) hours in any twenty-four (24) hour period) and an employee required to work in emergencies as determined by the Company. An employee will not be assigned the overtime unless the employee is capable of completing the assignment within the above limitations. Any employee having the opportunity to work the next two (2) consecutive shifts following the employee's regular shift will be charged for both opportunities if the overtime is refused.

22.8. **Pay For Unscheduled Emergency Work.** If an employee is called to do unscheduled emergency work outside the employee's regular working hours, the employee shall receive pay for all time actually worked at the applicable rate under this agreement, but not less than four (4) hours pay at the applicable rate and may go home when the job is completed. However, if the emergency job is continuous with the employee's regular shift, the employee shall be paid only for the actual time worked before the start or after the close of his regular shift at the applicable rate under this Agreement.

22.9. **Shift Premium.** An employee assigned to a regularly scheduled second (2nd) shift shall be paid an additional premium of forty-two cents ($.42) per hour for work performed on that shift, and an employee assigned to a regularly scheduled third (3rd) shift shall be paid an additional premium of sixty-two cents ($.62) per hour for work performed on that shift. These shift premiums shall be considered as part of the hourly rate for the purposes of overtime. The second (2nd) shift shall be defined as a shift beginning at or after 2:00 P.M. and before 8:00 P.M. The third (3rd) shift shall be defined as a shift beginning at or after 8:00 P.M. and before 5:00 A.M.

22.10. **Rest Periods.** The Company shall continue its present practice of granting two (2) ten (10) minute rest periods during a regular eight (8) hour-shift. One (1) rest period will be taken during the first (1st) four (4) hours of the employee's shift and the second (2nd) rest period will be taken during the second (2nd) four (4) hours of the shift.

22.11. **Lunch Periods.** Lunch periods are unpaid, except in those areas where the Company and union have agreed to maintain the existing practice of a paid lunch (i.e., Powerhouse, Utilities, the Incinerator Operator, and the Control Room Operators). The duration of unpaid lunches vary from Business Unit to Business Unit are defined by the period of time in which the applicable shift exceeds 8 hours. In those areas with paid

lunches, the duration of such lunch is 20 minutes. The Company will notify the Union twenty-four (24) hours in advance of changes in lunch periods and will give the Union opportunity to present its objections, if any.

22.12. **Overtime Lunch Periods.** One ten-minute rest period shall be granted an employee performing two (2) or more consecutive hours of actual overtime work immediately prior to or subsequent to the employee's regular scheduled hours of work. A second ten-minute rest period and a one-half (1/2) hour, unpaid lunch period shall be granted to an employee performing six (6) or more consecutive hours of actual overtime work immediately prior to or subsequent to the employee's regular scheduled hours of work. Such break and lunch periods will be taken as such time is taken by employees on shift in the area or as business requirements dictate.

22.13. **Pay For Scheduled Sixth And Seventh Days And Holidays.** If an employee is scheduled to work a sixth (6th) or seventh (7th) day and/or holiday outside the employee's regular working hours, then the employee shall receive pay for all time actually worked at the applicable rate under this Agreement, but in no event shall the employee receive less than four (4) hours pay at his hourly rate. The employee may go home when the job is completed.

22.14. **Premium Pay For Sixth And Seventh Days.** Except as provided in Article 22.4-2.2, an employee regularly scheduled to work a five (5), six (6) or seven (7) day week shall be paid time and one-half (1 1/2) for all work performed up to twelve (12) hours on the sixth (6th) day of the employee's work week and double (2) time(s) for all work performed in excess of twelve (12) hours on the sixth (6th) day and for all work performed on the seventh (7th) day of the employee's work week.

22.15. **Regularly Scheduled Work Week Defined.** Except as provided in Article 23.1-1e the term "regularly scheduled work week" as used in Section 22.13 above refers to any schedule of workdays effective without change for a period of four (4) consecutive weeks or longer. Such schedule shall be considered as fixing the regularly scheduled workweek from the date it first becomes effective. When an existing schedule of workdays is to be changed, the Company shall post a notice of such changes which shall state the period for which the new schedule is to remain in effect. If, during the final week of such new schedule, the Company does not post notice stating the additional period for which such schedule is to remain in effect, then for the purposes of Section 22.13 above, and this Section 22.14 the "regularly scheduled work week" of the employee shall be deemed to be that which was in existence immediately prior to the change in the schedule.

22.16. **Premium Pay For Work Performed On Saturday.** Except as provided in Article 22.4-2.2 an employee on a regular five (5) day work week which includes Saturday (which shall mean a shift that begins on Saturday) shall receive a premium of time and one-quarter (1-1/4) for work performed on Saturday (which shall mean all hours worked on a shift that begins on Saturday). This premium shall not be effective when any premium of time and one-half (1-1/2) or higher is paid for such hours.

22.17. **Premium Pay For Work Performed On Sunday.** Except as provided in Article 22.4-2.2 an employee on a regular five day (5) workweek which includes Sunday (which shall mean a shift that begins on Sunday), shall be paid for work performed on Sunday (which shall mean all hours worked on a shift that begins on Sunday) at the rate of time and one-half (1-1/2) except that work performed on Sunday in excess of forty (40) hours in the payroll week shall be paid for on the basis of double (2) time(s).

22.18. **No Pyramiding Of Premium Or Overtime Rates.** When time worked is to be paid at a premium or overtime rate under two (2) or more provisions of this Agreement, such time shall be paid for at the highest applicable overtime or premium rate, but in no event shall overtime or premium rates be pyramided, nor shall an employee be paid both daily and weekly overtime for the same hours worked.

ARTICLE 23 - EMPLOYEE MOVEMENT / STAFFING

23.1. **Definitions, Probationary Period, Staffing Structure.**

23.1-1. **Definitions**.

a. A "**Department**" means a division of the workforce within the Company's operation as determined by the Company (and as may be changed from time-to-time) which is designated by a department number and which is generally (but not necessarily) aligned to the management structure in place, for example, an Integrated Process Team or financial cost center. The Company will provide the Union with a current list of Departments in January each calendar year.

b. A "**Sub Unit**" means a subdivision of employees and/or job classifications within a Department as determined by the Company (and as may be changed from time-to-time).

c. A "**Home Area Assignment**" means the job assignment (including the Job Classification, Shift and Department) in which a non-Probationary Period employee is working as the result of a hire, a placement, a bid, a bump or a recall. An employee in his/her Probationary Period (as defined in Article 23.1-2) does not

have a Home Area Assignment until the completion of his/her Probationary Period; the assignment that an employee is working in at the conclusion of his/her Probationary Period will become his/her Home Area Assignment.

d. A "**Job Classification**" or "**Classification**" means a job or group of jobs with the same qualifications and the same or substantially similar job duties as described in the position description. For purposes of this Agreement, existing classifications that are mapped to, re-designated as, re-defined as, combined or otherwise absorbed into another existing or new classification shall be considered as the same classification as such other existing or new classifications.

e. **"Shift"** means a work schedule with established days of the week and established starting times, *provided that* any work schedule on the same days of the week within a shift starting time no more than one hour before or after the current work schedule's shift start time shall be regarded as the same "shift."

f. "**Different Day Shift"** means a working schedule that is a different Shift simply by virtue of encompassing different days of the week.

g. "**Flex Flow Assignment"** means an assignment to an employee to work outside his/her Home Area Assignment or, if he/she has no Home Area Assignment, to work outside that area that would be his/her Home Area Assignment had he/she been working there long enough for the assignment to qualify as a Home Area Assignment.

h. **"Seniority,"** subject to other terms of this agreement, is the right of preference with reference to layoff and rehiring (and will be a factor in other

actions as specifically described in this Agreement) measured by length of service in groups as hereinafter defined. In the determination of rights under this Article, length of service shall include (1) periods of absence with leave, (2) periods of layoff due to lack of work, but not exceeding forty-eight (48) consecutive months except that, if during the forty-eighth (48th) month of layoff the Company receives written notice from an employee so requesting, the period for that employee shall be extended for an additional six (6) months, and (3) periods of absence due to injury or illness.

Effective February 1, 2020, in the event two (2) or more employees have the same date of employment, seniority shall be determined by WIN number assigned to the employee. The employee with the lower WIN number shall be the most senior and so on. The Company will assign sequential start times accordingly. Employees with the same start date hired prior to the use of WIN numbers shall maintain their same seniority with respect to each other as had been previously established.

i. **"Company Seniority"** means the total length of an employee's service with the Company's Merck Sharp & Dohme Division, Pharmaceutical Division, Manufacturing Division and Research Laboratories Division (including operations of Merck Institute for Therapeutic Research) at King of Prussia and West Point, Pennsylvania, and with any divisions which may hereafter operate at those locations, commencing with the latest date of hiring.

j. **"Seniority of Union Representatives"** shall mean that the members of the Plant Committee and stewards under this Agreement shall head the Company and the job classification seniority list for the duration of their terms of office. At

the expiration of their terms of office, they shall return to their regular seniority standing. Such top seniority rights shall only apply in cases of layoff and rehiring. Stewards may exercise such top seniority rights only within the work unit or department they represent, and shall otherwise be entitled only to the seniority rights which their Union seniority gives them.

k. **Accumulation of Company Seniority While Out Of Bargaining Unit**.

i. Any employee as defined in Article 1 who voluntarily transfers to any non-supervisory position which is excluded from the bargaining unit shall lose all seniority in the bargaining unit and shall re-enter the bargaining unit at the bottom of the seniority list. Similarly, any person other than a bargaining unit employee, as defined in Article I and any person who holds or has held a supervisory position in the Company shall enter the bargaining unit at the bottom of the seniority list excluding those employees who entered the bargaining unit prior to May 1, 1964.

ii. Any other employee who is laid off from the bargaining unit and takes a position with the Company outside the bargaining unit at West Point shall not lose his Company seniority during the period the employee occupies such position, so that in the event such employee returns to a job in the bargaining unit the employee shall be credited with Company seniority from the original date of employment subject, however, to the provisions of Article 23, Paragraphs 23.10 and 23.11 of the Agreement.

23.1-2. **New Hire - Probationary Period.** All employees shall serve a probationary period of one-hundred twenty (120) straight time days worked before being placed on any seniority list ("Probationary Period"). An employee during this period may be terminated by the Company without such termination being subject to the grievance procedure. A Probationary Period employee will not be allowed to bid and transfer into another position during his/her Probationary Period, unless the employee was displaced by another employee exercising seniority. After completing the Probationary Period here referred to, the employee shall become a regular employee and the employee's Company seniority shall start from the date of hire.

23.1-3. **Structure and Staffing.** The Company maintains the right to set and modify the staffing levels, including the right to determine when and whether to add, reduce and/or replace positions. The Company maintains the right to structure its workforce by establishing, altering or eliminating Departments, Sub Units, Overtime Sharing Groups (as defined in Article 22.4-1.1), other divisions of labor, Job Classifications and/or Shifts subject, in each case, only to the limitations set forth in this Agreement.

23.2. **Employee Movement.** The Company may issue Flex Flow Assignments to employees to perform any function or task of a job and/or to move employees to fill any job based on the Company's assessment of the employee's skills, ability, experience and seniority and the needs of the business. If after such assessment, the Company determines that two or more employees are equally eligible, then the Company will issue the assignment by seniority (i.e., high senior may, low senior must).

23.2-1. **Qualified Positions.**

a. **Same Classification and Shift.**

i. The Company may issue a Flex Flow Assignment to an employee in a qualified job to any job function or task within the employee's same classification and shift for an indefinite duration, subject to Article 23.2-1(a)(ii).

ii. An employee on a Flex Flow Assignment has the right to be re-assigned to his/her Home Area Assignment if the Company determines that it will add positions in the employee's Home Area Assignment in accordance with Article 23.2-4(c) or the Company seeks to replace the employee's former position in accordance with Article 23.2-4(d) at any time provided that the employee designates his/her desire to return through the posting process by bidding on the job and designating that the bid is a return to his/her Home Area Assignment. An employee making such a bid will be considered as the high senior for the purposes of awarding the bid (subject only to a more senior employee also returning to his/her Home Area Assignment) but will be evaluated against the job qualifications prior to being awarded the bid. The Company will provide the employee the necessary training upon his/her return. If an employee with rights back to his/her Home Area Assignment does not bid on a posted position in his/her Home Area Assignment, then his/her return rights will be extinguished and his/her Flex Flow Assignment will become his/her Home Area Assignment.

iii. The employee's lock-in period, if any, will continue to run during the Flex Flow Assignment and will not be re-set if he/she is returned to his/her Home Area Assignment.

b. **Different Classification, Same Shift.** The Company may issue a Flex Flow Assignment to an employee in a qualified job to any job function or task on the employee's same shift, without regard to Job Classification for a period of time up to ninety (90) working days, after which the employee will be returned to his/her previous assignment. The employee's lock-in period, if any, will continue to run during the Flex Flow Assignment and will not be re-set upon his/her return. Employees will be paid in accordance with Article 25.4-1.

23.2-2. **Non-qualified Position.**

a. The Company may issue a Flex Flow Assignment to an employee in a non-qualified job to any job function or task for which the employee is qualified provided that such assignment is on the employee's same Shift, for an indefinite duration, subject to Article 23.2-2(b). Employees will be paid in accordance with Article 25.4-1.

b. An employee on a Flex Flow Assignment has the right to be re-assigned to his/her Home Area Assignment if the Company determines that it will add positions in the employee's Home Area Assignment in accordance with Article 23.2-4(c) or the Company seeks to replace the employee's former position in accordance with Article 23.2-4(d) at any time provided that the employee designates his/her desire to return through the posting process by bidding on the job and designating that the bid is a return to his/her Home Area Assignment. An

employee making such a bid will be considered as the high senior for the purposes of awarding the bid (subject only to a more senior employee also returning to his/her Home Area Assignment) but will be evaluated against the job qualifications prior to being awarding the bid. The Company will provide the employee the necessary training upon his/her return. If an employee with rights back to his/her Home Area Assignment does not bid on a posted position in his/her Home Area Assignment, then his/her return rights will be extinguished and his/her Flex Flow Assignment will become his/her Home Area Assignment.

c. The employee's lock-in period, if any, will continue to run during the Flex Flow Assignment and will not be re-set if he/she is returned to his/her Home Area Assignment.

23.2-3 **Assignments Across Shifts.** The Company may assign employees (qualified and non-qualified) across Shifts (regardless of Classification) in accordance with the following provisions.

23.2-3.1. **Short Term Business Need.** The Company may assign employees to a different Shift, other than a Different Day Shift ("Different Shift Assignment"), in order to meet a Company identified business need ("Different Shift Need") subject to the following:

a. The Company will provide notice to the Union of the business need, which notice will include (i) relevant requirements and business limitations of the assignment (for example, the specific skill requirements, the Department(s) /Sub Unit(s)from where such need can be filled and the number of employees who can be moved from a given Department /Sub

Unit); (ii) the number of employees needed for the Different Shift Assignment; (iii) the anticipated length of the Different Shift Assignment; (iv) the start date of the Different Shift Assignment; and (v) the work schedule of the Different Shift Assignment. In determining the relevant requirements and business limitations of the assignment as noted in (i) above, the Company will make a reasonable attempt to broadly define the scope of the unit from which volunteers may be solicited in light of the overall business needs;

b. The Company and the Union will solicit volunteers from the identified Department(s) /Sub Unit(s) to fill the Different Shift Need and will select the volunteers who are trained to perform the Different Shift Need in seniority order up to the number of employees needed for the Different Shift Assignment. As a last resort, if there are an insufficient number of trained volunteers, then the Company will fill the Different Shift Need by assigning the least senior trained employees. If there are insufficient trained employees to be assigned, then the Company will fill the remaining need first by assigning qualified (but untrained) volunteers in seniority order and then by assigning the least senior qualified (but untrained) employees until the need is filled;

c. The Company may assign employees to a Different Shift Assignment to cover a Different Shift Need for a period of time not to exceed ninety (90) working days;

d. Employees assigned to a Different Shift Assignment will be paid based on their hourly wage rate or the hourly wage rate of the Different Shift

Assignment (whichever is greater). Subject to Article 22.4-2.2, such employees will be paid at a rate of pay that is the greater of time and one-half (1 1/2x) the applicable wage rate or other applicable contract premium pay rates (without pyramiding) for all hours worked in the Different Shift Assignment.

e. Unless the need occurred due to a limited need or otherwise from circumstances unlikely to regularly recur, the Company will train an appropriate number of employees on the shift of the Different Shift Assignment in order to avoid such need in the future.

23.2-3.2. **Different Day Shift.** In the event that the Company determines a need to reconfigure work schedules and to move employees from their Shifts onto a Different Day Shift, the Company will provide notice to the employees on the impacted Shifts in the impacted Classification in the impacted Department(s)/Sub Unit(s). The notice will include the revised work schedules, the number of employees needed on the impacted Shift(s) and the number of employees needed on the Different Day Shift(s) required in each shift work schedule. After issuing such notice, the Company may assign employees to such Different Day Shifts in accordance with the following process:

a. The employees in the affected classification in the affected Department(s)/Sub-Unit(s) on the same Shift (regardless of the days of the week) will be polled in seniority order to determine the employee's preferred work schedule ("Shift Polling"). Such polling will continue until the Different Day Shift is filled or until all the Shift Polling is complete. Employees

selecting the Different Day Shift will be assigned to that schedule up to the number of employees needed on that schedule.

b. In the event that the Different Day Shift is not filled after the Shift Polling, the Company may assign employees by seniority (i.e., high senior may, low senior must) to a Different Day Shift in order to fill temporarily the remaining open schedules, provided however, that any such Different Day Shift assignment must not exceed sixty (60) working days. On or before the sixtieth working day, employees in the Different Shift Assignment in accordance with this subparagraph (b) will be returned to their original Shift or, if no such assignment exists, issued a layoff notice in accordance with the layoff process.

c. In the event that employees are assigned to the Different Day Shift in accordance with (b) above, then the Company will poll the remaining employees in the affected classification and in the affected Department(s)/Sub Unit(s) in seniority order to determine whether any employee desires to move to the open positions ("Area Polling"). Such polling will continue until the open shift is filled or until all the Area Polling is complete. Employees selecting the open shift will be assigned to that schedule up to the number of employees needed on that schedule.

d. Open positions not filled after the Area Polling will be posted in accordance with the posting process in Article 23.3.

e. Employees working in a Different Day Shift Assignment (whether by polling or placement) will be paid at their straight time base pay rate plus shift differential (if applicable).

f. For clarity, positions being filled temporarily in accordance with subparagraph (b) are considered "open positions" for the purpose of subparagraphs (c) and (d).

23.2-3.3 **Training**. The Company may assign employees beginning a new assignment (regardless whether by placement, bid, bump or otherwise) to attend training on a shift other than their regularly scheduled shift. The period designated for such off-shift training will be listed in the posting (or offer letter) and shall not exceed ninety (90) working days.

23.2-3.4 **Special Assignments/Short-term Projects**. In the event that the Company and Union agree to the establishment of a non-traditional bargaining-unit special assignment (e.g. an assignment involving work other than exclusive bargaining-unit work) or to the movement of employees to a different shift for short term projects (e.g., continuous improvement initiatives), employees who volunteer and are selected for such special assignments or short-term projects will be placed on the Shift of the assignment/project, regardless of whether that Shift is different from his/her current Shift. No employee will be forced to accept such a special assignment/short-term project. An employee who does volunteer and is selected for such a special assignment/short-term project will have his/her schedule changed in the Time Reporting System to reflect the schedule of the special assignment/short-term project effective the first day of such assignment and will be paid accordingly (i.e., straight time pay for normal

shift, shift premium (if applicable), overtime and other premium pay as applicable).

23.2-4. **Staffing Change.** The Company has the right to set and modify staffing levels including in a tier system, and may alter its staffing structure including any of the following (i) reconfiguring of jobs by, for example, combining job classifications or removing tasks from classifications (ii) a reconfiguring of Departments or Sub Units, by, for example, adding Departments/Sub Units or combining Departments; or (iii) a realignment of shifts by changing the allocation of the number of employees on the various Shifts in a Job Classification in a Department or a Sub Unit by, for example, adding employees on a Shift(s) while reducing employees on another Shift(s).

a. The Company may alter its staffing structure without layoffs, bumps and job posting by issuing Flex Flow Assignments and/or as otherwise consistent with the provisions of this Article 23.

b. If after exercising its rights in accordance with (a) above, the Company determines that there is a surplus of employees in a classification in a Department/Sub Unit on a Shift with a start time, then the least senior employee in the affected classification and the affected Department/Sub Unit on the affected Shift with the affected start time, will be issued a layoff notice in accordance with the layoff provisions of this Article 23.

c. If after exercising its rights in accordance with (a) above, the Company determines that there is a need to increase positions in the affected Classification in the affected Department/Sub Unit, then the Company will post the number of

increased positions. The successful bidder(s) will be backfilled (if at all) in accordance with Article 23.3-9.

d. If after exercising its rights in accordance with (a) above, the Company determines that there is a need to replace an employee who has vacated a position regardless of the reason (i.e., to fill a vacancy), then the Company will post the position. The successful bidder will be backfilled (if at all) in accordance with Article 23.3-9.

23.3 **Job Posting.** Subject to the provisions of Article 23.2, Article 23.10, and this Article, and its rights not to post pursuant to this Agreement, the Company will post those job openings that it deems necessary to fill. The Company may, in the exercise of its sole discretion, decide to post a position that it has the right to fill without posting and any such action shall not operate as a waiver or a bar to the Company's full exercise of its rights in any future case.

23.3-1. **Posting Procedure.** In the event that the Company posts a job opening, such job will be posted in the bargaining unit for a minimum period of five (5) days on Company bulletin boards, except in those cases where agreement is reached with the Union that the posting may be for a shorter period of time. Applications will not be accepted after the conclusion of the posting, except from an employee who has been notified of layoff subsequent thereto. A job is no longer considered open once the Company has selected an employee for the job. The Union will cooperate with the Company in the implementation of an electronic bid system.

23.3-2. **Posting Information.** Each job posted will include the Classification, the Department (or Sub-Unit), the Shift (including the days of the week), the target start date and the length and shift of any training requirement.

23.3-3. **Weekly Job List.** The Company will provide the Union with a copy of the Weekly Job List, which will include any anticipated postings in the next two weeks.

23.3-4. **Signed Bid.** Each bid must have the signature of the employee bidding in order to be valid, except that the Union Plant Committee may sign a bid on behalf of an employee who is away from work due to a shut down in his/her area.

23.3-5. **Job Acceptance.** Employees who bid on jobs, even with a future starting date, and are selected by the Company, may not reject the position.

23.3-6. **Employee Availability.** It is the responsibility of the employee who bids on a job to provide accurate contact information if they are not at work. The Company has the right to skip over a candidate if they are unable to be contacted within 24 hours or if they are unable to physically perform the job duties when offered the position.

23.3-7. **Job Interview.** When all acceptable applications have been received, the Company will have the right to interview applicants to determine qualifications. Applicants unfamiliar with the job must be available within forty-eight (48) hours of notification for interview excluding shift break and excused absences.

23.3-8 **Titers.** Notwithstanding any other provision in this Agreement, in order to be selected for an open job that requires a titer, an employee must have the current titer on record in Health Services at the time of the bid. It is understood that this requirement

applies only to vaccines that have been licensed. The Company will discuss new titer requirements with the Union on a case-by-case basis and will notify employees of any such new requirements. The Company will install a system which will provide information concerning titer job requirements.

23.3-9. **Posting Limitations.**

a. In the event that the Company decides to post, the Company has no obligation to post more than the first job in any single bidding chain.

b. In the event that the Company determines to backfill the successful bidder on a job posting, the Company agrees for that backfill only to post the backfill if and only if it is on the first Shift. If that backfill is on the second or third Shift, then the Company may, at its discretion, either post the job or solicit volunteers within the same Classification and Department (i.e., polling) of the successful bidder to allow for movement.

c. If the Company determines to backfill any subsequent opening regardless of Shift (that is, one that results after the process outlined in (b)), it may do so by hiring externally or by further posting or polling, at its sole discretion. The Company may, in the exercise of its discretion, post jobs beyond those required to be posted by this provision and doing so will not operate as a waiver or a bar of its rights contained herein.

d. Nothing in this Article 23.3-9 affects the Company's right to issue Flex Flow Assignments rather than post or poll.

23.4. **Job Selection, Assessments.**

23.4-1. **Required Assessments.** All employees who wish to move into a Working Leader position will be required to take and pass a computer-based

Leadership Assessment Test and an on-the-job Skills Assessment.

23.4-2. **Test-Taking.** If an employee takes and fails an Assessment test (including Leadership Assessment), the employee may take the same test no sooner than six (6) months from the date of the first test, and such test shall be taken on the employee's non-working time. If an employee fails the second test, he/she shall have a third time to take the test no sooner than six (6) months after taking the second test. The third test shall also be taken during the employee's non-working time. If an employee takes and fails the applicable Assessment test a third time, he/she will not be eligible to take the Assessment test again.

23.4-3. **Union/Employee Rights**. While the Union and an aggrieved employee have the right to review the results of the test and challenge any violations of this article under the grievance process, the content of the Assessment tests and the results of individual Assessment tests are not grievable, unless the grievance is that the Company failed to follow its published procedures in completing the process.

23.4-4. **Company's Reservation of Rights.** The Company reserves the unilateral right to make final decisions on content of Assessment(s), to modify the content to meet current and future business needs and to determine when and which areas/job classifications will be subject to assessment(s). An acceptable passing standard, which may vary by job classification, will be set by the Company. Once a business unit has decided it is ready to implement an Assessment process for employees in some or all of the jobs in the unit, it will notify the Union in writing of its intention to do so and the date on which it will go into effect, which date will be at least 14 calendar days from the date of notice.

23.4-5. **Selection Criteria.** Subject to Article 23.2-1(a)(ii) and Article 23.2-2(b), when a job is posted, the job will be awarded to the most senior bidder who meets the job qualifications. In order to “meet the qualifications” for the job, the bidder must meet all job qualifications set forth in the job description and such criteria will not be satisfied by any concept of "most nearly qualified." For the Working Leader position only, in addition to the qualifications requirements, an employee must pass the applicable Assessment(s) and will also need to demonstrate an acceptable disciplinary and attendance record (e.g., no active discipline at the suspension level at the time of bid).

23.4-6. **Progress Review.**

23.4-6.1. A selected non-probationary employee's progress will be reviewed during the first one-hundred twenty (120) calendar days on the job ("Progress Review Period"). If at any time during the Progress Review Period the employee's performance is not satisfactory, then the employee shall be returned to his/her former job if it still exists or, if not, to his/her regular classification and exercise seniority. Time absent from work (for illness, vacation, FMLA, leave of absence or other reason) will extend the Progress Review Period.

23.4-6.2. The Company will make reasonable efforts to provide an employee appropriate process-specific training during the Progress Review Period, and will not base its evaluation of the employee on tasks for which the employee was not provided training.

23.4-6.3. Any Working Leader will be reevaluated after the first six (6) months and annually thereafter, and if his/her performance is not satisfactory he/she shall be returned

to his/her former job, if it still exists, and, if not, to his/her regular classification and exercise seniority.

23.4-6.4. If the employee disagrees with the action taken by the Company, a grievance may be filed in accordance with grievance procedure set forth in this Agreement.

23.4-7. **Bio Technician / Lab Technician Qualifications.** All Bio Technician and Lab Technician positions will require a 4-year Bachelor's Degree as referenced in the job description. The Memorandum of Agreement dated September 20, 1996 involving "in lieu of Bachelor-Degree Requirements" (hereinafter the "In Lieu of Requirements") will be discontinued.

Notwithstanding the above, the Company agrees that all employees who previously held the Bio Technician and Lab Technician jobs and those employees who met all of the In Lieu of Requirements for the Bio Technician and Lab Technician jobs prior to May 1, 2007, will be eligible for future open Bio Technician or Lab Technician positions and will not be required to take an Assessment test for those positions.

23.5. (Intentionally Omitted)

23.6. **Lock-in Periods.**

23.6-1. **Qualified Job Lock-in Period.** Subject to Article 23.6-4, an employee who bids, bumps, moves or is placed into a qualified job (i.e., Labor Grade 8 (except for those non-qualified Labor grade 8 jobs listed in Appendix E) and above production, Labor Grade 4 and above production clerical), and is selected for such position, may not bid into another position, excluding promotion (i.e., a higher base rate position) for a twenty-four (24) month period, which period begins on the employee's first day in the position or, in

the case of a new hire, at the end of the Probationary Period as defined in Article 23.1-2. An employee who is recalled to a qualified job after being bumped to a lower graded job will receive credit towards his/her lock in period for the time that he/she spent in the job classification prior to being bumped.

23.6-2. **Non-qualified Lock-in Period.** Subject to the provisions of Article 23.6-4, an employee who bids into a non-qualified job (i.e. Labor Grade 2-7, Labor Grade 2-3 production clerical), and is selected for such position, may not bid into another position, excluding promotion (i.e., a higher base rate position) for a one year period, which period shall begin on the date on the employee's first day in the position or, in the case of a new hire, at the end of the employee's Probationary Period as defined in Article 23.1-2.

23.6-4. **Trainee Positions.** An employee who enters into a formal trainee program of a qualified job or a position (qualified or non-qualified), which upon completion will result in the movement of the employee to a qualified position (e.g., Bio-Technician Level 1, Animal Technician 1, Pharmaceutical Technician 1) may not bid into another position (including promotion) for the duration of the training program and, if applicable, completion of all requirements to move to the qualified position. Upon completion of the trainee period and, if applicable, movement to the qualified position, the employee is subject to the full lock-in periods of subparagraphs 23.6-1. Notwithstanding the provisions of Article 23.6-5, an employee who enters into a formal training program for a qualified job or a position (qualified or non-qualified), which upon completion will result in the movement of the employee to a fully qualified position may not bid into the apprenticeship program or another training program.

23.6-5. **Apprenticeship Program.** Subject to the provisions of Article 23.6-4, the lock-in provisions of this Article 23.6 will not prevent an employee from entering the

apprenticeship program or a trainee position, provided that the fully qualified position to which the trainee position is attached is a promotion (i.e., higher labor grade) from the employee's current position or the fully qualified job is attached to a trainee position that the employee is currently occupying.

23.7. **Layoffs.**

23.7-1. **Notice Of Layoff.** The Company shall give written notice in duplicate to the Plant Committee Chairman of any layoff that is scheduled. Under normal circumstances, two (2) weeks' notice will be given.

23.7-2. **Temporary Layoff Procedure.** In making temporary layoffs (layoffs that will not extend for a period of more than thirty (30) consecutive calendar days), the Company shall layoff as provided in Paragraph 23.7-1 above. If before the end of thirty (30) calendar days the temporary layoff is terminated, each employee affected in the layoff as provided in Paragraph 23.7-1 above shall return to the position held immediately previous to the temporary layoff, except if an employee has voluntarily bid and been selected for any other job. An employee who as a result of the provisions of Paragraph 23.7-1 above is on the layoff list must also return to the position held immediately previous to the temporary layoff or be considered to have resigned. Notice of recall for employees on the layoff list will be given as stated in Paragraph 23.1.

23.7-3. **Non-Temporary Layoff Procedure.**

a. **Layoff Event.** In making non-temporary layoffs (layoffs that will extend for a period of more than thirty (30) consecutive calendar days), the Company shall issue a layoff notice to the least senior employee(s) in the affected job classification

(or, in the case of Maintenance and Utilities, within the affected craft) within the affected Departments/Sub Units on the affected Shift with the affected start time, subject to the following provisions of 23.7-3 (b) below.

b. **Layoff Event Procedure.** In the case of an employee who is laid off as the result of a Layoff Event or who is bumped by another employee (subject to the Company's right to absorb a bump) under the procedure set forth herein (a "Laid Off Employee"), the following process will apply:

i. the Laid Off Employee may, within 24 hours of being notified of the layoff or bump, select any open jobs for which he/she is qualified or may voluntarily take the layoff to the street but will forfeit any separation benefit allowance;

ii. if the employee does not select an open position after notice of layoff or bump, then the Company will notify the employee that he/she may bump the least senior person on a Shift and with a start time in a Department in a Job Classification (or, in the case of Maintenance and Utilities, within a craft) for which he or she is qualified; and

iii. if the employee does not exercise his/her bump rights within 24 hours of the Company's notice that he/she may exercise bumping rights, then the employee will be laid off to the street, with severance pay.

23.7-4. **Layoffs and Flex Flow Assignments.** The parties have agreed to the following provisions with respect to a Layoff Event.

a. A layoff event may be managed as a paper process by the Company, with input from the Union. In such cases, all movement, layoffs and bumps will be managed on paper and all physical moves will take place as scheduled in the process. The Company and Union will work together to ensure that the seniority list is accurate and that the process is run smoothly and effectively.

b. The Company will work together with the Union to identify any employee in a Classification(s), Shift(s) and Department(s) where it has determined there to be a surplus of employees (the "Surplus Areas") who has been in that Surplus Area on a Flex Flow Assignment for one-hundred eighty (180) days or less and, prior to the commencement of the layoff event process, will return any such employee to his/her Home Area Assignment. If the number of employees in the Surplus Area on Flex Flow Assignments of one-hundred eighty (180) days or less exceeds the surplus in the Surplus Area, then the Company will return only that number of employees equal to the surplus and will accomplish such return on a most senior may, less senior must basis.

c. After returning employees in accordance with subsection (b), the Company will issue layoff notices up to the number of surplus employees to the least senior employees in the Surplus Areas and to the least senior employees in those Classifications on those Shifts in those Departments where a surplus exists by virtue of returning employees to their Home Area Assignments in accordance with subsection (b).

d. At the conclusion of the layoff process, the Company may exercise its rights under this Article 23 to issue Flex Flow Assignments to meet its staffing needs.

23.7-5. **Trainees.** Employees will be permitted to bump into trainee positions, assuming they have the qualifications, and will assume the normal training period required for that position. All employees who successfully complete the training program will be upgraded at the completion of the training program.

23.7-6. **Layoff While Ill or on Maternity/Childcare Leave.** Notwithstanding the provisions of Article 11, Section 11.2-5 a regular employee who under any of the provisions of this Agreement would be subject to a non-temporary layoff or transfer, but who is absent on Short Term Disability (STD), approved long term or consecutive FMLA (intermittent leave does not apply), or maternity/childcare leave and thus unable to exercise his/her seniority rights at the time such layoff or transfer is scheduled to take place, may upon return to work before his/her allowable leave has expired, exercise his/her seniority rights in accordance with Article 23, Section 23.7-3b if still deemed surplus by the Company. If the employee is unable to return to work at the expiration of his/her allowable Short Term Disability (STD), approved long term or consecutive FMLA (intermittent leave does not apply), or maternity/childcare leave he/she will be laid off as of the date of such expiration.

23.8. **Temporary Transfer Due To Authorized Absence.** Where there is a transfer or series of transfers in order to fill temporarily a job which is vacant because of the absence of a regular employee with the consent of the Company, the job so filled and each job vacated in the process shall be considered as only temporarily filled. Upon the return of the regular incumbent to the employee's regular job or other termination of such temporary job, each employee involved in the original transfer or series of transfers shall vacate his temporary job and be returned to the regular job from which the employee was transferred without regard to the relative seniority rights of any of the employees involved.

If the regular job formerly occupied no longer exists, the employee in question may exercise his seniority rights in accordance with paragraph 23-7-3(b). If any job is temporarily filled by an employee on the layoff list, or by a regular employee hired from the outside, such employee may exercise his/her seniority rights in accordance with paragraph 23-7-3(b) upon the return of the regular incumbent to his/her regular job. Authorized absences in connection with this Article will include only absences for military leave, illness, injury leave, maternity/childcare leave and union leave.

23.9. **Bumping.**

23.9-1. **Bumping Of Regular Employees.** A regular employee subject to a Layoff Event who is permitted to exercise bumping rights under Article 23.7-3(b) may elect to exercise such rights to displace the least senior employee within a Classification, Department/Sub Unit and Shift, provided that:

a. the employee meets all of posted qualifications of the job at the time of the bump (the criteria above requires that the bumping employee meet all job qualifications in fact and will not be satisfied by any concept of "nearly qualified");

b. the employee effectuates such bump within twenty-four (24) hours of being notified of his/her bumping rights in accordance with Article 23.9-2(b);

c. in the case of a job that requires titer, he/she has acceptable current titer on record in Health Services at the time of bump. An employee unable to exercise his/her seniority rights prior to the effective date of the layoff will be paid for time spent exercising such rights for a period of up to four (4) hours at base rate.

d. Employees will be permitted to bump into trainee positions and will assume the normal training period required for that position.

e. In a bumping situation, only 25% of the qualified positions and 50% of non-qualified positions in a Classification in a Department on a Shift (including all Different Day Shifts) may be bumped. The Union understands, however, that multiple bumps have the potential to disrupt business continuity and in a case where the limits above are insufficient to prevent such business continuity, agrees to meet and confer with the Company with the intent of finding a resolution designed both to protect business continuity and honor employee seniority.

f. Notwithstanding subsection (e) above, in the case of a non-qualified position for which there is only one incumbent in a Classification in a Department on a Shift (including a Different Day Shift), that one incumbent may be bumped.

g. Notwithstanding subsection (e) above, the percentage limitations with respect to a position in a Classification in a Department on a Shift (including a Different Day Shift) will be interpreted to exclude from the percentage calculation the bump of (i) an employee who held the position in the Classification in the Department at any time within the 12-month period immediately preceding the bump; and (ii) an employee who is working in the position in the Classification in the Department but on a different Shift at the time of the bump.

23.9-2. **Post Bump Requirements.**

a. In any of the above situations, if the bumping employee does not demonstrate his/her ability to handle the job satisfactorily within the training

period, not to exceed one-hundred twenty (120) working days, then he/she will be returned to layoff status and will proceed in accordance with Article 23.7-3(b), except that the provision of Article 23.7-3 (b)(ii) will not apply and the Company may place the employee into any open job at the same or higher labor grade for which he or she is qualified, provided that such job is on the same Shift, prior to the employee exercising rights in accordance with Article 23.7-3(b)(iii). The employee bumped shall be recalled.

b. An employee who is permitted to bump upward to a job labor grade 8 and above (except for those non-qualified Labor Grade 8 jobs listed in Appendix E) will be expected to handle the job satisfactorily at the time of transfer and without being trained for such job classification. However, an employee who held the job sought within seven (7) years of the date the employee exercised his/her seniority rights will be permitted to bump upward and receive training on any new equipment which was added to the job in that seven (7) year period.

c. The Company has the right in its sole discretion to absorb a bump, which means that in a bump situation the Company may elect to accept the bumping employee without displacing the employee bumped.

d. An employee who is displaced by a bump will be treated as a Laid Off Employee under the terms of Article 23.7-3, unless the Company determines, in its sole discretion, to absorb the bump.

e. An employee who is displaced from his/her job by a bump and who subsequently moves into another job (as opposed to layoff) is subject to recall to the classification from which he/she was bumped, and, if so recalled, must return

to that former classification within 24 hours of such recall. In the case of such internal recall, the recalled employee will be subject to all applicable lock-in periods of the classification to which they are recalled, but will receive credit for the amount of time that they had served in such classification immediately preceding the bump. An employee who fails to return to his/her former classification upon an internal recall will result in the administrative termination of the employee's employment and the loss of all seniority.

23.10. **Recall Procedure.** The following provisions apply to an employee on the seniority list after a layoff.

23.10-1. **Recall Generally.** An employee recalled from the street must return to his/her former classification (or successor classification) or to a position for which the employee is qualified (provided the position is at the same or higher labor grade) provided that such position is on the employee's same Shift within three (3) calendar days of the recall notice. Notwithstanding the above, an employee may elect (at the time of the layoff) to be recalled to a broader range of positions and/or Shifts and, in the case of such an election, will be required to report within three (3) calendar days of a recall notice to a position and Shift consistent with such election.

23.10-2. **Working Leaders.** An employee who was in a Working Leader position at the time of layoff may be recalled from another job classification or from the street, to the position below the Working Leader position (the position from which an employee is promoted to the Working Leader position).

23.10-3. **Rehiring In Order of Company Seniority.** An employee shall be rehired in the order of his Union seniority for openings in the employee's job classification (or

successor job classification) or to a position for which the employee is qualified (provided the position is at the same or higher labor grade) provided that such position is on the employee's same Shift or to such broader category of positions and Shifts consistent with the employee's recall election.

23.10-4. **Notice of Recall.** Within three (3) calendar days of written notice offering work in the job classification (or successor classification) or a position for which the employee is qualified (provided the position is at the same or higher labor grade) provided that such position is on the employee's same Shift or to such broader category of positions and Shifts consistent with the employee's recall election sent by registered mail to the employee's last address appearing on the Company's records, the employee shall return to work. Either at that time or in the Company's written notice, the Company shall inform the employee when to report for work. Notwithstanding the above, in the case of a temporary layoff, the Company may discharge its recall notice obligation by posting the date of recall together with the layoff notice. Failure on the part of the employee to return to work within three (3) calendar days will result in the administrative termination of the employee's employment and the loss of all seniority.

23.11. **Loss Of Seniority.** Seniority shall cease for:

23.11-1. justifiable discharge,

23.11-2. voluntary quitting,

23.11-3. layoffs continuing for more than forty-eight (48) consecutive months except that if the employee, during said forty-eighth (48th) month of layoff, gives written

notice to the Company so requesting, the period shall be extended for an additional six (6) months,

23.11-4. being absent for three (3) consecutive days without notice, unless there is no reasonable opportunity to give such notice,

23.11-5. failure to follow procedure set out in Section 23.10 when called back to work after a layoff,

23.11-6. failure to return to work promptly following recovery from illness or injury,

23.11-7. refusal to accept re-employment in the employee's previous or comparable job unless the employee cannot perform the job,

23.11-8. failure to report at the end of a leave of absence, unless there is no reasonable opportunity to report;

23.11-9. failure to return to work immediately upon the denial of long term disability or upon otherwise being cleared to return to work; or

23.11-10. failure of an employee who is deemed medically unable to return to his/her position after the denial of a disability claim to secure an alternate position within sixty (60) calendar days of the denial, provided that such employee will be reinstated should the denial of benefits be reversed on appeal.

23.12. **Military Service.** Any employee who, during the term of this Agreement, leaves the Company's employ to enter the armed forces of the United States shall, on the employee's separation from Service, be entitled to re-employment in accordance with and subject to the provisions of any applicable federal law providing re-employment rights following military service and the Company's policy as may be amended from time to time.

23.13. **Seniority Lists.** Six (6) copies of Company seniority lists and two (2) copies of bargaining unit members' addresses and social security numbers will be supplied by the Company to the Union every three (3) months.

23.14. **Movement of Disqualified Employees.**

23.14-1. **In General.** The Company is involved in a business that is subject to local, state, federal and international laws and regulations and expectations ("External Regulation"). The parties understand that, as a result of External Regulations, job requirements and expectations are subject to change, that employees may become subject to certain screening requirements, and that employees may not be able to demonstrate an ability to meet such job requirements and expectations on an ongoing basis. The parties have agreed to the provisions of this Article 23.14 in order to establish a non-disciplinary alternative to manage employees who, for whatever reason, are not able to pass newly established screening requirements or are not able to demonstrate and/or maintain the abilities to meet job requirements or expectations.

23.14-2. **Establishment of Job Standards.** In order to ensure that employees possess and maintain the requisite level of competency as required by External Regulations (including the Company's good faith interpretation

thereof), the Company may, from time to time, establish and implement job standards and evaluation measures and/or screening procedures (e.g., background checks, drug screens), including without limitation, competency assessments designed to measure whether the employee is able to perform his/her job in a manner consistent with External Regulation. Prior to implementing any such measures, the Company will (a) provide the Union with advance written notice of the measures to be implemented and the External Regulation (or interpretation of relevant industry standards) for which the measures were designed to meet; and (b) meet and confer with the Union for a reasonable period of time with respect to the measures to be implemented. The Company may proceed to implement the measures that it believes are required, but with good faith consideration to the objections of and views of the Union as articulated in the process.

23.14-3. **Disqualification of Employees Related to External Regulation.** An employee who fails to satisfactorily meet the job standards, evaluation measures and/or screening processes established by the Company may be disqualified from performance of the task or the job in question ("Disqualification Event").

a. In the case of an employee subject to a Disqualification Event, the Company, in consultation with the Union, will first consider the job tasks for which the employee has been disqualified and will determine whether the employee can continue to perform substantial aspects of his/her job despite the Disqualifying Event consistent with the requirements of the business.

b. If the Company determines that the Disqualification Event is such that the employee can continue to perform substantial aspects of his/her job despite the Disqualification Event, then the Company will exercise its Right to Assign the employee consistent with the provisions of Article 23. In such case where the disqualified employee is working in or has been moved to a position where he/she is disqualified from some task(s) of the assignment, the lock-in period of such employee (if any) will be deemed waived and the employee will be free to bid on other positions.

c. If the Company determines that the Disqualification Event is such that the employee cannot continue to perform substantial aspects of his/her job, then the employee shall be removed from his/her position and considered as a Laid Off Employee in accordance with the provisions of Article 23.7-3(b). In such case, where the disqualified employee moves into another job after the layoff, he/she (i) will be paid the higher of the base rate of that job or the base rate of his/her job at the time of the disqualification event for a period of one hundred eighty (180) days following the layoff; and (ii) will not be subject to a lock-in period in the first job that the employee moves into as a result of the layoff.

23.14-4. **Miscellaneous Provisions.**

23.14-4.1. **Overtime Considerations.** An employee who remains in his/her job classification despite a Disqualifying Event will be prohibited from working on the task for which he/she was disqualified. To the extent that such employee is in an Overtime Sharing Group that performs the task for which the employee has been disqualified, the employee shall not be

eligible to work any such overtime assignments, but may be charged for overtime hours that would have been assigned to him/her involving such task as if he/she had accepted or refused such hours.

23.14-4.2. **Job Evaluation.** The establishment and implementation of job standards or evaluation measures in accordance with this Article 23.14 shall not itself be evidence that the job in question is either new or changed for the purpose of Article 25.2.

23.14-4.3. **AALAS Certification.** Nothing in this Article 23.14 should be read as abrogating the provisions of Article 32 with respect to positions requiring AALAS or ALAT certifications. To the extent that this Article 23.14 is in conflict with the provisions of Article 32, the provisions of Article 32 govern.

23.14-4.4. **Application of Article to Performance Issues and/or Discrete Acts.** This Article 23.14 is not intended to apply to employees who have experienced or are experiencing performance issues or who have engaged in discrete acts of poor performance/misconduct.

ARTICLE 24 - UNION REPRESENTATIVES

24.1. **Number Of Union Representatives.** The Company will not recognize as Union representatives, entitled to any privileges or rights under this Agreement more than a total of ninety (90) or more than one (1) steward or other representative, regardless of his/her title, for each twenty-five (25) employees or remaining fraction of twenty-five (25)

contained in the bargaining unit, whichever is greater. A representative holding more than one title will be counted once.

24.2. **Plant Committee.** The West Point Plant Committee will consist of no more than five (5) employees. In addition, the Union President may designate a Union Safety Representative.

24.3. **List Of Union Representatives.** The Union shall furnish the Company with a list of its officers, plant committee members, stewards, and other representatives as well as any changes in such lists, upon the effective date of assuming duties of office. A specific designation of the work area covered by each steward and committee member shall be set out in such list. The Company will recognize as representatives of the Union only employees who have been certified to the Company in writing by the proper officer of the Union.

24.4. **Time Off For Handling Grievances.** Any designated steward or representative of the Union upon notice to the employee's immediate supervisor shall be granted such time off in any one (1) week as reasonably may be required to confer with representatives of the Company for the purpose of endeavoring to adjust any grievances which may be brought to him/her by any employee in the group which he/she specifically represents. No Union representative shall solicit grievances on Company time.

24.5. **Leaving Work Area.** Only members of the plant committee shall be permitted to leave their work area for the purpose of conferring with representatives of the Company. If an officially designated plant committee member so desires, he/she may upon notice to his/her immediate supervisor, leave his/her work area for this purpose

provided, however, that he/she signs out on a time card especially provided for this purpose, and signs in again when he/she returns to his/her department.

24.6. **Third Step Meetings.** Meetings of the plant committee with the Company's representatives in the Third Step of the grievance procedure shall be held when necessary on the Company's time and such meetings with the Company's representatives shall be held to the extent required once a week beginning at a time that is mutually agreeable. These regular weekly grievance meetings shall be extended when necessary in order that all grievances on the agenda for each week may be discussed. In no event shall any member of said plant committee or any other employee present at such meetings be paid for time spent in such meetings with the Company which is before or after the employee's normal eight (8) hour shift.

24.7. **Grievances For Discharge Of Employment.** In cases of a discharge or layoff to which the employee involved takes exception, a grievance must be presented in writing to the employee's first line supervisor within thirty (30) working days. The grievance will then be taken up in a manner provided in this Agreement. The Company shall notify the plant chairman or a member of the plant committee of any discharge no later than one (1) working day following such action. No regular employee shall be discharged except for just cause.

ARTICLE 25 - WAGES

25.1. **Wage Schedules.** Wage schedules setting out the labor grades and wage rates agreed upon for production jobs marked "WAGE SCHEDULE-PRODUCTION" and production clerical jobs marked "WAGE SCHEDULE-PRODUCTION CLERICAL" are attached hereto as Appendix A and made a part hereof. The wage rates set out in the

Wage Schedules will be made effective as indicated in the Wage Schedules on April 27, 2020, April 26, 2021, April 25, 2022, April 24, 2023 and April 22, 2024. The wage rates set out in the Wage Schedules are sometimes referred to herein as "hourly rates". The job classifications and the labor grade of each job classification listed by department is attached hereto as Appendix E and marked "Job Classification Schedule" and made a part hereof. The Company will furnish to the Union five (5) copies of each new job description issued and a list of the jobs used as a basis of comparison.

25.2. **Labor Grade For New Or Changed Job.** During the term of this Agreement, all new or changed jobs shall be submitted to a Job Evaluation Committee which shall consist of up to three (3) Company Representatives and up to three (3) Union Representatives and a mutually designated job evaluation expert, which expert has been selected by the parties. Each party (the Company, Union and Expert) shall each have one (1) vote for job evaluation decisions. The decision of the Job Evaluation Committee shall be final and binding and the Union agrees to waive any right to grieve any decision rendered by the Job Evaluation Committee. If the parties are unable to agree on a mutually designated job evaluation expert, the Company shall have the right to designate a job evaluation expert and any decisions made by such expert may be grieved by the Union in accordance with Article 12 of this Agreement.

25.3. **No Reduction In Rate.** No present employee shall receive any reduction in his hourly rate while he remains on the same job which he occupied at the time the Wage Schedule was put into effect.

25.4. **Employee Movement.**

25.4-1. An employee who is moved in accordance with this Agreement from the employee's present classification to another classification shall receive his/her present hourly rate, or if the classification to which the employee is transferred is in a labor grade higher than the employee's present classification and the employee works in such higher classification for two (2) or more consecutive hours, then the employee shall receive the hourly rate in the temporary classification.

25.5. **Permanent Transfer.**

25.5-1. Any employee permanently transferred to another job classification shall receive the hourly rate in the new classification.

25.5-2. The selected employee will be transferred to the given job as soon as possible, and in no event will the employee be held in his/her previous job for more than ten (10) days. In the event that the employee is asked to remain past the date of acceptance (for up to 10 days), and the position into which the employee has bid has a higher rate of pay, the employee shall receive the higher rate of the new job immediately, even though he/she remains in the old job for up to ten days. This provision will not be applicable in those cases in which the Company indicates a future effective date for the start-up of the new job; in such instances the selected employee will be entitled to receive the rate for the job as of the future effective date appearing on the posting. The employee will continue to share in his/her Overtime Sharing Group until physically transferred.

25.6. **Rate Retention.** On and after May 1, 2016, whenever this agreement or some other agreement between the parties uses the words “rate retained” or “red circled”

or other similar words or phrases to convey the intention of maintaining that employee's wage rate such words will be interpreted to mean that the wage rate in effect at the time of such rate retention will be frozen (the "Frozen Rate") and such Frozen Rate will continue to apply for as long as the Frozen Rate is greater than the wage rate of the employee's actual job. For clarity, on and after May 1, 2016, no longer will an employee with an individualized rate be entitled to a general wage increase to that individualized rate, except that (a) an employee with an existing individualized rate as of April 30, 2016 that is set by agreement to expire on April 30, 2016, will receive 50% of any general wage increase required by this Agreement until such time when the employee's individualized rate equals the wage rate of the employee's actual job, after which time the employee will receive the actual rate of the job, including the full amount of all applicable general wage increases; and (b) an employee with an individual wage rate under a separate rate-retention agreement entered prior to May 1, 2016 that provides for an individualized rate without an expiration date will continue to have general wage increases applicable to his/her individualized rate.

25.6-1. When an employee with twenty-five (25) years or more of service with the Company can no longer perform in his job classification because of medical reasons, they may be placed in a job classification designated by the Company. The employee so displaced by such a move will exercise seniority rights under the non-temporary layoff procedure of the Agreement.

25.6-2. When the ill or injured employee with 25 years or more of service or as a result of a work-related injury is placed into a lower rate job classification, the employee will maintain a Frozen Rate equal to the hourly base rate of the job classification from which the employee is transferred as such rate existed at the time of the move.

25.6-3. An employee who refuses to cooperate with the Company regarding medical treatment required for the employee's rehabilitation will be considered to have waived all benefits to which the employee would normally be entitled under this program.

25.7. **Transfer Of Employees With Personalized Rates.** The Union further agrees to cooperate with the Company in transferring employees who have personalized rates under the Wage Schedule to Job Classifications which fall in a labor grade higher than their present classification and the duties of which they are capable of performing, even though such transfers may not result in an increase under the Wage Schedule.

25.8 **Pay Cycle.** The Company may elect to provide payment on either a weekly or a bi-weekly pay cycle. The Company will provide the Union with notice of no less than 30-days before changing the pay cycle provided that the Company will only implement bi-weekly pay if the Company has also done so with USW, Local 4-575.

ARTICLE 26 – JOB SECURITY

Between May 1, 2016, and until such time that all safety net employees are placed in other jobs, the Company will continue to maintain the Service Worker Position created during the term of the parties' 2010 agreement ("Service Worker Position"). The Service Worker Position will be populated by no more than thirty (30) employees. Employees in the Service Worker Position will perform cleaning and other duties in specific areas as designated by the Company. The parties understand and agree that (i) the Service Worker Position is intended to provide a place for employees to work who otherwise would be laid off as the result of the outsourcing or impacts of other decisions with respect to the work performed at West Point ; (ii) the work performed by employees in the Service

Worker Position shall not be considered exclusive bargaining-unit work; (iii) the Company may employ those in the Service Worker Position in areas as designated by the Company (which may include a building or buildings, a shift or a task, depending on the number of employees in the Service Worker Position at any given time) to perform tasks as designated by the Company without restriction;; (iv) the Company will not hire or recall employees into the Service Worker Position, except that an employee on layoff as of April 30, 2016 will be offered recall to the net on or before April 30, 2018, even if such recall requires the net to grow larger than thirty employees. (For clarity, the Company's obligation is to offer such recall to each employee on recall as of April 30, 2016 one time whether or not such employee accepts the recall). The Company has the right to place employees in the Service Worker Position into any job for which he/she meets the qualifications and for which the Company could otherwise hire from the street. Any such placements will be done by seniority by asking high and forcing low among those employees who meet the qualifications for the job.

ARTICLE 27 - SAFETY AND HEALTH

27.1. **Cooperation.** The Union agrees to cooperate with the Company in encouraging employees to observe all safety and housekeeping regulations prescribed by the Company and to work in a safe manner.

27.2. **Medical Service.** The Company will continue its policy of furnishing adequate medical service to employees in case of accidental injury and will provide an annual physical examination only to those employees working in positions for which such an examination is a job requirement. The Company will exercise its right to eliminate or

modify non-occupational physical examinations and/or blood testing. Any non-work related laboratory tests performed on site will be directly billed to the employee's medical insurance plan.

27.3. **Immunization.** In keeping with the long-standing custom of the Company, employees working in certain departments are required to be vaccinated or immunized.

27.4. **Protection Of Employees.** The Company will continue to make every reasonable provision for the protection of the safety and health of the employees. The Company will recognize an individual designated by the local Union President to serve as safety liaison on the second shift and another individual to serve in such capacity on the third shift.

27.5. **Notification.** In the event of a catastrophe, the Company will notify the local union as soon as possible.

27.6 **Smoke/Tobacco Free Work Policy.** On and after May 1, 2013, smoking and/or the use of any tobacco product is prohibited on all Company owned, leased or operated property, including all buildings and grounds and including all Company vehicles whether or not such vehicle is being operated on Company property. It is also understood that there will be no designated smoking or tobacco use areas on Company property. Violations of the policy will be subject to progressive discipline up to and including termination.

27.7 **Operating Company Vehicles.** An employee must possess a valid driver's license as a condition of operating any Department of Motor Vehicles ("DMV") registered Company vehicle. An employee who operates any DMV registered Company vehicle is

required to (i) notify the Company immediately in the event that his/her driver's license is suspended or revoked and (ii) upon the Company's request (a) produce a copy of his/her valid driver's license and (b) sign a consent to authorize the Company to use a third party to verify the driver's license status provided that such consent shall extend only to the issue of whether the license is valid.

An employee who fails to abide by the requirements of (i) or (ii) above will be subject to progressive discipline up to and including discharge

27.8 **Safety Committees.** The Company and Union share a common interest in the area of employee safety and commit to work together with each other in order to improve the site's safety performance, to develop an environment where each employee has the conviction to follow all safety procedures and is committed to achieve an injury free workplace and to establish a work place where each leader feels an accountability for safety. The Parties agree that these joint safety committees will be the place to raise and discuss safety concerns and to seek mutually satisfactory solutions in pursuit of a mutual desire to eliminate safety incidents and to achieve a world-class safety record. The Parties agree that the committees as set forth below in Sections 27.8.1 through 27.8.3 are subject to the general provisions of Section 27.8.4.

27.8.1. **Safety Steering Committee.** On and after May 1, 2016, the Company and Union will establish a Safety Steering Committee with the charter to discuss items of importance in the area of safety, health and the environment and to develop and recommend site-activities and improvements in the areas of safety, health and the environment

a. The Safety Steering Committee will be comprised of five (5) Company representatives (to include one representative from MMD, MRL, GFM

and site safety) and five (5) Union representatives, including the Union President and four members designated by the Union President. One of the Company representatives and the Union President shall act as Co-Chairpersons of the Safety Steering Committee.

b. On or before May 15, 2016, the Company Co-Chairperson shall provide to the Union President the names of the Company representatives and the Union President shall forward to the Company Co-Chairperson the names of the Union representatives. The Company and the Union agree that continuity of representatives on the Safety Steering Committee is important and will endeavor to maintain that continuity. Notwithstanding the preceding sentence, either party may substitute representatives on the Safety Steering Committee upon notice to the other party.

c. The Company Co-Chairperson and the Union President shall call an initial meeting of the Safety Steering Committee as soon as practical after exchanging names of the Union representatives. Thereafter the Safety Steering Committee shall meet at least quarterly and may meet more often upon mutual agreement of the Co-Chairpersons. The Chairpersons will conduct the meeting with the objective of providing equal time on the agenda for each side to discuss areas of importance. The Co-Chairpersons will meet prior to the scheduled meetings in order to set the proposed agenda and/or areas of concern.

27.8-2. **Manufacturing Safety & Environmental Committee. ("MSEC").** On and after May 1, 2016, the Company will continue to run its MSEC meetings as currently structured or as may be restructured in its discretion,

but will invite the Union President and one representative from quality, one from maintenance and utilities and one from each end to end IPT (currently Rota, LVV, BBM and shared services) to attend and participate in such meetings. The Union may request time on the MSEC agenda to discuss health, safety or environmental items of importance to the Union and the MSEC leader will not unreasonably deny any such request. Such requests will be made through the Union President and will be presented to the MSEC leader at least one week ahead of a scheduled meeting in order to be considered for placement on the agenda.

27.8.3. **Local Safety Committees**. On or after May 1, 2016, local safety committees as constituted immediately prior to May 1, 2016 (for example, end-to-end; Departmental or IPT wide) or as may be reconstituted will continue to meet as needed. These local committees will be structured by the Company, with input from the Union and generally will be led or co-led by and comprised mostly of Union employees. The goal of these local committees is to discuss and resolve safety, health and environmental issues important to the local areas at a local level and to complete Company designated safety, health and environmental related projects/assignments for the area.

a. Local management retains the right to determine the number of participants on any committee and to assign tasks to the committee.

b. The Union will be responsible for soliciting volunteers for and designating participants to these local committees.

c. In the event that management determines that a local committee is not making suitable progress on safety performance and/or objectives, local management will meet and discuss the issue with the Union with the intention and goal to reach a good faith resolution to the problem. If, however, no such resolution is found after a reasonable period of time, then the issue will be escalated to a conversation between the Union President and the Company Co-Chairperson of the Safety Steering Committee for resolution. If after such escalation no such resolution is found, then local management may re-charter the team with new members.

d. An employee leading one of these local committees will be expected to lead or co-lead meetings; to work with other members to identify and resolve issues; to work on safety, health or environmental projects as identified through the local committee, the MSEC or the Safety Steering Committee; to ensure the completion of assigned tasks; to ensure the efficient and effectiveness of the work by identifying and addressing any issues with other employees on the committee; to support progress towards identified goals, objectives and/or metrics; to represent the local committee at the MSEC or the Safety Steering Committee as appropriate from time-to-time; to ensure the communication of and cascading of relevant information through the area covered by the local committee; and share relevant learnings, messages, priorities and/or other such information regarding safety, health or environment with employees in the area covered by the local committee.

27.8-4. **General Provisions**. The purpose and objective of these committees is to find cooperative and mutually acceptable solutions to safety, health and environmental related issues. Ultimate decision making authority on matters of safety, health and environmental issues, however, rests with the Company. The following general provisions also apply:

a. The Company will allow employees adequate time off the floor to engage in and participate in local safety committees, the MSEC or the Safety Steering Committee, as appropriate, or as otherwise authorized by local management. Time spent in such committee meetings or as otherwise authorized will be considered time worked and will be compensated as such.

b. The Union has the right to designate its representatives on the various safety committees; however, the Company has the right to request that a designated member be removed for good reason and will make such request to the Union President. The Parties will discuss the issue with the mutual goal of resolving the issue. If no resolution is found, then the Company has the right to remove a Union representative from a safety committee and, in such event, the Union has the right to name a replacement.

27.8-5. **USW Safety Committee.** Nothing in this Article prohibits the Union from maintaining its own safety committee.

ARTICLE 28 - BULLETIN BOARDS

28.1. **Space Provided For Union.** Bulletin board space will be provided by the Company adjacent to each Company bulletin board in production or maintenance departments covered by the bargaining unit, in order that the Union may notify its members of Union business. No notice pertaining to political candidates or issues will be posted. All notices proposed to be posted shall be signed by the President, the Vice President, the Recording Secretary, the Plant Chairman or Financial Secretary. All notices must be submitted in advance to the Director, Labor Relations or other designated Company representative for approval for the purpose of posting.

ARTICLE 29 - FUNCTIONS OF MANAGEMENT

29.1. Except as expressly modified by a specific provision in this Agreement, all inherent management rights, prerogatives and functions are retained and vested exclusively in the Company.

29.2 Except for those side letters or written agreements attached to this Agreement, all prior letters of agreement, memoranda of agreement, side letters or practices shall be superseded by the terms of this Agreement.

ARTICLE 30 - WORK UNIFORMS

30.1. **Articles Furnished By Company.** Where an employee is required by the Company to wear uniforms or where the Company now furnishes such articles of clothing as rubber gloves, boots, etc., the Company will continue to furnish such articles of clothing on the same basis, including laundry of uniforms that it has done in the past without cost

to the employee. The Company will provide not less than two (2) changes of laundered work uniforms per week. The Union agrees that the employee shall use clothing with reasonable care and only for the purpose for which furnished and during regular working hours.

30.2. **Allowance for Clothing Changes.** An employee who is required by the Company to wear uniforms or special work clothes will be allowed five (5) minutes with pay for each time the employee is required by the Company to change clothes. Such time shall count as time worked for overtime purposes.

30.3. **Safety Shoes.** An employee who is required by the Company to wear safety shoes in the performance of the employee's job shall be furnished two (2) pairs of such shoes each year by the Company. However, the employee will be required to turn in worn safety shoes in order to be eligible for the second (2nd) pair. The Company agrees that only American and/or union made safety shoes will be purchased.

30.4. **Safety Glasses.** It is the Company's policy to provide prescription or plan safety glasses to all employees whose work activity regularly exposes them to production and laboratory activity where, by reasonable judgment, an eye injury could occur.

ARTICLE 31 - PAID ABSENCES

31.1. **Absences Due to Illness or Injury**

31.1-1. The purpose of the program of sick benefits is to compensate an employee who is unable to work because of illness or injury. It is not intended to cover medical examinations or treatments normally scheduled in advance, even though the

examination or treatment can only be scheduled during working hours. In no case may an employee be compensated when the employee is out for a rest leave. However, time required by veterans to visit Veterans Hospitals on a prearranged or scheduled basis is covered by this program.

31.1-2. **Definitions**

a. **"Charged Absence"** shall have that definition as set forth in the Absence Control Policy attached as Appendix G to this Agreement.

b. "**Life Threatening Event"** means periods of hospitalization, recuperation and/or treatment for conditions that directly threaten an employee's life, like heart attack, stroke and cancer as determined by the Company's Health Services Director or his/her delegate. For clarity, the term includes periods of continuing medical treatment for serious conditions, for example, radiation, chemotherapy and dialysis.

c. **"Measurement Period"** means that twelve-month period beginning on December 1 of the second preceding calendar year and ending on November 30 of the preceding calendar year (for example, the Measurement Period for 2017 is that twelve month period running from December 1, 2015 through November 30, 2016).

d. **"Non-Elective Surgery"** means periods of hospitalization, recuperation and/or treatment that result directly from a surgical procedure performed on an employee that (i) is required medically in order to address a condition that would present a substantial risk of physical harm if allowed to continue

without such intervention; and (ii) cannot be addressed on a same-day basis, as determined, in both cases, by the Company's Health Services Director or his/her delegate. For clarity, the Parties intend that such term would typically include such things as an appendectomy or a joint replacement and would exclude such things as cosmetic surgery.

e. "**Non-Waiting Period Employee"** means (i) an employee who has worked 2056 hours or more of his/her Straight Time Hours in a Measurement Period; (ii) an employee who did not meet the definition of (i) in the Measurement Period but who did meet the definition of (i) in the prior Measurement Period provided that (x) the employee failed to meet the definition of (i) because of absences related to a Life Threatening Event and/or, beginning January 1, 2021 (based on the Measurement Period starting December 2019 for calendar year 2021), because of absences related to a Non-Elective Surgery and (y) the employee had no more than three Charged Absences in the Measurement Period; or (iii) beginning January 1, 2021 (based on the Measurement Period starting December 2019 for calendar year 2021), an employee who would have met the definition of (i) but for absences directly related to Maternity/Child Care Leave and/or to the period of disability associated with child birth.

f. **"Partial Waiting Period Employee"** means an employee who is not a Non-Waiting-Period Employee or a Waiting Period Employee.

g. **"Partial Waiting Period"** means the first day of each and every absence.

h. **“Schedule of Benefits Rate”** means a rate of pay equal to an employee’s hourly base rate plus shift differential.

i. **“Schedule of Benefits Period”** has the meaning set forth in Article 31.1-3.

j. **“State Rate”** means the rate of pay that would be payable to the employee in accordance with the New Jersey Temporary Disability Benefits Law, as such may be amended from time to time.

k. **"Straight Time Hours"** worked shall include absences for approved vacation, holidays, union business, military encampment, bereavement leave, jury duty, court appearance, temporary layoff, authorized personal time off, but will exclude all other absences (whether authorized or not), including without limitation, sick time, short–term disability, FMLA (whether or not such days are partial, intermittent or consecutive days off), long term disability, disciplinary suspensions, leaves of absence and workers compensation.

l. “**Waiting Period”** means the first five days of each and every absence.

m. **“Waiting Period Employee”** means (an employee who has worked fewer than 2040 Straight Time Hours in the applicable Measurement Period regardless of when the employee was hired into the bargaining unit but beginning January 1, 2021 (based on the Measurement Period starting December 2019 for calendar year 2021) excluding (i) an employee who was employed for only part of the Measurement Period but worked all of his/her scheduled Straight Time Hours during that time

(ii) an employee who failed to work the requisite 2040 Straight Time Hours solely because of absences directly related to Maternity/Child Care Leave and/or to the period of disability associated with child birth.

n. **"Worker's Compensation Employee"** means an employee who is absent from work resulting from an occupational illness or injury as defined by the Pennsylvania Worker's Compensation Act, provided that such absence has been authorized as such by the Company's Director of Health Services, or a nurse, or other such agent as designated by the Company.

o. **"Worker's Compensation Rate"** means that rate of compensation payable to a Worker's Compensation Employee in accordance with the Pennsylvania Worker's Compensation Act.

31.1-3. **Schedule of Benefits Period.**

31.1-3.1. The following Schedule of Benefits Period applies until December 31, 2016:

Length of Continuous Service	Total Days of Benefits in Each Calendar Year
6 months, but less than 1 1/2 years	05 Days
1 1/2 years, but less than 3 years	10 days
3 years, but less than 5 years	15 Days
5 years, but less than 8 years	20 Days
8 years, but less than 10 years	30 days
10 years, but less than 15 years	40 Days
15 years, but less than 20 years	50 Days
20 years or more	60 Days

31.1-3.2. The following Schedule of Benefits Period applies beginning on January 1, 2017:

Length of Continuous Service	Total Days of Benefits in a Calendar Year
6 month but less than one year	05 Days
1 year, but less than 3 years	15 Days
3 years, but less than 5 years	25 Days
5 years, but less than 8 years	35 Days
8 years, but less than 10 years	45 Days
10 years, but less than 15 years	55 Days
15 years, but less than 20 years	65 Days
20 years, but less than 25 years	75 Days
25 years or more	90 days

31.1-4. **Benefits Payable.** An employee who is absent from work because he/she is unable to perform the functions of his/her job due to an illness or injury will be paid in accordance with the provisions that follow.

31.1-4.1. **Benefits for Non-Waiting Period/Partial Waiting Period Employees.**

a. A Partial Waiting Period Employee will be paid for any absence or partial day absence during the Partial Waiting Period by charging such time against the Partial Waiting Period Employee's available paid personal time and/or vacation time up to a maximum total of forty hours in a calendar year beginning in calendar year 2017. A Partial Waiting Period Employee who is without available personal or vacation pay will not be paid during the Partial Waiting Period. In addition to the requirement to use at least 40 hours of personal/vacation time as set forth above, employees may use their full allotment of paid personal time and/or vacation time to offset unpaid days during the Partial Waiting Period. Time for which an employee is required to use or elects to use his/her paid personal and/or vacation

time during the Partial Waiting Period shall not be counted as absences subject to discipline under the Absence Control Policy.

b. A Non-Waiting Period Employee who is absent from work because he/she is unable to perform the functions of his/her job as a result of such injury or illness shall be paid for such days or partial days absent at the Scheduled Benefits Rate for the Schedule of Benefits Period and at State Rate thereafter for a period not to exceed twenty-six weeks, inclusive of days paid in accordance with the Schedule of Benefits Period.

c. A Partial Waiting Period Employee who after the Partial Waiting Period remains absent from work because he/she is unable to perform the functions of his/her job as a result of such injury or illness shall be paid for such days or partial days absent at a rate of pay equal his/her Schedule of Benefits Rate for the duration of the Schedule of Benefits Period and at State Rate thereafter for a period not to exceed twenty-six weeks, inclusive of days paid in accordance with the Schedule of Benefits Period.

31.1-4.2. **Benefits for Waiting Period Employees.**

a. A Waiting Period Employee will be paid for an absence or partial day absence during the Waiting Period by charging such time against the Waiting Period Employee's available paid personal time and/or vacation time up to a maximum total of sixteen hours in calendar year 2016 and a maximum total of forty hours in a calendar year beginning in calendar year 2017. A Waiting Period Employee without available personal or vacation pay will not be paid during the Waiting Period. In addition to the requirement to use at least 40 hours of personal/vacation

time as set forth above, employees may use their full allotment of paid personal time and/or vacation time to offset unpaid days during the Waiting Period. Time for which an employee is required to use or elects to use his/her paid personal and/or vacation time during the Waiting Period shall not be counted as absences subject to discipline under the Absence Control Policy.

b. After the Waiting Period, a Waiting Period Employee who remains absent from work because he/she is unable to perform the functions of his/her job as a result of an injury or illness shall be paid for such days absent at a rate of pay equal to the greater of (i) seventy percent of the Scheduled Benefits Rate; or (ii) State Rate, for the Schedule of Benefits Period and at State Rate thereafter for a period not to exceed twenty-six weeks, inclusive of days paid in accordance with the Schedule of Benefits Period.

31.1-4.3. **Benefits Payable for Worker's Compensation Employee.** A Worker's Compensation Employee will be paid at the Worker's Compensation Rate unless the provisions of Article 31.1-4.1 or Article 31.1-4.2 as applicable to such employee would result in a greater benefit, in which case such greater benefit will apply.

31.1-5. The schedule of benefits is renewed each January 1.

31.1-6. **Additional Eligibility Requirements.**

a. **Reporting Of An Absence.**

(i) An employee must notify a manager or other Company designee in his/her department (or a designated call out line if authorized by the area) as soon as it is determined that the employee is unable to report to work but

no later than one (1) hour prior to the start of their scheduled shift. Employees will provide reasonable notice of the duration of their absence as well as whether the reported illness/injury is claimed to be work-related and whether the employee intends (if known) to claim the illness/injury qualifies under FMLA.

(ii) An employee who is absent for more than three (3) working days (including partial day absences), is responsible to call and report the absence to the Company's Disability Management or Health Services representative or to such other agent designated by the Company for such purpose no later than the fourth day of absence or partial day absence. The Company will be responsible for informing the Union and the membership of the contact information of the contact designated by the Company to receive such notification (Current Contact Telephone Number: 215-652-4091).

b. **Medical Examination After Absence.** An employee returning from an absence of more than three days will report to Health Services before returning to work, unless such employee has been released to work as part of a disability management or worker's compensation process.

c. **Absence Exceeding Three Days.** In cases where an absence exceeds three (3) working days (including partial day absences), an employee must bring to Health Services a certificate from the employee's physician stating the length of time the employee was under medical care, the dates of treatment, medical diagnostic code, and that the employee is permitted to return to work.

d. **Absence Paperwork.** In the case of an absence of more than three days or for an intermittent reason, the Company (either directly or through its agent) may send to the employee (either by mail to his/her record address, by email, if authorized by the employee or the employee's delegate, or by hand) absence related paperwork seeking information necessary to establish whether the employee was indeed absent from work due to an illness/disability that rendered the employee unable to perform his/her job throughout the period of absence. An employee is responsible to have this paperwork completed and returned as directed (either to the Company's health service department or a designated agent) within fifteen (15) calendar days following the employee's receipt of the paperwork in order for the absence to be considered for payment. If the employee fails to return the paperwork in the time periods set forth above, then the Company may consider the absence as due to reasons other than an absent from work because he/she is unable to perform the functions of his/her job and may stop any further payments, seek repayment for monies paid (as described below) and pursue discipline as a result of the absence. If the employee submits the paperwork within the timelines set forth above, then the Company (either directly or through its designated agent) will evaluate the submission and determine whether any monies are payable due to the absence. Such an evaluation may include requests for additional information. In such case, the employee is responsible for cooperating with any such additional requests and if the employee fails to so cooperate, then the Company may consider the absence as due to reasons other than reasons payable under this Article 31 stop any further payments, seek repayment for monies paid (as described below) and pursue discipline as a result of the absence.

e. **Partial Day Absence.** Employees are permitted to leave work early for illness or injury without Health Services release, unless such illness/injury is work-related, in which case, the employee must report to Health Services prior to leaving.

31.1-8. **Benefits Not Accumulative.**

a. Benefits are not accumulative from year to year. However, an employee who is absent due to illness on the first (1st) day of the year will immediately become eligible for that year's schedule of benefits. Illness leaves of absence will be cancelled as of December 31, and the employee will receive the benefits to which he/she is entitled by length of service under this policy.

b. An employee who completes the necessary length of service for increased benefits during the calendar year will immediately become eligible for the additional portion of the new schedule.

31.1-9. **Forfeiture of Benefits**. An employee who fails to report his/her absence within the prescribed time and/or fails to provide medical documentation as directed will be considered to have waived his/her sick pay until proper notification is received. When failure to report is, in the judgment of the area manager or associate director, impossible or completely beyond the control of the employee, it may be excused. Should an employee fail to report to Health Services before returning to work or fail to present a physician's certificate or other required paperwork if the absence exceeds three (3) working days, the employee will be considered to have waived all benefits to which he/she would normally be entitled. (If Health Services is closed when the employee is returning

to work, i.e., Saturday or Sunday, the employee should report when Health Services is next open).

31.1-10 **Sick Pay and Overtime Pay.** Any absence due to illness or injury will not be considered as time worked for overtime purposes.

31.2. **Company Reservations.** The Company reserves the right (1) to institute any reasonable control procedures deemed necessary to verify absentee eligibility for sick leave benefits; and (2) to take disciplinary action, including discharge, in any case when any employee is found guilty of abusing the sick pay policy.

31.3. **Personal Time Off.**

a. An employee may be granted personal time off with pay for forty (40) hours during each calendar year. However, an employee will not be entitled to any personal time off in the calendar year in which his employment begins. The Company has the discretion to grant or refuse requests for personal time after considering the effect on the work requirements. The Company's consent to such requests may not be unreasonably withheld. Thirty-six hours of personal time off may be taken in increments or multiples of one or more hours; four hours of personal time must be taken in a four-hour block. The balance of any unused personal time will be paid to an employee at the end of the calendar year. All personal time will be paid at the straight time hourly rate. Personal time off with pay will not be granted on the sixth (6th) or seventh (7th) day of the employee's workweek or on an overtime assignment or when an employee is working a holiday.

b. Except as otherwise provided in Article 11, employees may request, but the Company is under no obligation to grant time off without pay. Time off without pay will not be granted to any employee with paid personal time or vacation time remaining except (i) in the case of a leave of absence of longer than five days granted in accordance with Article 11.1-1 or 11.1-6; or (ii) a leave of absence in accordance with Article 11.1-2., 11.1-3 or 11.1-4.

31.4. **Employee Productivity.** In order to foster productivity at the West Point site, the Company will provide a productivity bonus based on hours worked, as follows:

An employee who works 2080 hours or all of his/her Straight Time Hours, whichever is greater, in a calendar year will earn twenty hours pay at the employee's base rate as of December 31 in the calendar year in which the productivity bonus is earned. An employee who works all of his/her Straight Time Hours in a second consecutive calendar year will earn twenty-four hours pay at the employee's base rate as of December 31 in the calendar year in which the productivity bonus is earned. An employee who works all of his/her Straight Time Hours for three or more consecutive years will earn thirty-two hours pay at the employee's base rate as of December 31 in the calendar year in which the productivity bonus is earned. An employee may only earn one productivity bonus per year. In the event an employee earns a productivity bonus, the employee shall receive the applicable hours of pay as soon as administratively feasible in the calendar year following the year in which the productivity bonus was earned.

31.5. **Changes In Financial Benefits.** No change will be made during the term of this Agreement in the program of financial benefits for employees which will make such program less favorable than the one in existence as of the effective date of this Agreement. This provision shall not apply to benefits adopted by the Company subsequent to November 1, 1945, which are by the terms of the plan or proposal containing them specifically made subject to discontinuance by the Company.

ARTICLE 32 - AALAS CERTIFICATION

All laboratory animal care and related Merck & Co. positions shall be required to be certified by the American Association for Laboratory Animal Science (AALAS) and/or a Laboratory Animal Technician (LAT) as required by the specific job classification.

32.1-1. ALAT - AALAS Certification shall be required for the following position in the In Vivo Business Unit (formerly depts. 210, 761 and 876):

Animal Technician Level 2 – Labor Grade 8

All employees in the Animal Technician I position, Labor Grade 6, will automatically progress to an Animal Technician II position, Labor Grade 8, upon successful completion of Laboratory Animal Science course work and ALAT - AALAS Certification.

32.1-2. LAT - AALAS Certification shall be required for the following position.

Animal Technician III - Labor Grade 11

32.2. **Residency Requirements.**

32.2-1 **ALAT Residency Requirements.**

Employees bidding, bumping, or otherwise transferring into animal care or related Merck & Co. positions shall successfully complete:

a. AALAS Certification Exam Qualifications

b. Laboratory Animal Science course work

c. AALAS Certification Exam (1 retest if required) within 18 months of bidding, bumping or otherwise transferring into the Animal Technician I classification. The 18-month period begins the day the employee enters the Business Unit where qualified animal care work is being performed. The total time performing this work in any area of the Business Unit will be cumulative. Failure to achieve these requirements shall result in the employees' removal from the Business Unit. In the case of such removal, then the following process will be followed: (i) the employee will have 48 hours to select a USW job for which he/she meets the qualifications from those jobs (if any) which the Company has posted to the street; (ii) if no such job is elected, then the Company may place the employee in any job for which he/she meets the qualifications (on the same shift (first, second or third) and same days of week the employee worked in his/her last job) regardless of whether the job is or had been posted. The employee will also be ineligible to return to any animal care or related job classification for five (5) years after leaving the classification.

32.2-2. **LAT Residency Requirements.**

Employees bidding, bumping or otherwise transferring into the Animal Technician III position must have successfully completed:

a. ALAT Residency Requirements

b. AALAS Certification Exam Qualifications

c. LAT - AALAS Certification Exam (1 retest will be paid for if the employee fails the first time)

32.2-3. All employees who receive the required AALAS Certification and complete the course work will automatically be assigned the higher labor grade as noted in Section 32.1-1. (AALAS Certification).

32.2-4. All employees who assume positions which require certification will sign a Laboratory Animal Care Science Course Work/AALAS Certification Agreement that acknowledges their obligation and commitment.

32.3. **AALAS Certification Exam Qualifications.**

Certification Exam qualifications are in accordance with the American Association for Laboratory Animal Science.

32.3-1. **ALAT Certification.**

Employees bidding, bumping or otherwise transferring into animal care or related Merck & Co. positions shall have:

a. A High School Diploma or equivalent; or will be actively pursuing completion of a High School Diploma or equivalent and twelve months (1950 work hours including overtime) of animal care work experience.

b. Any college degree of 2 or more years and 6 months (975 work hours including overtime) of animal care work experience.

32.3-2. **LAT Certification.**

ALAT Certification plus one additional year (1950 work hours including overtime) of animal care work experience after receiving ALAT Certification.

32.4. A mechanism has been established to track animal care related work hours within the Business Unit or any other applicable area, so employees can be notified in a timely fashion of their eligibility to apply for the AALAS Certification Exam.

32.5 All employees who assume positions which require AALAS certification will sign the following form at the time he/she assumes position.

Laboratory Animal Science Course Work
and
AALAS Certification Agreement

In accordance with Article 32 of the Collective Bargaining Agreement between the Company and the Union, you are required to successfully complete the Laboratory Animal Science course work and ALAT-AALAS Certification within 18 months of entering The In Vivo Business Unit. For Animal Technician III, you are also required to achieve your LAT-AALAS Certification within 24 months. The total time in the Business Unit, whether continuous or not, is cumulative. Failure to complete the course work and achieve AALAS Certification shall require you to leave the Business Unit under terms of the Collective Bargaining Agreement.

Employee's Name_____

Job Title _____

According to company records, you worked in the Business Unit:

_____/_____
Start Date End Date

_____/_____
Start Date End Date

_____/_____
Start Date End Date

Total Time _____/_____
Month Day

Therefore:
ALAT- AALAS Certification/course work must be achieved on or before _____
Mmddyy

LAT - AALAS Certification must be achieved on or before _____
Mmddyy

Date	Employer
Date	Company
Date	Union

ARTICLE 33 - APPRENTICE SET-UP MECHANIC PROGRAM

On written notice to the Union, the Company, in its sole discretion, shall re-establish an Apprenticeship Set-Up Mechanic Program in the Packaging Department. The Company shall have the sole responsibility for determining the content and selection criteria. Entry into the Program shall be determined pursuant to the Standard Timing Model Test which consists of four (4) parts on the basis outlined below.

33.1. Those employees completing all parts of the test in a total of fifteen (15) minutes or less shall be ranked according to their seniority and selection shall be on the basis of seniority.

33.2. The Company will attempt to fill the positions in question by first offering those positions to those employees who completed the test in fifteen (15) minutes or less as set forth in Paragraph 33.1 above.

33.3. However, if any of those positions remain unfilled, those employees who completed all parts of the test in a total time exceeding fifteen (15) minutes but not more than eighteen (18) minutes shall be ranked according to their seniority and selection for any remaining position shall be made on the basis of seniority.

33.4. All employees completing the test in more than eighteen (18) minutes or failing to complete the test will be automatically eliminated from consideration for the posting then in question. Such employees shall be permitted to re-take the test at future offerings.

ARTICLE 34- HEADINGS FOR REFERENCE ONLY

34.1. The heading preceding the text of the several Articles, Paragraphs and other Subdivisions hereof are inserted solely for convenience of reference, and shall not affect the meaning, construction or effect of this Agreement.

ARTICLE 35 - TERM OF AGREEMENT

35.1. This Agreement between Local 10-00086 of the United Steelworkers and Merck Sharp & Dohme Corp., a wholly owned subsidiary of Merck & Co., Inc., at West Point, Pennsylvania, shall remain in effect from May 1, 2020 through April 30, 2025. The Agreement shall be continued in full force and effect for successive terms of one (1) year following April 30, 2025 unless either party shall notify the other party in writing sixty (60) days before April 30, 2025 or sixty (60) days before the expiration of any one (1) year term subsequent to April 30, 2025 that it wishes to terminate or modify this Agreement.

This Agreement, made and entered into this 1st day of May 2020, by and between Merck and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers, AFL-CIO, and its Local 10-00086 and to continue in effect through April 30, 2025.

UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION, AFL-CIO-CLC

Tom Conway
International President

John E. Shinn
International Secretary-Treasurer

David R. McCall
International Vice President - Administration

Frederick D. Redmond
International Vice President - Human Affairs

Robert McAuliffe
Director, District 10

Leo Dopson
Assistant to the Director

LOCAL UNION COMMITTEE

Mike Gauger
President

William Panetta
Plant Chairman

John Heidler
Vice President

Debbie Yakscoe

James Ford

Gary Holland

MERCK SHARP & DOHME CORP.

Joe Perez
VP, Plant Manager

Paul Maranilla
Executive Director, Labor Relations

Eric Klepper
Director, HR

Jennifer Davis
Director, Labor Relations

Andrew Kalliguris
Executive Director, Plant Management

Hallie Kline
Associate Director, Labor Relations

Michelle Boyd
HR Business Partner

LOCAL UNION COMMITTEE

Kevin McCafferty

Dan Peterson

Joe Mervish

Randy Rosenberger

APPENDIX A – WAGE PROGRESSION TABLES

May-20

Entry Level 65%
GWI 3.0%
Effective 27-Apr-20

	LG1	LG2	LG3	LG4	LG5	LG6	LG7	LG8	LG9	LG10	LG11	LG12	Prod. Clerical 3	Prod. Clerical 4	Prod. Clerical 5
	M	M	M	M	M	M	M	M	M	MM	MM	MM	M	M	M
Entry	0	$ 16.51	$ 20.28	$ 21.14	$ 22.02	$ 22.95	$ 23.89	$ 24.84	$ 25.74	$ 26.59	$ 27.74	$ 28.68	$ 28.19	$ 28.47	$ 27.97
After Year 1	1	$ 20.54	$ 21.39	$ 22.28	$ 23.20	$ 24.34	$ 25.27	$ 26.16	$ 27.12	$ 28.01	$ 29.19	$ 30.22	$ 29.70	$ 30.05	$ 29.49
After Year 2	2	$ 21.61	$ 22.44	$ 23.42	$ 24.39	$ 25.57	$ 26.54	$ 27.49	$ 28.49	$ 29.44	$ 30.65	$ 31.77	$ 31.22	$ 31.63	$ 30.97
After Year 3	3	$ 22.65	$ 23.55	$ 24.56	$ 25.58	$ 26.79	$ 27.82	$ 28.83	$ 29.88	$ 30.88	$ 32.12	$ 33.29	$ 32.73	$ 33.20	$ 32.46
After Year 4	4	$ 23.69	$ 24.61	$ 25.69	$ 26.74	$ 28.02	$ 29.11	$ 30.18	$ 31.25	$ 32.33	$ 33.57	$ 34.80	$ 34.25	$ 34.76	$ 34.00
After Year 5	5	$ 24.75	$ 25.71	$ 26.80	$ 27.90	$ 29.26	$ 30.37	$ 31.51	$ 32.64	$ 33.73	$ 35.14	$ 36.30	$ 35.74	$ 36.34	$ 35.49
After Year 6	6	$ 25.79	$ 26.78	$ 27.91	$ 29.10	$ 30.49	$ 31.70	$ 32.85	$ 34.04	$ 35.14	$ 36.66	$ 37.91	$ 37.29	$ 37.93	$ 36.98
After Year 7	7	$ 26.82	$ 27.87	$ 29.03	$ 30.25	$ 31.70	$ 32.98	$ 34.19	$ 35.41	$ 36.60	$ 38.19	$ 39.45	$ 38.77	$ 39.45	$ 38.49
After Year 8	8	$ 27.88	$ 28.97	$ 30.22	$ 31.45	$ 33.01	$ 34.29	$ 35.51	$ 36.78	$ 38.04	$ 39.80	$ 41.09	$ 40.33	$ 41.06	$ 39.99
After Year 9	9	$ 28.94	$ 30.06	$ 31.35	$ 32.65	$ 34.35	$ 35.64	$ 36.84	$ 38.16	$ 39.44	$ 41.11	$ 42.55	$ 41.90	$ 42.71	$ 41.51
Top Rate															
After Year 10	10	$ 29.97	$ 31.16	$ 32.48	$ 33.80	$ 35.49	$ 36.83	$ 38.17	$ 39.54	$ 40.80	$ 42.58	$ 44.07	$ 43.48	$ 44.30	$ 43.10

May-21

Entry Lev 65%
GWI 3.0%
Effective 26-Apr-21

		LG 1	LG 2	LG 3	LG 4	LG 5	LG 6	LG 7	LG 8	LG 9	LG 10	LG 11	LG 12		Prod. Clerical 3	Prod. Clerical 4	Prod. Clerical 5
		10	20	30	40	50	60	70	80	90	100	110	120		30	40	50
Entry	0	$ 20.10	$ 20.85	$ 21.77	$ 22.68	$ 23.78	$ 24.70	$ 25.59	$ 26.51	$ 27.38	$ 28.57	$ 29.52	$ 30.47		$ 24.06	$ 25.23	$ 26.81
After Year	1	$ 21.16	$ 22.00	$ 22.95	$ 23.90	$ 25.07	$ 26.03	$ 26.94	$ 27.93	$ 28.86	$ 30.07	$ 31.10	$ 32.13		$ 25.35	$ 27.66	$ 30.37
After Year	2	$ 22.26	$ 23.11	$ 24.12	$ 25.11	$ 26.34	$ 27.34	$ 28.33	$ 29.34	$ 30.34	$ 31.60	$ 32.72	$ 33.75		$ 26.65	$ 29.00	$ 31.90
After Year	3	$ 23.33	$ 24.26	$ 25.30	$ 26.33	$ 27.59	$ 28.65	$ 29.72	$ 30.79	$ 31.81	$ 33.16	$ 34.26	$ 35.38		$ 27.94	$ 30.47	$ 33.45
After Year	4	$ 24.39	$ 25.35	$ 26.45	$ 27.54	$ 28.89	$ 29.96	$ 31.09	$ 32.19	$ 33.33	$ 34.68	$ 35.91	$ 37.04		$ 29.24	$ 31.88	$ 35.02
After Year	5	$ 25.45	$ 26.48	$ 27.60	$ 28.74	$ 30.18	$ 31.28	$ 32.46	$ 33.62	$ 34.74	$ 36.19	$ 37.47	$ 38.67		$ 30.52	$ 33.31	$ 36.55
After Year	6	$ 26.56	$ 27.58	$ 28.77	$ 29.97	$ 31.47	$ 32.65	$ 33.84	$ 35.08	$ 36.19	$ 37.79	$ 39.05	$ 40.29		$ 31.82	$ 34.70	$ 38.09
After Year	7	$ 27.62	$ 28.71	$ 29.96	$ 31.20	$ 32.73	$ 33.97	$ 35.22	$ 36.47	$ 37.70	$ 39.27	$ 40.63	$ 41.90		$ 33.10	$ 36.10	$ 39.66
After Year	8	$ 28.70	$ 29.84	$ 31.13	$ 32.42	$ 34.00	$ 35.26	$ 36.58	$ 37.86	$ 39.18	$ 40.82	$ 42.22	$ 43.57		$ 34.38	$ 37.51	$ 41.19
After Year	9	$ 29.81	$ 30.96	$ 32.29	$ 33.63	$ 35.30	$ 36.61	$ 37.95	$ 39.30	$ 40.62	$ 42.34	$ 43.83	$ 45.22		$ 35.69	$ 38.93	$ 42.75
Top Rate After Year 10	10	$ 31.17	$ 32.09	$ 33.45	$ 34.82	$ 36.55	$ 37.93	$ 39.32	$ 40.73	$ 42.17	$ 43.88	$ 45.38	$ 46.84		$ 37.00	$ 40.33	$ 44.29

May-22

Entry Level 85%
GWI 3.0%
Effective 25-Apr-22

		LG 1	LG 2	LG 3	LG 4	LG 5	LG 6	LG 7	LG 8	LG 9	LG 10	LG 11	LG 12		Prod. Clerical 3	Prod. Clerical 4	Prod. Clerical 5
		10	20	30	40	50	60	70	80	90	100	110	120		30	40	50
Entry	0	$ 20.70	$ 21.52	$ 22.42	$ 23.36	$ 24.49	$ 25.44	$ 26.36	$ 27.31	$ 28.26	$ 29.43	$ 30.41	$ 31.30		$ 34.78	$ 37.02	$ 39.67
After Year 1	1	$ 21.79	$ 22.66	$ 23.64	$ 24.62	$ 25.82	$ 26.81	$ 27.75	$ 28.77	$ 29.73	$ 30.97	$ 32.06	$ 33.09		$ 36.11	$ 38.49	$ 41.28
After Year 2	2	$ 22.53	$ 23.80	$ 24.84	$ 25.86	$ 27.13	$ 28.16	$ 29.16	$ 30.22	$ 31.25	$ 32.53	$ 33.70	$ 34.76		$ 37.45	$ 39.95	$ 42.86
After Year 3	3	$ 24.03	$ 24.99	$ 26.06	$ 27.12	$ 28.42	$ 29.51	$ 30.61	$ 31.71	$ 32.78	$ 34.15	$ 35.32	$ 36.44		$ 38.78	$ 41.38	$ 44.45
After Year 4	4	$ 25.12	$ 26.11	$ 27.24	$ 28.37	$ 29.76	$ 30.88	$ 32.02	$ 33.16	$ 34.30	$ 35.72	$ 36.99	$ 38.15		$ 39.12	$ 42.84	$ 46.07
After Year 5	5	$ 26.25	$ 27.37	$ 28.43	$ 29.60	$ 31.09	$ 32.22	$ 33.43	$ 34.60	$ 35.78	$ 37.28	$ 38.59	$ 39.83		$ 41.44	$ 44.31	$ 47.65
After Year 6	6	$ 27.36	$ 28.41	$ 29.63	$ 30.87	$ 32.41	$ 33.60	$ 34.86	$ 36.11	$ 37.28	$ 38.89	$ 40.22	$ 41.50		$ 42.77	$ 45.74	$ 49.23
After Year 7	7	$ 28.45	$ 29.57	$ 30.86	$ 32.14	$ 33.71	$ 34.99	$ 36.28	$ 37.56	$ 38.83	$ 40.45	$ 41.85	$ 43.19		$ 44.09	$ 47.18	$ 50.85
After Year 8	8	$ 29.56	$ 30.74	$ 32.06	$ 33.39	$ 35.02	$ 36.35	$ 37.68	$ 39.02	$ 40.36	$ 42.04	$ 43.49	$ 44.88		$ 45.42	$ 48.64	$ 52.43
After Year 9	9	$ 30.70	$ 31.86	$ 33.26	$ 34.64	$ 36.34	$ 37.71	$ 39.09	$ 40.46	$ 41.84	$ 43.61	$ 45.14	$ 46.58		$ 46.76	$ 49.10	$ 54.03
Top Rate After Year 10	10	$ 31.80	$ 33.06	$ 34.45	$ 35.88	$ 37.65	$ 39.07	$ 40.50	$ 41.95	$ 43.38	$ 45.20	$ 46.75	$ 48.25		$ 48.11	$ 51.54	$ 56.62

May-23

Entry Level	55%
GWI	3.0%
Effective	14-Apr-23

		LG 1	LG 2	LG 3	LG 4	LG 5	LG 6	LG 7	LG 8	LG 9	LG 10	LG 11	LG 12	Prod. Clerical 3	Prod. Clerical 4	Prod. Clerical 5
		10	20	30	40	50	60	70	80	90	100	110	120	30	40	50
Entry	0	$ 21.32	$ 22.17	$ 23.06	$ 24.06	$ 25.22	$ 26.20	$ 27.15	$ 28.13	$ 29.65	$ 30.31	$ 31.32	$ 32.32	$ 25.62	$ 27.03	$ 28.58
After Year 1	1	$ 22.44	$ 23.34	$ 24.35	$ 25.38	$ 26.59	$ 27.61	$ 28.58	$ 29.61	$ 30.62	$ 31.90	$ 33.02	$ 34.08	$ 26.89	$ 28.34	$ 30.22
After Year 2	2	$ 23.62	$ 24.51	$ 25.59	$ 26.64	$ 27.94	$ 29.05	$ 30.06	$ 31.12	$ 32.19	$ 33.53	$ 34.71	$ 35.80	$ 28.27	$ 29.85	$ 31.85
After Year 3	3	$ 24.75	$ 25.74	$ 26.84	$ 27.91	$ 29.27	$ 30.40	$ 31.53	$ 32.68	$ 33.74	$ 35.17	$ 36.38	$ 37.53	$ 29.64	$ 32.32	$ 35.48
After Year 4	4	$ 25.87	$ 26.89	$ 28.06	$ 29.22	$ 30.65	$ 31.81	$ 32.98	$ 34.16	$ 35.33	$ 36.79	$ 38.10	$ 39.29	$ 31.02	$ 33.83	$ 37.15
After Year 5	5	$ 27.04	$ 28.09	$ 29.28	$ 30.49	$ 32.02	$ 33.19	$ 34.43	$ 35.67	$ 36.85	$ 38.40	$ 39.75	$ 41.02	$ 32.38	$ 35.34	$ 38.78
After Year 6	6	$ 28.18	$ 29.28	$ 30.52	$ 31.80	$ 33.38	$ 34.64	$ 35.91	$ 37.19	$ 38.40	$ 40.06	$ 41.43	$ 42.75	$ 33.75	$ 36.81	$ 40.41
After Year 7	7	$ 29.31	$ 30.46	$ 31.76	$ 33.10	$ 34.72	$ 36.04	$ 37.37	$ 38.69	$ 39.99	$ 41.66	$ 43.11	$ 44.49	$ 35.11	$ 38.30	$ 42.04
After Year 8	8	$ 30.45	$ 31.66	$ 33.02	$ 34.38	$ 36.07	$ 37.44	$ 38.81	$ 40.19	$ 41.57	$ 43.30	$ 44.79	$ 46.22	$ 36.48	$ 39.80	$ 43.70
After Year 9	9	$ 31.62	$ 32.85	$ 34.26	$ 35.68	$ 37.43	$ 38.84	$ 40.26	$ 41.69	$ 43.10	$ 44.92	$ 46.46	$ 47.98	$ 37.86	$ 41.30	$ 45.35
Top Rate After Year 10	10	$ 32.75	$ 34.04	$ 35.48	$ 36.94	$ 38.78	$ 40.24	$ 41.72	$ 43.21	$ 44.68	$ 46.56	$ 48.15	$ 49.70	$ 39.25	$ 42.79	$ 46.99

May-24

Entry Lev 6%
GWI 3.0%
Effective 22-Apr-24

		LG 1	LG 2	LG 3	LG 4	LG 5	LG 6	LG 7	LG 8	LG 9	LG 10	LG 11	LG 12		Prod. Clerical 3	Prod. Clerical 4	Prod. Clerical 5
		10	20	30	40	50	60	70	80	90	100	110	120		30	40	50
Entry	0	$ 21.96	$ 22.84	$ 23.78	$ 24.78	$ 25.88	$ 26.99	$ 27.96	$ 29.07	$ 29.92	$ 31.22	$ 32.26	$ 33.29		$ 26.29	$ 28.66	$ 31.49
After Year	1	$ 23.11	$ 24.04	$ 25.08	$ 26.12	$ 27.39	$ 28.44	$ 29.44	$ 30.52	$ 31.54	$ 32.89	$ 34.01	$ 35.16		$ 27.70	$ 30.22	$ 33.19
After Year	2	$ 24.33	$ 25.25	$ 26.36	$ 27.44	$ 28.78	$ 29.87	$ 30.96	$ 32.08	$ 33.16	$ 34.54	$ 35.75	$ 36.97		$ 29.12	$ 31.78	$ 34.87
After Year	3	$ 25.49	$ 26.51	$ 27.65	$ 28.77	$ 30.15	$ 31.31	$ 32.48	$ 33.64	$ 34.75	$ 36.23	$ 37.47	$ 38.66		$ 30.53	$ 33.29	$ 36.54
After Year	4	$ 26.65	$ 27.70	$ 28.90	$ 30.10	$ 31.57	$ 32.76	$ 33.97	$ 35.17	$ 36.39	$ 37.89	$ 39.24	$ 40.47		$ 31.95	$ 34.84	$ 38.26
After Year	5	$ 27.85	$ 28.93	$ 30.16	$ 31.40	$ 32.98	$ 34.19	$ 35.48	$ 36.74	$ 37.96	$ 39.55	$ 40.94	$ 42.25		$ 33.35	$ 36.40	$ 39.94
After Year	6	$ 29.03	$ 30.14	$ 31.44	$ 32.75	$ 34.38	$ 35.68	$ 36.99	$ 38.31	$ 39.55	$ 41.26	$ 42.67	$ 44.03		$ 34.76	$ 37.91	$ 41.62
After Year	7	$ 30.18	$ 31.37	$ 32.74	$ 34.09	$ 35.76	$ 37.12	$ 38.49	$ 39.85	$ 41.19	$ 42.91	$ 44.40	$ 45.82		$ 36.16	$ 39.45	$ 43.24
After Year	8	$ 31.36	$ 32.61	$ 34.01	$ 35.42	$ 37.15	$ 38.56	$ 39.97	$ 41.40	$ 42.82	$ 44.60	$ 46.13	$ 47.62		$ 37.57	$ 40.99	$ 45.01
After Year	9	$ 32.57	$ 33.84	$ 35.29	$ 36.75	$ 38.55	$ 40.01	$ 41.47	$ 42.94	$ 44.39	$ 46.27	$ 47.88	$ 49.42		$ 39.00	$ 42.54	$ 46.71
Top Rate After Year 10	10	$ 33.73	$ 35.06	$ 36.54	$ 38.05	$ 39.94	$ 41.45	$ 42.97	$ 44.51	$ 46.02	$ 47.96	$ 49.59	$ 51.19		$ 40.43	$ 44.07	$ 48.40

APPENDIX B

APPRENTICESHIP TRAINING PROGRAM

ARTICLE 1 PURPOSE

The purpose of this Apprenticeship Program is to provide a means for training qualified employees to become skilled mechanics within specified crafts.

This document is intended as a guide for the program, with the end objective of assuring the Company that employees, at the completion of the training period, will be proficient and capable people.

ARTICLE 2 DEFINITIONS

The term "Company" shall mean West Point Plant site, as administered by the Merck Manufacturing Division of Merck & Co., Inc.

The term "Union" refers to the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC Local 10-00086 of the United Steelworkers.

The term "Apprenticeship Agreement" shall mean an agreement signed by the Company, the Union, and the Apprentice and filed in the West Point Personnel office.

The term "Apprentice" shall mean an employee of the Company who is engaged in learning and assisting in the trade to which he/she has been selected and who is working under a signed Apprenticeship Agreement.

The term "Standards of Apprenticeship and Training" shall mean this entire document.

"Committee" shall mean the Joint Apprenticeship and Training Committee as provided for in the Standards of Apprenticeship and Training.

"O.J.T." refers to on the job training

"R.C.I." refers to related classroom instruction (off plant site)

ARTICLE 3 CRAFTS

This Apprentice Training Program shall apply to the following crafts:

Air Conditioning & Refrigeration mechanic
Automotive Equipment Mechanic
Carpenter
Electrician
Electronic and Instrument Technician
Machinist
Millwright
Painter
Pipefitter & Plumber
Sheet Metal Worker

ARTICLE 4 SELECTION OF APPRENTICES

A. The Company shall have the responsibility for determining the need for new apprentices, both as to number and crafts.

B. Openings in the Apprentice Training Program shall be posted by craft pursuant to Article 23, Paragraph 23.3-1, of the current Union Contract.

C. Selection of apprentices shall be made by seniority from among those applicants meeting the following requirements:

1. Satisfactorily pass a physical examination administered by the Company.

2. Effective May 1, 1991, applicants must take and pass an apprentice test in order to be accepted into the Apprentice Program. All apprentice tests taken prior to May 1, 1991 are null and void. The Company reserves the right to determine the apprentice test, make up and administer the test including determination of the passing grade of the test. The Union reserves the right to challenge the reasonableness of the test and its administration, pursuant to the grievance procedure of this Agreement. Applicants successfully passing the test shall be ranked according to their seniority and selection shall be based on seniority.

3. If the applicant fails the test, he or she will have the opportunity to take the test a second (2nd) time (only during a regularly scheduled testing period). If unsuccessful in both attempts, the applicant must receive permission from the Committee before taking the test for a third (3rd) and final time.

4. General Fitness. The Company shall have the sole right to determine age qualifications for the Apprentice Program.

D. No credit towards the O.J.T. requirement will be allowed for prior experience; however, credit for previous applicable courses satisfactorily completed at schools participating in this Apprentice Program will be evaluated by the Committee.

E. An apprentice may transfer to another craft only one (1) time during his apprentice training. The exercise of this option may occur only during the first (1st) year of the apprentice's training program (Trainee 1 or 2). The apprentice must apply for the posted vacancy and shall have the same rights as other applicants. If the apprentice transfers, he/she will enter the new trade as a Trainee 1 and receive a maximum of one hundred (100) hours O.J.T. credit from his/her previous training. There will be no transfer of related classroom instructions allowed unless approved by the Committee.

F. Selection of apprentices under this program shall be made from all candidates on the basis of the above-stated qualifications and seniority, and without regard to race, creed, color, national origin, ancestry or sex.

G. When there is a need for mechanics in a craft, and such need cannot immediately be satisfied by means of the Apprentice Training Program, such vacancies shall be filled in accordance with Article 23, Paragraph 23.4, of the current Union Contract.

H. In the event apprentices who have been laid off from apprentice classifications (and are employed elsewhere within the bargaining unit) apply for posted apprentice positions in the craft from which they were laid off, they shall receive first preference over new applicants (regardless of seniority), provided their re-entry rights, as set forth below, have not expired. Former apprentices who possess the necessary re-entry rights shall be reinstated on a seniority basis at the highest level they previously attained, provided they still retain the necessary qualifications to perform the work. Re-entry rights shall be limited as follows:

One (1) year of participation in the program - one (1) year re-entry rights or portion thereof.

Two (2) years of participation in the program - two (2) years re-entry rights or portion thereof.

Three (3) years of participation in the program - three (3) years re-entry rights or portion thereof.

Apprentices on layoff from the Apprentice Program may apply for apprentice openings in crafts different from the one in which they were laid off and shall have the same rights as other applicants.

ARTICLE 5 TERM OF APPRENTICESHIP AND TRAINING

A. The term of apprenticeship and training for a craft shall consist of eight (8) periods of training.

B. Each period of training shall consist of six (6) months, with a minimum of eight hundred (800) hours of "on-the-job" training and seventy-two (72) hours of related classroom instruction or as approved by the Committee.

ARTICLE 6 APPRENTICESHIP AGREEMENT

A. Upon being selected for apprentice training, each apprentice shall sign an Apprenticeship Agreement which shall also be signed by the Company and the Union.

B. Apprentices shall not hold Union positions which would prevent them from satisfactorily fulfilling the requirements of the Apprentice Program.

C. Apprentices will be assigned to the day shift during their regularly scheduled R.C.I. period. The Company shall have the right to schedule the apprentice to shifts other than the day shift during the periods when no R.C.I. is scheduled, such as between school semesters.

D. The terms and conditions of these Standards of Apprenticeship and Training shall be made a part of each Apprenticeship Agreement.

E. Copies of the Apprenticeship Agreement shall be distributed as follows:

1. Apprentice
2. Company
3. Union
4. Committee

ARTICLE 7 TRAINING PROGRAM

A. The training program shall include "on-the-job" training and related classroom instruction.

B. Each apprentice shall be required to perform a minimum of eight hundred (800) hours of "on-the-job" training in his/her assigned craft during each period of training.

C. Each apprentice shall be required to enroll in and attend an approved school selected by the Company, offering classes of related instruction for apprentices for a minimum of seventy-two (72) hours during each period of training or as designed by the Committee. An effort will be made to designate an approved school as near to any

apprentice's home as practical. An apprentice must attain a grade of "C" or higher in each course taken to be considered to have passed a course.

D. Apprentices shall be required to pass written and/or practical examinations, prepared or approved by the Company, in both the "on-the-job" training and related classroom instruction at the end of each period of training to qualify for advancement to the next higher level.

E. 1. If an apprentice fails to pass a period of training, he/she shall be permitted to repeat that period of training. If an apprentice fails to pass the same period of training a second (2nd) time, he/she shall have his/her Apprenticeship Agreement terminated.

2. No apprentice shall be permitted to repeat more than two (2) different periods of training. If an apprentice fails three (3) different periods of training, he/she shall have his/her Apprenticeship Agreement terminated.

3. An employee, whose Apprenticeship Agreement has been terminated (as stated above) shall have the right to bid for an apprentice opening in a different craft with the same rights as other new applicants. If an employee has his/her Apprenticeship Agreement terminated a second (2nd) time, he/she shall not be permitted to re-enter the Apprentice Training Program.

F. 1. If an apprentice does not demonstrate interest, effort or ability in the "on-the-job" training or related classroom instruction, he/she may have his/her Apprenticeship Agreement terminated at any time at the direction of the Committee.

2. If, for any reason, the apprentice does not meet the minimum O.J.T. or R.C.I. required hours, the Committee (at its discretion) may extend his apprenticeship until these requirements are satisfied.

G. "On-the job" training shall be under the direction of the maintenance supervisor and under the guidance of all group leaders and those journeymen selected by the Company. Where an apprentice is assigned, the most senior Technician in that area may be selected for training. The Company will compute the pay of journeymen so selected based on the straight time rate of the next higher labor grade above the journeyman's regular classification. This premium will apply only to time actually assigned to training duties.

H. Journeyman trainers shall periodically report the progress of apprentices to their supervisors and apprentices shall provide feedback on their training to their supervisors.

I. Apprentices in Trainee Levels 1 shall not be eligible for overtime. Weeks when the apprentices' school is in session, apprentices in Levels 2 through 8 shall be restricted to eligibility for Saturday overtime provided the Technicians in their trade are working Saturday.

J. An apprentice whose Apprenticeship Agreement is terminated under the provisions of this Article shall be placed in accordance with Article 23 of this Agreement.

ARTICLE 8 COMPENSATION

A. Cost of tuition, books, instructions and training materials shall be assumed by the Company.

B. No compensation shall be paid by the Company to any apprentice for time spent or other expenses incurred in securing related classroom instruction. The time spent for related classroom instruction shall not be considered as time worked.

C. A new apprentice shall receive the rate of Trainee 1 upon entering the Apprentice Training Program and shall receive the appropriate rate increase upon successfully completing each period of training. The range of rates shall be as follows:

- Apprentice LG8 Year 1 will be paid at the same rate as a LG 4 as set forth in Appendix A;

- Apprentice LG8 Year 2 will be paid at the same rate as a LG 5 as set forth in Appendix A.

D. Upon completion of Trainee Level 8, the apprentice will transfer to the respective Technician classification through a departmental posting procedure open only to employees currently in that classification.

E. These rates shall be subject to all wage adjustments negotiated by the Union and the Company.

ARTICLE 9 ADMINISTRATION

A. The administration of the Apprentice Training Program shall be under the direction of a joint apprenticeship and training committee.

B. The Committee shall consist of the manager of Maintenance (who shall act as chairman), two members appointed by the Company (who shall be maintenance supervisors), two members appointed by the Union (who shall be tradesmen), and a secretary who shall be the technical training coordinator of the Maintenance Department.

C. The chairman shall vote only when necessary to break ties. The secretary shall have no vote.

D. The manager of Maintenance shall be responsible for the maintenance of all training records.

E. The Committee shall meet as necessary and shall be responsible for reviewing the qualifications of new candidates for apprentice training and the qualifications of apprentices for advancement within or removal from the Apprentice Training Program. In the event the Union is in disagreement with a decision of the Committee, such decision may be subject to the grievance procedure commencing with the Third Step.

ARTICLE 10 LAYOFF AND BUMPING PROCEDURE

A. In the event of non-temporary layoffs (as such term is defined in the Union Contract) apprentices shall be laid off in accordance with Article 23, Paragraph 23.7-3(b)of the Union Contract prior to the layoff of Technicians in the classifications affected.

B. 1. In the event a Technician is bumped out of his position while an apprentice is actively employed in training for this same craft classification, the apprentice least senior in training for the classification will first be laid off and an opening for the Technician classification created and made available to the bumped Technician. Further, no new apprentice openings will be activated in that classification while bumped or laid-off Technicians who have held that classification are on its active layoff recall list or working in other lower graded positions in the bargaining unit.

2. In such cases, when there is to be an increase in the number of employees in any craft included in the Apprentice Training Program, active employees who have previously worked as journeymen at West Point in the classification in which there is to be an increase will be given preemptive rights to such jobs in order of seniority, provided they still possess the necessary qualifications to perform the work. Journeymen so affected must return to the craft from which they were laid off at the first opportunity to do so or forfeit their preemptive rights.

C. There shall be no bumping within or into the apprentice classifications.

D. The effective date of these Standards of Apprenticeship and Training will be the date of approvals, as indicated below.

_____	_____
Date	For the Company
_____	_____
Date	For the Union

APPRENTICE AGREEMENT

Between Apprentice and Merck Pharmaceutical Manufacturing, THIS AGREEMENT entered into this _____ day of _____, 200__, between Merck Pharmaceutical Manufacturing hereinafter referred to as the "Company", and _____ _____hereinafter referred to as the "Apprentice".
(Name of Apprentice)

WITNESSETH THAT:

The Company agrees to be responsible for training and placement of said apprentice in the trade of _____, and in consideration the Apprentice agrees diligently and faithfully to perform the work of said trade during the period of apprenticeship, in accordance with the conditions and regulations of the attached Apprenticeship Training Program dated _____. The Apprenticeship Training Program referred to herein is hereby incorporated in and made a part of this Agreement.

Term Of Apprenticeship_____

Other Conditions _____

_____ _____
Date For the Company (Joint Apprentice Committee)

_____ _____
Date For the Union (Joint Apprentice Committee)

Name and Address of Apprentice: _____
_____
_____

_____
Signature of Apprentice

APPENDIX C INTER-PLANT TRANSFER OF EMPLOYEES

For up to 54 months of a layoff, an involuntarily laid off employee of West Point USW Local 10-00086 will be eligible to be offered employment in vacant non-temporary jobs in the bargaining units represented by, Elkton Workers United Local 1398, Rahway USW, Local 4-575, Elkton ICWU/UFCW Local 94C and Danville USW, Local 10-580 (referred to as "Other Merck Sites" below), which management decides to fill and for which he/she is qualified, on the basis of Company seniority, before an offer for such job has been made to applicant(s); provided that (i) the covered employee provides a written communication to the Company and the Union indicating his/her desire to be considered for such a preference and specifically which locations, within 48 hours of layoff date; and (ii) the covered employee has passed any applicable skills assessment/aptitude or other such pre-employment prerequisite applicable to new hires at the applicable location; and (iii) the covered employee has no active discipline at the suspension level or greater (inclusive of last chance agreements) in his/her file at the time of layoff.

An employee so transferred will be treated as a new hire for seniority purposes at the Other Merck Site, but will be entitled to have his/her benefits continued as if his/her service had not been interrupted, except as such may be inconsistent with the collective-bargaining agreement at the Other Merck Site. The terms and conditions of a transferred employee's employment including, without limitation, his/her pay rate, will be governed by the collective-bargaining agreement applicable to the bargaining-unit at the

Other Merck Site. An employee who rejects an offer of employment to a specific Other Merck Site under the terms of this provision shall thereafter be ineligible for an inter-plant transfer to all Other Merck Sites for the period of that layoff.

The employee will be notified (by phone, e-mail and/or letter, addressed to the employee's last address appearing on the Company's records) of any such transfer. Within two working days of the date notice is received, but in no case longer than seven calendar days from the date of notice, the employee shall report to work as directed in the notice. Failure on the part of the employee to report to work as directed will result in the forfeiture of all rights under this provision for the duration of the layoff.

Transferred employees retain their recall rights to West Point for the duration of the recall period. Transferred employees who are recalled in accordance with this Agreement must return to West Point in the manner and within the time frame provided by this Agreement and, if they do, will maintain their Union seniority. A transferred employee who fails to report to work as required by the recall notice or who rejects recall in accordance with this Agreement shall lose seniority in the bargaining unit.

Notwithstanding the transfer rights as set forth above, the Company shall have no monetary liability in the case of an employee who had a transfer right under this provision but who was not transferred in the appropriate seniority order regardless of the reason. In the event such an error is made, provided that the Union presents the Company with clear evidence that the employee met the criteria listed above and was

the senior candidate for transfer on or before the 365th day of the date of the alleged error, the Company will offer the employee a job in the position to which the employee should have been transferred. This remedy may result in the return to layoff or termination of another West Point employee in the event that such other West Point employee was inadvertently transferred out of order. In all cases, the seniority rights of a transferred employee will be governed by the collective-bargaining agreement applicable to the Other Merck Site.

For clarity, an employee is not required to express an interest to transfer as a condition of maintaining his/her recall rights under the Agreement.

APPENDIX D
Maintenance and Utilities Supplemental Agreement

This Maintenance and Utilities Supplemental Agreement ("Agreement") applies to Maintenance and Utilities ("M&U") employees assigned to the job classification of Mechanical Technicians, Utility Technicians (except for the Powerhouse Operators), Instrument and Electrical Technicians, and General Technicians as such job classifications currently exist or as they may be restructured in the future ("M&U Employees"). All provisions of the collective-bargaining agreement apply to M&U Employees, except as modified by this Agreement.

1. M&U will be divided into two Business Units, as follows: Manufacturing ("MMD") and Facilities Management ("FM").

2. Each Business Unit will be further divided into Sub Units as follows:

    a. MMD. The MMD Business Unit will be initially divided into three Sub Units, as follows:

        i. Sterile Operations;
        ii. Non-sterile Operations; and
        iii. Commercialization.

    b. FM. The FM Business Unit will be initially divided into two Sub Units, as follows:

        i. MRL and Administration; and
        ii. Powerhouse/Utilities.

3. The Company and Union agree that the Sub Units will be originally staffed by polling the M&U Employees by seniority to determine the employees' preferred Sub Unit and shop. The details of the polling process will be agreed to by the parties according to the following principles: (i) the polling will take place as soon as practicable after May 1, 2013; (ii) M&U Employees may not poll outside their current craft; (iii) the packaging mechanics will not be polled and the current incumbents will remain in those roles; (iv) there will be no fewer positions polled than there are M&U Employees at the time of the poll less positions polled; (v) the intent is to effectuate the moves in the third quarter 2013; (vi) the parties understand that actual physical moves may need to be delayed for the purpose of business continuity; and (vi) overtime hours will be zeroed out and reset at the time of the move, and employees who are outside the threshold (as defined in Article 22.4-1) in their old OSG at the time of the move will be paid.

4. The Company may add, delete or modify Business Units and/or Sub Units in the future and any such changes will not affect the application of this

Agreement, provided however that, between May 1, 2013 and April 30, 2016, the Company will not add more than one Business Unit nor will it add more than one Sub Unit per Business Unit. In the event that the Company decides to add a Business Unit, then it will inform the Union of the change and will meet and confer with the Union over the logistics of staffing the new Business Unit. Unless the parties agree otherwise, the staffing of a new Business Unit will be accomplished by polling the M&U employees. In the event that the Company decides to add a Sub Unit, then it will inform the Union of the change and will meet and confer with the Union over the logistics of staffing the new Sub Unit. Unless the parties agree otherwise, the staffing of a new Sub Unit will be accomplished by polling the M&U employees in the Business Unit where the Sub Unit has been added.

5. The Company will determine the responsibilities and staffing of each Sub Unit and the manpower within each shift and job classification that is necessary for each Sub Unit. M&U Employees will be assigned to the Sub Unit in which they normally work, but job assignments on any given day will be determined by the Company. Work assignments, buildings or equipment are not exclusive to any employee.

6. This Agreement will apply so long as the Company is subcontracting work out of either of the M&U Business Units.

7. The realignment of staffing levels (headcount neutral) within the shops in a Sub Unit will be accomplished by polling the employees in the affected craft in the shop with the designated surplus to move to the shop with the designated need. The change will be accomplished by moving the most senior volunteer or forcing the least senior employee.

8. The realignment of staffing levels (headcount neutral) between or among the Sub Units in a Business Unit will be accomplished by polling employees in the affected craft in the shop in the Sub Unit with the designated surplus to move to the shop in the Sub Unit with the designated need. The change will be accomplished by moving the most senior volunteer or forcing the least senior employee.

9. When the Company determines to fill a vacancy resulting from headcount growth or from an employee's departure from the Company or from M&U, the Company will follow the procedures of Article 23.3-9, except that if the first post results in an M&U vacancy that the Company decides to fill, there will be a second post. The subsequent polling will be done within the Sub Unit.

10. M&U Employees moving into a position by polling will not be subject to a new lock in period; M&U Employees who bid into a different job classification are subject to a new lock in period.

11. The Company will use bargaining-unit clerks in conjunction with salaried employees to support the filling of all overtime requests and to maintain overtime records for this Agreement and all other applicable overtime guidelines. Stewards will continue to have access to overtime records for review.

12. As applied to M&U employees, the phrase “employees who perform similar job tasks” as used in the first sentence of Article 22.4-1.1(a) will mean “employees in the same craft.” The Company agrees to maintain OSGs that are craft-based by Sub Unit (meaning that equalization will be done by craft by Sub Unit).

13. M&U Employees will be offered no less than 12 hours of overtime on a weekly basis, as follows: each craftsperson will be scheduled for twelve (12) hours of overtime in three, four-hour increments during the week. The Company and the Union will meet to discuss the scheduling of overtime on a week containing a holiday

14. Nothing in this Agreement shall prevent the Company from offering an M&U Employee more than 12 hours of overtime in a week. Except for the overtime schedule in accordance with section 13 and unless the offered overtime is “Specialized Skill Overtime” or a “Continuation Overtime Assignment,” overtime will be offered first to employees within an OSG on a low hour, high seniority basis and then, if additional volunteers are needed, may be offered to M&U Employees from other OSG’s in the same Business Unit who are in the same classification and who are qualified to perform the work. If additional volunteers are still required, then the Company may offer the overtime to M&U Employees from other OSGs in the other Business Unit who are in the same classification and who are qualified to perform or may draft employees from the OSG where the overtime is available or may contract out the work. Nothing in this Section 14 or otherwise in this Agreement shall require the Company to offer any overtime in addition to the 12 hour obligation as set forth in Section 13.

15. The Union agrees that it will not process any grievances beyond second step or otherwise legally challenge matters concerning the contracting out of bargaining unit work as long as overtime is being offered in a manner consistent with this Agreement.

16. The parties agree that work on the Building Automation System ("BAS") will be shared according to the following guidelines:

    a. Utilities Employees, under the direction of management, are responsible to: operate HVAC, refrigeration and BAS in accordance with all safety, environmental and quality guidelines and requirements; to maintain HVAC and refrigeration equipment for proper operation

including valves, dampers, compressors, evaporators, etc.; troubleshoot and adjust HVAC to maintain air flow, temperature, humidity and pressure; repair HVAC equipment to maintain proper operation; monitor, repair, replace field devices; acknowledge and respond to HVAC/BAS alarms, problems and failures; utilize the BAS to monitor HVAC systems and room environmental conditions; perform HVAC start-up (including IQ/OQ at management's discretion) and shut down, including lock-out for system renovations utilizing appropriate documentation; replace hardware and software from sensors to the field panels, inclusive; create, edit, delete program code and point definitions; create and run reports; create trends, trend groups and collections; develop and modify graphics; perform other duties as directed by management.

b. Management owns and is responsible for the administration, operation and maintenance of the BAS and, therefore, either directly or through others, may perform and/or is responsible for the following tasks: assuring operations in accordance with all safety, environmental and quality guidelines and requirements; directing and assigning work assignments relating to HVAC, refrigeration and BAS; assisting with troubleshooting of HVAC/refrigeration maintenance and operational difficulties; performing administrative responsibilities including management and assignment of user accounts, security levels and access privileges, etc.; managing and maintaining BAS system configurations and conducting system diagnostics to assure compliance and proper performance (network, servers, workstations, printers, etc.); acknowledging alarms and responding to BAS problems and failures; managing, archiving, analyzing and reporting system data; coordinating and directing modification/tie-ins of new/renovated systems including qualification testing and documentation execution; replacing/upgrading hardware and software from field panels to server, inclusive; creating, editing, deleting program code and point definitions; creating and running reports; creating trends, trend groups and collections; developing and modifying graphics; performing BAS system diagnostics and maintenance to assure proper system performance; performing all other duties of management that are not inconsistent with any contractual obligation.

17. The parties agree that the Company will have no obligation to have an M&U Employee present when management or other personnel are performing work as allowed by this Agreement or as may have been contracted out in accordance with the collective-bargaining agreement, but may assign an M&U Employee(s) if such assignment, in the discretion of management, meets a business need.

18. The Company agrees to continue to provide the Union with COR (contract out review) evaluations and notices and the Union will have the right to question any such notices or evaluations. No COR meetings, however, will be held.

19. The Company confirms its willingness and intent to examine work not currently being performed by M&U Employees to determine whether any of that work can be performed by the M&U Employees in a more cost effective manner than is currently being performed. The Union agrees that whenever the Company may assign such work to M&U Employees it shall be assigned on a non-exclusive basis and with the understanding that the Company may subsequently contract out the same work or work of the same type at the Company's discretion.

20. This Agreement will supersede and replace all prior agreements relating to the guarantee of overtime in maintenance and/or utilities (including, without limitation, the Agreement Relating to Maintenance dated April 13, 2004) and all prior agreements or grievance answers relating to the BAS (including, without limitation, the Agreement Relating to Utilities dated April 13, 2004 and the October 24, 2000 third step answer relating to the BAS); and will otherwise govern according to its terms.

21. The Company confirms that this Agreement is not being entered into with the specific intent to replace M&U Employees with contractors, but to improve the flexibility, efficiency and productivity of the overall operation.

APPENDIX E

JOB CLASSIFICATION SCHEDULE

Job Title	Grade	Peoplesoft Job Code/Grade	Hire to Retire Job Code/Grade
BIOLOGICS SUPPORT OPERATIONS			
Production			
Groupleader/Media Maker	12	5156-12	56910048-12
Media Manufacturing Associate	10	61732-10	56910067-10
Utility Worker	7	5159-7	56910049-7
BULK BIOLOGICS / STERILE SUPPLY OPER.			
Production Clerical			
Manufacturing Clerk	4	62084-4	56910072-4
Production			
Bio-Technician - Level 3	12	62080-12	56910022-12
Bio-Technician - Level 2	11	62081-11	56910069-11
Vaccines Mechanic/Technician	11	57001200-11	57001200-11
Bio-Technician - Level 1	8	62082-8	56910070-8
Chemist	10	4317-10	56910005-10
Support Associate - Level 3 (Sterile Supply only)	7	57000684-7	57000684-7
Support Associate - Level 2	6	62083-6	56910071-6
Support Associate - Level 1	2	62085-2	56910073-2
COMMERCIALIZATION			
Production			
SDP Sr Pharmaceutical Technician	11	60074-11	56910064-11
SDP Pharmaceutical Technician	10	5186-10	56910052-10
Sterile Products Development Technician	10	62086-10	56910074-10
Chemical Disbursement Technician	7	5074-7	56910045-7
Equipment Washer/Service Worker	5	4246-5	56910002-5
SDP Pharmaceutical Support Worker	5	60683-5	60683-5
DISTRIBUTION & LOGISTICS			
Production Clerical			
Logistics Clerk	4	57000476-4	57000476-4
Production			
Material Associate - Level 2	8	57000479-8	57000479-8
Material Associate - Level 1	7	57000477-7	57000477-7

Job Title	Grade	Peoplesoft Job Code/Grade	Hire to Retire Job Code/Grade
FACILITIES MANAGEMENT			
Production - Security & Emergency Services			
Fire Protection Technician	10	4471-10	56910017-10
Production Clerical - Facilities Maint.			
Clerk - Maintenance & Utilities	4	62106-4	56910092-4
Production - Facilities Maint. & Lab Services			
Groupleader - Laboratory Services	8	57000825-8	57000825-8
Material Associate - Level 2 (D265)	7	62109-7	56910094-7
Material Associate - Level 1 (D265)	5	62111-5	56910095-5
General Worker - Laboratory Services	6	4371-6	56910009-6
General Worker Promotional Mailing	3	4640-3	56910020-3
Service Worker *	1	4445-1	56910014-1
Production - Energy & Environmental Services			
I/E Tech - Incinerator Instrumentation Technician	11	62081-11	56910065-11
Utility Tech - Environ. Operating Engineer	11	62136-11	56910106-11
Water Treatment Technician	11	5221-11	56910053-11
Asbestos Abatement Worker	8	4433-8	56910012-8
Solid Waste Checker/Receiver	7	4987-7	56910038-7
Trash Disposal Operator	7	5172-7	56910051-7
Trash Disposal Operator Trainee	5	4228-5	57000104-5
Incinerator Operator Trainee	5	5010-5	57000100-5
Trainee Asbestos Abatement Worker	4	4429-4	57000150-4
IN VIVO			
Production			
Animal Technician Level-3	11	62087-11	56910136-11
Animal Technician Level-2	8	62088-8	56910075-8
Animal Technician Level-1	6	62089-6	56910076-6
LABORATORY OPERATIONS			
Production Clerical			
Laboratory Operations Clerk	5	62093-5	56910079-5
Printed Component Clerk - Labeling Oper.	5	57000478-5	57000478-5

Production			
Lab Technician - Level 2-GL BioChemistry	12	60658-12	56910066-12
Lab Technician - Level 2-GL Chemistry	12	62090-12	56910135-12
Lab Technician - Level 2-GL Microbiology	12	60022-12	56910063-12
Lab Technician - Level 2-GL Virology	12	62091-12	56910077-12
Working Leader - Environmental Monitoring	12	57000062-12	57000062-12
Senior Technician	12	4611-12	56910019-12
Laboratory Operations Senior Technician	11	57000475-11	57000475-11
Laboratory Technician - Level 1	11	62092-11	56910078-11
Environmental Monitoring Technician	10	4848-10	56910033-10
Sr. Sampler/Inspector	10	61865-10	56910068-10
Staff Sampler/Inspector	8	57964-8	56910060-8
Associate Sampler/Inspector	6	57965-6	56910061-6
Laboratory Helper - Control Monitoring	6	4839-6	56910032-6
Laboratory Helper	6	62094-6	56910080-6
MAINTENANCE & UTILITIES			
Production Clerical			
M&U Bus. Sup (MIC) Clerk	3	5344-3	56910057-3
M&U Bus. Sup (Overtime) Clerk	3	57001368-3	57001368-3
Production			
I/E Tech - Elec. Distrib. Sys. Electrician	11	5026-11	56910040-11
I/E Tech - Electrician	11	62096-11	56910082-11
I/E Tech - Electronic & Instrument Technician	11	62132-11	56910105-11
I/E Tech - Power Plant Technician	11	4443-11	56910013-11
Mech Tech - Eng. Machinist - Technician	11	4726-11	56910027-11
Mech Tech - Machinist	11	62097-11	56910083-11
Mech Tech - Millwright	11	62099-11	56910085-11
Mech Tech - Pipefitter/Plumber	11	62098-11	56910084-11
Utility Tech - Mech. Air Cond./Refrig.	11	62101-11	56910087-11
Utility Tech - Power House Operating Engineer	11	62095-11	56910081-11
Utility Tech - Stationary Engineer	11	62100-11	56910086-11
General Tech - Carpenter	10	62102-10	56910088-10
General Tech - Locksmith	10	62131-10	56910104-10
General Tech - Painter	10	62105-10	56910091-10
General Tech - Sheet Metal Worker	10	62103-10	56910089-10
General Tech - Associate Painter	6	57000501-6	57000501-6
General Worker - Utilities	5	5050-5	56910044-5

Job Title	Grade	Peoplesoft Job Code/Grade	Hire to Retire Job Code/Grade
PHARMACEUTICAL OPERATIONS			
Production Clerical			
Clerk (Pharm. Opers. Area)	4	62112-4	56910096-4

Production			
Pharmaceutical Technician - Level 3	12	62107-12	57000102-12
Pharmaceutical Technician - Level 2	10	62108-10	56910093-10
Material Associate - Level 2 (D166)	7	62109-7	56910094-7
Pharmaceutical Technician - Level 1	6	62110-6	57000101-6
Material Associate - Level 1 (D166)	5	62111-5	56910095-5
Pharmaceutical Support Worker	2	62113-2	56910097-2
STERILE & PACKAGING OPERATIONS			
Production Clerical			
SPO Clerk	4	62119-4	56910102-4
Production			
SPO Formulator - Level 2 (working leader)	12	57000683-12	57000683-12
SPO Technician - Level 2	12	62114-12	57000103-12
SPO Environ. Monitoring Working Leader	12	57001275-12	57001275-12
Technical Services Operator	11	59808-11	56910062-11
SPO I/E Tech - Elect & Instrument Tech	11	62804-11	56910108-11
SPO Formulator - Level 1	10	57000480-10	57000480-10
SPO Technician - Level 1	10	62115-10	56910098-10
SPO Environmental Monitoring Technician	10	57001276-10	57001276-10
SPO Operator - Level 3 (working leader)	10	57001076-10	57001076-10
SPO Technician - Trainee	8	57001300-8	57001300-8
SPO Operator - Level 2	8	62116-8	56910099-8
SPO Operator - Level 1	6	62117-6	56910100-6
SPO Material Handler	5	62118-5	56910101-5

* Non-exclusive bargaining unit position subject to the terms of the Subcontracting/Outsourcing provision of the May 7, 2010 Memorandum of Agreement.

Notwithstanding anything to the contrary in this Agreement, the following labor grade 8 jobs will be considered as non-qualified jobs: Materials Associate Level 2 in Distribution and Logistics; Group Leader Laboratory Services in Facilities Management; SPO Operator Level 2; and SPO Technician Trainee.

APPENDIX F

AGREEMENT

between

MERCK & CO., INC.

and

LOCAL 10-00086

UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION, AFL-CIO, CLC

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STATEMENT OF AGREEMENT

The parties have met and reviewed written agreements, side letters, past practices, etc. and now do mutually agree that the attached Agreements will continue in effect for the term of the current Collective Bargaining Agreement between the parties.

Except for those side letters, written agreements, past practices as set out in the attached List of Past Practices, all prior letters of agreement, memoranda of agreement or side letters shall be superseded by the terms of this Agreement. This provision is not applicable to agreements that the parties have executed concerning situations involving individuals (e.g., Last Chance Agreements and Red Circles). Terms of the attached side letters, written agreements and past practices will continue in effect except as implicitly or explicitly modified, superseded, deleted or amended by the Memorandum of Agreement dated April 28, 2007, the Memorandum of Agreement dated May 7, 2010 or future such agreements.

List of Past Practices

The Parties agree that the following is the complete list of those Practices not included in the 2004 Collective Bargaining Agreement (CBA):

- Pay the Plant Committee, the Union President and the employee designated by the Union President as the Safety Representative (if any) for 40 regular hours;
- Company will provide Union office space on Plant Site;
- Company will pay the recognized and authorized number of shop stewards to attend an annual, day-long training program;
- Company will allow employees in the bargaining unit time off with pay to vote at Union elections and contract ratification vote;
- Company will pay Union's bargaining committee for contract negotiations for a maximum of 40 hours per week;
- Health Services will remain open 24 hours per day.

SETTLEMENT AGREEMENT

In full settlement of Grievance Nos. 115-90-15, 174-90-15 and 115-91-03, Merck & Co., Inc. and the Oil, Chemical and Atomic Workers Union, Local 8-86, agrees on the following:

THE STANDARD TIMING MODEL TESTING

The following will be the procedure used for the Standard Timing Model Testing. The Standard Timing model Test will be used as a selection for mechanical positions in Sterile Operations. The selections will be based on the following:

A. The candidate must meet the minimum job specifications before testing.
B. Seniority
C.* Completing the four tasks within the established time of 15 minutes.

If none of the applicants pass the Standard Timing Model Testing within the established 15 minute total time, the most senior applicant from the posting, having completed all four tasks in not more than 18 minutes, will be awarded, the position as "most nearly qualified."

The Standard Timing Model Test will only be given one time to each candidate for each posting and will be given a maximum of three times to any one candidate.

All plant site Standard Timing Model Testing will be considered as valid for mechanical positions with Sterile Operations.

The test will consist of four adjustment tasks with 15 minutes allowable to complete each task: however, the total score for all four tasks must be within the established 15 minute total time.

Each candidate may or may not receive the same four tasks as several alternate tasks of an equal difficulty level may be used.

The test administrator will read the test instructions and introduce the candidates to the Standard Timing Model prior to each testing.

*Applicants presently or previously having held positions as Set-Up Mechanics for a minimum of 6 months in Sterile Operations, Departments 115, 174, 285 and Packaging, Department 111, Manufacturing Department 105 and Maintenance Shop, Department 259, as listed below, will not be required to pass the Standard Timing Model Test.

Standard Timing Model Test Not Required

Mechanical Technician – 054-11
Set-Up Mechanic – 390-11
Set-Up Mechanic/Technician – 078-13
Production Mechanic – 117-15
Group leader Set-Up Maintenance Mechanic Packaging – 203-14
Set-Up Maintenance Mechanic Packaging – 143-12
Set-Up Mechanic – Dry Fill Capsule – 050-11
Millwright – 232-15
Machinist – 141-15

Date 8-24-92

For the Union

For the Company

SETTLEMENT AGREEMENT

Merck & Co., Inc., (the "Company") and the Oil, Chemical & Atomic Workers International Union, Local 8-86 (the "Union") agree to the terms as follows:

1. In exchange for the Union's agreement to all of the provisions of this agreement, the Company agrees to pay affected employees in Department 207 the sum of $230,000.00 (two hundred thirty thousand dollars), subject to appropriate with- holding. This settlement agreement represents an aggregate payment of $150,000.00 for grievance 207-91-004 and in aggregate payment of $80,000.00 for grievances listed in para- graph 4 below. Such payment will be subject to further discussion between the Company and the Union.

2. The Company and the Union agree that Grievance No. 207-91-04, which was previously arbitrated, is considered fully settled as a condition of this agreement.

3. The Company will retain the permanent right to subcontract the manufacturing of RODAC and STA plates from this day forward.

4. The Union agrees to withdraw the following cases from arbitration

207-91-006;207-92-003,4,5,7,002a,040a,54a,33,207-92-
032b,34b,36b,37b,38b,39b,42b,43b,207-92-
023c,24c25c26c27c28c29c,44c,45c,46c,47c

5. The Company agrees to red circle all current employees in Department 207 at their present labor grade as follows:

Employees with 10 years or less seniority from September 8, 1995 until September 8, 2000.

Employees with more than ten years of seniority from September 8, 1995 until September 8, 2010.

6. Such red circles will apply whether employees stay in or leave Department 207 during these periods.

7. The Union agrees that it will not file or process any grievance relating to any disputes arising from the terms of the settlement itself or the implementation thereof except for enforcement of this agreement. The Union further agrees that it will not file any complaint or charge against the Company with any state, federal government or other agency or court regarding the settlement itself or the implementation thereof.

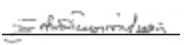
8. This agreement is entered into on a no-precedent, no-prejudice basis and is not construed as an admission or wrong doing or that the Company or it agents have failed in any way to act properly. Further, this agreement shat not be used as evidence of any

past practice or as any evidence that the Company violated any agreement, contract, rule, regulation or law.

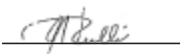
The signatures below indicate the full understanding and agreement of all the terms included herein:

Robert M. Wilson
President, OCAW

Robert Hunsberger
Stewart



John Dingerdissen
Sr. Director, Biological Mfg



Joseph J. Pulli
Assoc. Director,
Labor Relations

Date

AGREEMENT

WHEREAS, Merck & Co., Inc. ("the Company"), advised PACE Union, Local 2-86 ("the Union"), and PACE International Union ("the International") of the Company's plan to open a facility identified as Broad Street West in West Point, Pennsylvania ("BSW") and another facility identified as Upper Gwynedd in Upper Gwynedd, Pennsylvania ("UG").

WHEREAS, the Company and the Union and the International have engaged in good faith discussions and bar- gaining concerning the opening of BSW and UG facilities and their impact on employees represented by the Union at the Company's existing facility in West Point, Pennsylvania ("West Point).

WHEREAS, the Union has represented to the Company that the Union, after authorization by its membership is fully authorized to enter into this agreement incorporating and setting forth the parties amicable resolutions,

It is hereby agreed by and between the Company and the Union as follows:

1. The parties agree that the following categories of jobs will become part of the West Point bargaining unit represented by the International, and the Union, which includes all hourly employees of the Company in all service worker, landscaping, waste disposal, maintenance and security guard classifications at existing and future administration buildings at BSW, are within the bargaining unit currently represented by the Union at West Point. This also includes all clerical workers cur- rent and future that are represented by the Union at BSW. In addition, the functions performed by the West Point Site Services Group in support of the facilities at West Point, and any other jobs listed in the (recognition) clause (Article I) of the May 1, 1998 collective bargaining agreement between the Company and the Union, will be extended to the facilities of BSW. The Company agrees now and in the future that it will not use multi-skilled maintenance at the BSW facilities.

2. The Company agrees that it will not assert its right to refuse to recognize the Union as collective bargaining representative of security guards in the West Point bargaining unit, including the BSW facility in the future (i.e. perpetuity), nor will it file any charge or complaint proceedings before any legal authority and/or courts either federal, state or government agencies, regarding removal of Union representation rights. In the event that a future change requires a reduction from current staffing levels, the Company agrees to meet with the Union and satisfy its legal obligations over any such decision. In consideration of the Company's agreement to include its hourly employees at BSW in the West Point bargaining unit and not to assert its right to refuse to recognize the Union as the collective bar- gaining representative of security guards in the West Point bargaining unit, including the BSW facility in the future, (i.e. perpetuity) the Union agrees after authorization by member- ship that it will not, now or in the future (i.e. perpetuity), seek jurisdiction over employees (through an NLRB proceeding, arbitration or

otherwise), or organize employees at the administrative facilities and the two MRL robotic laboratories at UG. The above provisions in this paragraph shall not preclude the International from organizing individuals at UG as part of a separate bargaining unit. However, the International agrees it will not attempt to assert jurisdiction at UG through means other than organizing pursuant to a NLRB conducted election.

3. In further consideration of the Company's commitments as described in Paragraph 1 and 2 above, the Union agrees in perpetuity with authorization by membership, that jobs currently performed by the Union members associated with the administrative facilities and the two MRL robotic laboratories at UG are not within the bargaining unit currently represented by the Union at West Point. The Union further agrees in perpetuity not to process any grievance or seek arbitration of any grievance under the collective bargaining agreement covering West Point, challenging the contracting out of hourly type work by the Company at the administrative facilities or the two MRL robotic laboratories at UG, challenging any term or condition of employment or action of the Company relating to the administrative facilities or the two MRL robotic laboratories at UG.

4. The parties agree that the commitments made by the Union in Paragraphs 2 and 3 shall not apply to a Company production/manufacturing or research (other than the robotic labs referenced in Paragraphs 2 and 3) facilities at UG in the event such facilities are established at UG.

5. Other than to enforce the commitments made by the Company in this agreement nothing in this Agreement shall be interpreted as modifying or limiting the Company's management, legal or collective bargaining agreement rights, including, but not limited to, decisions related to job content, configuration and description. Likewise, other than to enforce the commitments made by the Union in this Agreement, nothing in this agreement shall be interpreted as modifying or limiting the Union's legal or collective bargaining rights.

6. If any party to this agreement breaches the terms of this agreement, then the non-breaching party or parties of the agreement are hereby released from the Commitments made in this agreement. Prior to refuting or rescinding this Agreement because of breach, the parties shall act in good faith to resolve or remedy any breach of the agreement and shall attempt to keep this agreement in force.

For the Union

For the International

For the Company

TO: M. MOLETTIERE April 12, 1985

FROM: O. Jamerson, Jr.

SUBJECT: Personal Time, Vacation Time, Overtime and Leaves of Absence

As a result of our discussion on April 11, 1985 attended by yourself, Jack Slater, Bill Lee, Scott Cryder and myself, the following represents the Company's understanding of those issues we agreed upon:

1. Article XI, Leaves of Absence, Paragraph 1, Persona, Reasons and Article XII, Paid Absences, Paragraph 18, Personal Time Off

An employee who is granted a leave of absence in accordance with Article XI, Paragraph 1 of the Master agreement will be granted the option of receiving personal time pay if the leave of absence is for five working days or longer. Employees who are granted personal time off for less than five working days will be required to use their paid personal time in accordance with Article XII, Paragraph 18 of the Local Supplemental Agreement.

2. 1985 Paid Vacation Versus 1984 Vacation Agreement

Seniority will be the determining factor when two or more employees request the same time period off as a result of either their 1985 paid vacation or the 1984 time-off agreement related to the 1984 vacation.

3. Overtime When On Paid Personal Time

Employees who request and are granted eight (8) hours of paid personal time will not be permitted to work overtime during the twenty-four hour period(s) from the beginning of their paid personal time which coincides with the beginning of the regular shift until the beginning of their next regularly scheduled work day. However, if the employee has been scheduled to work overtime before the end of his regular shift prior to going on paid personal time, he will be permitted to work over- time barring any cancellation of the scheduled overtime.

O. Jamerson
Ext. 5623

TO: All Directors of Employees by O.C.A.W. October 31, 1988

FROM: Mr. W. Lee

SUBJECT: OVERTIME CHARGES

Effective November 1, 1988, the Company has agreed to not charge members of the Executive Board and Plant Grievance Committee for overtime refusals when they are requires to attend executive board of membership meetings. It is incumbent upon the union official to notify his/her immediate super- visor each time this situation arises. Attached is the current list of union officers.

Please notify all managers/supervisors to update their over- time guidelines to comply with this agreement.

If you have any questions, please call.

W. L.
5107

TO: SEE ATTACHED March 19, 1985

FROM: M. R. Polonus

SUBJECT: 25-YEAR AND LONG-SERVICE EMPLOYEE LUNCHEONS

To ensure a consistent application of long-service employee luncheon policy, please advise all personnel in your area of responsibility of the following:

1. All luncheons must be held during regular working hours and should last a reasonable amount of time. Any luncheons exceeding three hours should be reviewed by the Manager/Director of the area.

2. The supervisor of the employee celebrating the luncheon must attend the luncheon.

3. The employee responsible for the luncheon should exercise his/her good judgment regarding the cost of the luncheon.

4. Paid personal time (P) should not be used as the absence code for the luncheon; use the "other" code (o) and explain in the space provided that the absence should be paid.

5. Supervisors should be aware that they are responsible for the welfare of the party and should monitor alcohol consumption.

If there are any questions regarding this matter, please refer to Personnel Policy B-7, Service Recognition and Awards, or feel free to call me on 6035.

M.R. Polonus

LETTER OF UNDERSTANDING
(HEALTH SERVICES)

Merck & Co., Inc.(the "Company"), the Paper, Allied- Industrial, Chemical and Energy Workers, International Union, Local 2-86 (the "Union") by and between each other, and with the intent to be legally bound, hereby enter into this Letter of Understanding regarding staffing Health Services on the third shift and the weekends ("Agreement").

WHEREAS, In September of 1994, the Company discontinued its former practice of operating Health Services on a twenty-four hour a day, seven day a week basis. Specifically, the Company removed coverage from the third shift and on weekends. The Union filed a grievance contending that the Company's decision violated the parties' collective-bargaining agreement. On April 19, 1995. Arbitrator Margaret R. Brogan issued an Opinion and Award ordering the Company to "rein- state" [Health Services] coverage on a 24 hour a day, 7 day a week basis;" and

WHEREAS, Subsequent to Arbitrator Brogan's award, the Company "reinstated coverage" by ensuring that Health Services was staffed with a registered nurse on a twenty-four hour a day, seven day a week basis.

WHEREAS, The Health Services department recently has been unable to fill nursing vacancies on the third shift and the weekends due to a nation-wide nursing shortage; and

WHEREAS, The Union has expressed concern with the vacancies in Health Services and has indicated that it is pre- pared to take steps to seek enforcement of Arbitrator Brogan's award; and

WHEREAS, The Company has proposed to the Union the idea of hiring paramedics to work the third shift and the week- ends shifts with the belief that this solution is consistent with Arbitrator Brogan's award, but provides a more appropriate level of health care than a registered nurse for those shifts;

WHEREAS, The Union does not necessarily agree that staffing the third and weekend shifts with paramedics rather than registered nurses is consistent with Arbitrator Brogan's award, but recognizes the nation-wide nursing shortage and the potential health care value of covering the third shift and weekend shifts with a paramedic.

NOW THEREFORE, The Company and the Union, hereby agree as follows:

1. The Union will allow the Company to proceed with its plan to staff Health Services with a paramedic on the third shift and on weekend shifts and agrees not to challenge that staffing as contrary to the collective-bargaining agreement or Arbitrator Brogan's award for a period of time beginning with the date of this Agreement and extending

throughout the calendar year 2003.

2. The Union's agreement in paragraph 1 above is without prejudice to the position that the staffing of Health Services with a paramedic on the third shift and the weekend shifts is not consistent with the parties' collective-bargaining agreement and/or Arbitrator Brogan's award, except that the Union agrees that if it has not requested that Arbitrator Brogan' review this Agreement and determine whether it complies with her award before July 1, 2004 that it will be deemed to have agreed that the staffing satisfies the parties' collective-bar- gaining agreement and Arbitrator Brogan's award.

Merck & Co. Inc

Axel J. Johnson
Director, MMD HR

Date

Paper, Allied-Industrial, Chemical and Energy Workers, International Union Local 2-86

Charles W. Fickert
PACE Plant Chairman

Date

TO: Mike Parente LOC: USW
Dan Bangert
FROM: Michele Thrush LOC: WP53B-408
SUBJECT: Associate Painter Agreement DATE: 18Jun2010

This memo is in response to a meeting between the Company and USW regarding the creation of an Associate Painter position within the USW, and will serve as the documented agreement of those outcomes. Attendees for the Company were Kurt Reidiner and Steve Mongiardo; attendees for the Union were Dan Bangert and Mike Parente.

During this meeting the two parties agreed to the creation of an “Associate Painter” job within the USW to be held at a Labor Grade M06. This position is being created with the specific intent and sole purpose to provide a soft-landing for “Affected Employees” during the 2010 ‘Outsourcing’ event. The parties agree that these positions will not be posted to the site at any point in the future, unless agreed upon by both parties.

The parties also agreed that these positions will not be bound by the Agreement Relating to Maintenance; more specifically they will not be entitled to the 12- hours of guaranteed Overtime each week. Journeyman painters will have priority with regards to the Overtime assignments. These positions will not replace the “Qualified General Technician - Painter” positions.

The parties also agree that this position is being created on a non-precedent setting basis, and parties acknowledge that they will not have to do so in the future. The Company will not accept any grievances at any step of the grievance process around the creation and/or placement of these positions moving for- ward. The Company also agrees to evaluate program requirements for the individuals in these positions to enable them to reach the Journeyman Painter status should the individual so choose.

All other provisions of the Collective Bargaining Agreement will continue to remain in effect and have not been altered as part of this agreement.

Steven Mongiardo Date Dan Bangert Date
Sr. Director, WP Facilities USW Plant Chairman

MEMORANDUM OF AGREEMENT
REGARDING TIME CLOCKS

Merck & Co., Inc. (the "Company") and the United Steelworkers, Local 10-0086 (the "Union") by and between each other and with the intent to be legally bound, hereby enter into this Memorandum of Agreement Regarding time Clocks ("Agreement") this 28th day of April, 2008. The Company and the Union are referred to herein collectively as the "Parties" and individually as a "Party."

1. During their most recent contact negotiations, the Parties agreed to discontinue use of time clocks at the West Point ("WP") site, subject to five enumerated conditions as set forth in provision on Time Clocks ("Time Clock Provision") included in the 2007 Memorandum of Agreement ("2007 MOA") (copy attached).

2. In accordance with the Time Clock Provision, the Company communicated to the Union that the WP site will move to paper time cards beginning on April 28, 2008. After several discussions on the matter, the Parties agreed to retain the use of time clocks, subject to the terms and conditions of this Agreement.

3. The Parties agree that the Company will retain the use of time clocks as the method of recording employees' work time. The Company agrees that it will remove from the time system the requirement that employees swipe in and out for their lunch period (including for overtime lunch periods as pro- vided in Article 22.11 and 22.12 of the Parties collective-bar- gaining agreement) by July 14, 2008.

4. The Parties agree that paragraphs 1, 2, 3, and 5 of the 2007 MOA on Time Clocks will remain in effect (paragraphs relating to requirement to be at the work area, recording time, gate records and time clocks remaining on the site).

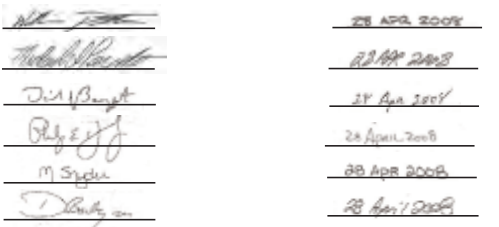
5. This Agreement is subject to ratification by the USW membership and to the receipt of written or email notice of such ratification from the Union leadership by the Merck WP Labor Lead by 1:00 pm on Friday, May 2, 2008.

6. If the conditions of paragraph 5 are met, then the Company will discontinue use of the paper time card for the week commencing May 5, 2008. If the conditions of paragraph 5 are not met, then the Union understands that the employees will utilize the paper time cards as communicated.

7. The Company will allow the Union to arrange for voting at mutually agreeable locations on the WP site between April 28 and May 1, 2008. Employees are expected to travel to the voting location and to vote on non-working time, except that the Company will permit employees to leave up to fifteen minutes early for lunch or to come back up to fifteen minutes late from lunch on the day of the vote.

Merck & Co., Inc.

United Steelworkers, Local 10-86



LETTER OF UNDERSTANDING REGARDING COMPUTATION OF VACATION CREDITS

In resolution of a disagreement that has arisen since May 1, 2007 between Merck & Co., Inc. (the "Company") and the United Steel Workers, Local 10-86 (the "Union"), the parties, by and between each other and with the intent to be legally bound, hereby agree to interpret the last sentence of Article 10.9 of their collective-bargaining agreement to mean that:

1. An employee will be credited for a "month of service" for the purpose of computing vacation credits for each period of fifteen (15) working days, regardless of the calendar month in which such days were worked. In other words, an employee will be credited with one "month of service" after his/her fifteenth (15th) working day in a calendar year, a second "month of service" after his/her thirtieth (30th) working day in a calendar year, and so on; and

2. Once an employee's one hundred fiftieth (150th) working day in a calendar year, he/she will be entitled to full annual vacation entitlement in the subsequent calendar year.

Merck & Co., Inc

Date: 1/3/08

United Steelworkers, Local 10-86

By:

Date: 1/3/2008

1/3/2008

03 Jan 2008

Appendix G – ABSENCE CONTROL POLICY

This policy will become effective May 1, 2013.

1. Statement of Policy

The Company and Union agree that regular and timely attendance is a fundamental requirement of employment and that a mechanism to handle cases of excessive or routine absenteeism or lateness is in the best interest of all parties.

This policy has been established by the Company and Union in an effort to give both employees and supervisors a clearer understanding of those penalties normally associated with excessive absenteeism and/or lateness.

2. Definition of Terms. The following terms as used in this policy shall have the meanings as provided below:

"Absence Period" means a rolling 12 month period of time measured from the date of a Charged Absence back 12 months.

"Charged Absence" means (a) being away from work for four (4) or more hours on a day on which the employee is scheduled to work regardless of reason; or (b) a Partial Absence regardless of reason, but (c) shall not include an Excused Absence. Each such day of absence is considered a separate "charged absence" whether or not any such multiple days are consecutive. For clarity, being away from work for a schedule overtime shift (including a "sixth" or "seventh" day shift) shall not constitute a Charged Absence, but will, unless excused by the employee's timely cancellation of such shift (in accordance with the applicable overtime guidelines), constitute an offense under the Employee Conduct Code.

"Excused Absence" means an absence due to one of the reasons listed in the "Exclusions" set forth below.

"Lateness" means an employee's failure to report to his/her designated or assigned work area ready to commence or continue working by the time assigned for the employee's work to commence or continue whether such failure occurs at the beginning of the employee's shift or during the work day (for example, after a break or lunch) and regardless of whether such failure occurs on a straight time or overtime shift, but shall not include a Charged Absence.

"Late Period" means a rolling 12 month period measured from the date of a Lateness back 12 months.

"Partial Day Absence" means leaving work less than four hours prior to the end of the employee's scheduled shift. For clarity, leaving work prior to the end of a schedule

overtime shift (including a "sixth" or "seventh" day shift) shall not constitute a Partial Day Absence, but may, unless the employee's early departure is otherwise authorized or excused, constitute an offense under the Employee Conduct Code.

3. Discipline Steps

The following are the progressive steps of discipline for absenteeism.

Charged Absences Within an Absence Period (Rolling 12-Month Period)	Action Taken
6	Written Warning
9	15– Day Suspension
12	Discharge

Although the disciplinary steps are progressive in nature, the level of discipline depends on the number of Charged Absences and an employee may not actually receive each step of discipline as set forth before progressing to the next level of discipline. Employees are responsible to know their number of Charged Absences and the consequences that may follow based on those Charged Absences. The Company will provide written notice of disciplinary action in a timely manner after determining whether an absence has resulted in the employee reaching a discipline step. If the employee is not present at work on the date on which he/she reaches a disciplinary step, then the Company will send a written copy of the disciplinary notice to the employee's home by certified and regular mail.

4. Administration of Discipline.

The Company will consider all relevant circumstances at each level of discipline. All relevant circumstances will include mitigating circumstances, such as length of service, unusual events or information surrounding a specific violation and the employee's overall record as well as any aggravating circumstances, such as, the employee's cooperation in providing required documentation and other information and the employee's overall attendance and work record.

5. Exclusions. The following days will be considered Excused Absences provided that they are supported by the timely submission of documentation to verify the reason for the absence:

a. Family & Medical Leave Act (FMLA) absences, intermittent or continuous, where the employee has complied with his/her obligations under the site's procedure;

b. Authorized death in family leaves;

c. Authorized reserve military duty;

d. Authorized jury duty;

e. Approved personal days (paid or unpaid);

f. Approved vacations and holidays;

g. Disciplinary suspension;

h. The day on which an employee is sent home by Health Services;

i. Approved leaves of absence;

j. Occupational illnesses/absences, provided that such days are verified and determined to be such;

k. Approved union leave of absence;

l. Absences while on long-term disability ("LTD") provided that the employee has complied with all LTD application requirements and the LTD has been approved;

m. Absences on account of a "serious health condition" as such term is defined by the FMLA but which do not qualify under the FMLA because the employee has exhausted his/her FMLA eligibility and which occur prior to the employee's eligibility for LTD to the extent that such absences are continuous to an FMLA qualifying absence provided that (i) the employee has provided all necessary documentation to support the continued absence and (ii) the Company has determined that the employee is unable to perform the requirements of his/her job due to the health condition in question.

6. Counseling

Employees will normally be counseled prior to when they have accumulated 6 Charged Absences. These counselings or "talks" will not be considered a formal step of the discipline procedure, but will be documented. The Company agrees to remove from an employee's attendance record talks in regard to absenteeism if after twelve (12) months from the date of the occurrence, there has been no subsequent disciplinary action for absenteeism and the employee's record has improved.

7. Lateness (Including Lateness from Lunch).

a. Employees will not be paid for any time not worked. Any misrepresentation of time may be considered falsification of time and the employee may be subject to discipline, up to and including discharge.

b. The following are the progressive steps for Lateness:

Lateness Occurrences Within a Late Period (Rolling 12-Month Period)	Action Taken
6	Written Warning
9	1-day Suspension
12	Discharge

APPENDIX H
SUBCONTRACTING/OUTSOURCING

The Parties' agreed to the following Subcontracting/Outsourcing provision as part of their 2013 negotiations for a successor collective-bargaining agreement.

Outsourcing/subcontracting:

22. **Scope of outsourcing**: The duties performed by the employees in the following classifications Auto Mechanic, Senior Display Maker, and Gen Tech Display Maker (the "Outsourced Classifications") will be outsourced to a third party.

23. **Effect of the outsourcing**: The outsourcing will result in the elimination of bargaining unit positions, as follows:

    a. Elimination of Auto Mechanic – no impact; currently the job has no incumbents.

    b. Elimination of Senior Display Maker, Gen Tech Display Maker – no impact; current incumbents will be moved into the maintenance classification of General Tech – Carpenter.

24. **Timing of the Outsourcing.** The Company will effectuate the outsourcing using the following timing:

    a. The Auto Mechanic Classification will be eliminated effective May 1, 2013.

    b. The Senior Display Maker and Gen Tech Display Maker will be eliminated at some future time after May 1, 2013. When that happens, the parties will meet and discuss the impact on the incumbent employees.

25. **Eliminated Classifications/Contract Cleanup**: The job classifications of Auto Mechanic, Senior Display Maker, and Gen Tech Display Maker will be eliminated from the collective-bargaining agreement. In addition, the Parties agree, in good faith, to amend the collective-bargaining agreement to effectuate the intention of outsourcing the Outsourced Classifications.

APPENDIX I
UNION HOLIDAY SCHEDULE

2020 Holidays**

DATE	DAY OF WEEK	HOLIDAY
January 1	Wednesday	New Year's Day
January 20	Monday	Martin Luther King Day
February 17	Monday	President's Day
April 10	Friday	Good Friday
May 25	Monday	Memorial Day
July 3	Friday	Independence Day (observed)
September 7	Monday	Labor Day
November 26	Thursday	Thanksgiving Day
November 27	Friday	Day after Thanksgiving
December 24	Thursday	Christmas Eve
December 25	Friday	Christmas Day
December 31	Thursday	New Year's Eve

** One addition Floater to be determined in accordance with Article 9.1(b)

2021 Holidays

DATE	DAY OF WEEK	HOLIDAY
January 1	Friday	New Year's Day
January 18	Monday	Martin Luther King Day
February 15	Monday	President's Day
April 2	Friday	Good Friday
May 31	Monday	Memorial Day
July 2	Friday	Floating Holiday
July 5	Monday	Independence Day (observed)
September 6	Monday	Labor Day
November 25	Thursday	Thanksgiving Day
November 26	Friday	Day after Thanksgiving
December 24	Friday	Christmas Eve
December 27	Monday	Christmas Day (observed)
December 31	Friday	New Year's Eve

2022 Holidays**

DATE	DAY OF WEEK	HOLIDAY
January 3	Monday	New Year's Day (observed)
January 17	Monday	Martin Luther King Day
February 21	Monday	President's Day
April 15	Friday	Good Friday
May 30	Monday	Memorial Day
July 1	Friday	Floating Holiday
July 4	Monday	Independence Day
September 5	Monday	Labor Day
November 24	Thursday	Thanksgiving Day
November 25	Friday	Day after Thanksgiving
December 23	Friday	Christmas Eve (observed)
December 26	Monday	Christmas Day (observed)
December 30	Friday	New Year's Eve (observed)

2023 Holidays**

DATE	DAY OF WEEK	HOLIDAY
January 2	Monday	New Year's Day
January 16	Monday	Martin Luther King Day
February 20	Monday	President's Day
April 7	Friday	Good Friday
May 29	Monday	Memorial Day
July 3	Monday	Floating Holiday
July 4	Tuesday	Independence Day
September 4	Monday	Labor Day
November 23	Thursday	Thanksgiving Day
November 24	Friday	Day after Thanksgiving
December 22	Friday	Christmas Eve (observed)
December 25	Monday	Christmas Day
December 29	Friday	New Year's Eve (observed)

2024 Holidays**

DATE	DAY OF WEEK	HOLIDAY
January 1	Monday	New Year's Day
January 15	Monday	Martin Luther King Day
February 19	Monday	President's Day
March 29	Friday	Good Friday
May 27	Monday	Memorial Day
July 4	Thursday	Independence Day
July 5	Friday	Floating Holiday
September 2	Monday	Labor Day
November 28	Thursday	Thanksgiving Day
November 29	Friday	Day after Thanksgiving
December 24	Tuesday	Christmas Eve
December 25	Wednesday	Christmas Day
December 31	Tuesday	New Year's Eve

2025 Holidays **

DATE	DAY OF WEEK	HOLIDAY
January 1	Wednesday	New Year's Day
January 20	Monday	Martin Luther King Day
February 17	Monday	President's Day
April 18	Friday	Good Friday
May 26	Monday	Memorial Day
July 3	Thursday	Floating Holiday
July 4	Friday	Independence Day (observed)
September 1	Monday	Labor Day
November 27	Thursday	Thanksgiving Day
November 28	Friday	Day after Thanksgiving
December 24	Wednesday	Christmas Eve
December 25	Thursday	Christmas Day
December 31	Wednesday	New Year's Eve (observed)

APPENDIX J – PACKAGING OPERATIONS

As part of their negotiations for a 2013 successor agreement, the Parties agree that the following provisions will apply to those employees affected by the decision to cease packaging operations at the West Point facility:

A. The Company will provide the Union with updates of the status of the movement of packaging operations and the dates on which moves are expected to impact employees. The Company will make reasonable efforts to inform the Union at least thirty days in advance of any layoffs resulting from the movement of packaging operations.

B. Any layoffs required as a result of the movement of packaging operations will proceed in accordance with the provisions of the Alternate Separation Benefit Allowance Program (the "Program") in Section 5.4 and any employee laid off as a direct or indirect result of the movement of packaging operations will be offered severance benefits in accordance with the Program.

C. Employees working in packaging operations as of May 1, 2013 and who continue to work in packaging operations until such time as the employee is issued a layoff notice in connection with the move of packaging and who moves into another position after receipt of a layoff notice will be rate retained indefinitely (the employee will continue to be eligible to receive the rate progression of the labor grade at the time of the layoff notice). The Skills Assessment Test will be waived for any such employee.

D. A rate retained employee who fails to move into an open position that is available at the time of layoff or fails to bid on a position that is posted at any time after their layoff that is (a) at or above his/her labor grade; (b) is on his/her same Shift; and (c) for which he/she is qualified, will forfeit his/her rate retention.

E. In order to promote the orderly cessation of packaging operations, a packaging employee who successfully bids into another position may be held in packaging operations until such time as business needs support the employee's release. In the event such a held employee has bid into a higher labor grade, he/she will be paid the higher labor rate beginning on latest possible start date of the new job for the duration of the hold period.

APPENDIX K -- Training

1. **In General.** The Company is involved in a dynamic and highly regulated industry that is subjected to the scrutiny of various outside governmental agencies. The nature of the business requires that the employees performing the various jobs at the Company have and maintain the abilities and competencies to perform those jobs in light of ongoing changes in the industry as well as all regulatory requirements and expectations. The Company and Union agree that adequate and continuing training is essential to satisfy internal and external job requirements and expectations and are each committed to ensuring that such training is provided and maintained.

2. **Training Plans.** The term Training Plans as used herein includes all aspects of training, including, without limitation, the identification of key employee job competencies and the requisite business and compliance-related training requirements, the establishment of training modules and/or curriculum, the establishment of the standards for meeting training requirements, the identification of employees subject to specific training, the establishment of the timing of training and the size of training classes.

3. **Company Responsibilities.**

    a. The Company shall have the responsibility to design and implement employee training, including the responsibility to design and implement Training Plans for each Job Classification and/or within each Job Classification in the bargaining unit.

    b. The Company will work in conjunction with the Union to establish and maintain Training Plans and to ensure that the employees are provided with the training required to perform their job tasks and that employees are progressing through the training requirements identified in the curricula for their job provided however that the parties agree that employee will not necessarily be trained on 100% of the tasks.

    c. The establishment and content of the training is within the Company's discretion; however, inasmuch as the Company acknowledges that the Union is able to provide significant and important information and input with respect to the issue of training, the Company will reasonably consider the Union's views in the establishment and content of employee training, including the identification of key tasks and the establishment and content of Training Plans.

4. **Union Responsibilities.** The Union agrees to cooperate fully with the Company in the design and implementation of employee training, which cooperation will include its exercise of reasonable efforts to (a) provide feedback and input on training material, including Training Plans; (b) encourage employees to engage and participate fully in training development; (c) participate fully in training initiatives; and (d) otherwise to support the goals and objectives of maintaining a well-trained work force.

5. **Training Plans in MMD Production Areas.** The Company will work in conjunction with the Union to develop and implement Training Plans in MMD production areas, upon Union request.

    a. The Company agrees to meet with a representative group of employees (including the Bargaining Unit Trainer) for the purpose of reviewing Training Plans in MMD operational areas at reasonable times and for a reasonable duration, upon Union request. Once Training Plans are established, it is not expected that such meetings will be necessary except upon some identified significant change (for example, new departmental configurations or new regulatory requirements).

    b. The Union agrees that the ultimate decision making rights with respect to Training Plans specifically and training generally rest with the Company.

6. **Bargaining Unit Trainers.** The Company and the Union agree that employees working in a Job Classification have the potential to provide an excellent source of Trainers of other employees. The Company and Union also agree that, although every employee qualified on a task may be assigned to serve in the capacity of a trainer to another employee, there may be areas where certain Departments or Sub Units desire to have certain bargaining unit employees act in the capacity of trainers on a more frequent basis and be designated as Bargaining Unit Trainers. The parties agree to the following provisions with respect to Bargaining-Unit Trainers.

    a. The Company agrees to have at least one Bargaining Unit Trainer in each MMD production Department with bargaining unit employees.

    b. In addition to (a), the Company may name additional Bargaining-Unit Trainers in MMD production Departments or in non-MMD production Departments.

    c. In selecting Bargaining-Unit Trainers, the departmental leader will reasonably consider suggestions from the employees in the Department or Sub Unit and then will select the employee or employees to fill any such roles based upon the input from the

employees and an assessment of the employee's qualifications, skills and abilities to be a trainer.

d. An employee who is selected as a Bargaining-Unit Trainer will continue to perform his/her ordinary job duties except when specifically assigned to act as a trainer.

e. Bargaining-Unit Trainers will be responsible to train employees as assigned and will be expected to be a primary point of contact for their areas in the development of training materials, including Training Plans.

f. In no event will the training work performed by a Bargaining-Unit Trainer be considered exclusive bargaining unit work.

g. The Company may choose to upskill Bargaining-Unit Trainers by sending them to attend Train the Trainer programs or other similar training in order to enhance their ability to effectively train their co-workers.

Appendix L – New Work

In the event that the Company determines to locate new work related to the research or production of new products at the West Point site, the Company and union agree as follows:

1. The Company may subcontract "new work" (as defined below) to a third party at the third party's chosen location(s), excluding Merck's West Point site, and the Union agrees not to file any grievance, unfair labor practice charge or any other legal or administrative action challenging such decision.

2. The Company agrees that it will notify and discuss with the Union any decision to relocate any new work from West Point to other Company plants or locations outside the Company no later than thirty (30) days prior to the work being relocated.

3. The term "new work" means any work not currently performed by the bargaining unit as of April 30, 2016, including the manufacturing of any product sited to West Point after April 30, 2016 and includes a product that was in the pilot plant as of April 30, 2016.

4. The manufacturing of products that are being made at West Point as of April 30, 2016 is not new work even if such manufacturing involves a new or improved process or technology that the Company sited at West Point after April 30, 2016.

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