

**ARTICLE 6
RATES OF PAY**

Section 6.1 Definitions.

The meanings of certain terms used in this Article 6 and elsewhere in this Agreement are stated below:

6.1(a) Base Rate. An employee's hourly rate of pay determined under the applicable provisions of Sections 6.2 and 6.3, excluding all allowances, differentials, adjustments, bonuses, awards, and premiums.

6.1(b) Base Rate Ranges. The minimum and maximum rates of pay for each labor grade established under Section 6.2(a).

Section 6.2 Base Rates.

6.2(a) Base Rate Ranges. The following base rate ranges will be effective September ~~25, 2005~~2008:

LABOR GRADE	MINIMUM	MAXIMUM
11	\$19.72 <u>22.00</u>	\$33.83 <u>36.89</u>
10	\$18.72 <u>21.00</u>	\$32.82 <u>35.83</u>
9	\$17.72 <u>20.00</u>	\$31.94 <u>34.90</u>
8	\$16.72 <u>19.00</u>	\$30.97 <u>33.88</u>
7	\$15.72 <u>18.00</u>	\$29.98 <u>32.84</u>
6	\$14.72 <u>17.00</u>	\$29.04 <u>31.86</u>
5	\$13.72 <u>16.00</u>	\$28.06 <u>30.83</u>
4	\$12.72 <u>15.00</u>	\$27.13 <u>29.85</u>
3	\$11.72 <u>14.00</u>	\$26.20 <u>28.88</u>
2	\$10.72 <u>13.00</u>	\$25.22 <u>27.85</u>
1	\$ 9.72 <u>12.00</u>	\$24.28 <u>26.86</u>

6.2(b) Employees on the Active Payroll on September 13, 2005~~2008~~. Effective September ~~25, 2005~~2008, the base rates for employees who on September ~~13, 2005~~2008, were on the active payroll shall be increased by folding into the base rates the ~~twenty-nine (29) cents of~~ Cost of Living Adjustment being paid September ~~24, 2005~~2008.

6.2(c) New Hires. All employees who enter the bargaining unit on or after September ~~24, 2005~~2008, with a seniority date of September ~~24, 2005~~2008 or later ~~(and those employees whose seniority is reinstated under Section 14.4)~~, will be paid a base rate within the base rate range established by Section 6.2(a) for their labor grade.

6.2(d) Recalls from Layoff and Downgrade. Effective September ~~24, 2005~~2008, an employee who is recalled from layoff or downgrade through the exercise of Category A rights, will have the following base rate:

6.2(d)(1) If the employee is recalled to the same labor grade from which he/she was laid off and he/she was at the maximum rate at the time of layoff, he/she will be paid at the maximum rate, otherwise, he/she will be paid the base rate and the cost of living adjustment in effect on the date of his/her layoff, provided that, if cost of living adjustment has been added to base rates and made a part thereof since the employee's layoff, the cost of living adjustment in effect on the date of the employee's layoff shall be similarly added to his/her base rate.

6.2(d)(2) If the employee is recalled to either a higher or lower labor grade than the one from which he/she was laid off, his/her base rate will be determined first by treating him/her as though he/she had been recalled to the same labor grade under Section 6.2(d)(1) and then reclassified under Section 6.3(c).

6.2(d)(3) If the employee is recalled to the previously held labor grade following downgrade, and the employee was not at the maximum rate at the time of downgrade, then he/she will be paid the same base rate held at the time of downgrade, provided that, if a cost of living adjustment has been added to base rates and made a part thereof since the employee's downgrade, the cost of living adjustment in effect on the date of the employee's downgrade shall be added to his /her base rate.

6.2(d)(4) If an employee is downgraded due to surplus and is subsequently promoted to a higher labor grade than previously held, he/she shall be paid at least the same base rate held at the time of downgrade, plus any increase for promotion to which he/she may be entitled under Section 6.3(a).

6.2(e) Returns from Leaves of Absence. An employee on approved leave of absence who returns to the active payroll will have the following base rate:

6.2(e)(1) If the leave of absence was granted due to industrial injury or industrial illness, military service, or to accept a full-time Union position, the employee's base rate will be equal to the base rate he/she would have had if he/she had not been on a leave of absence.

6.2(e)(2) If the leave of absence was granted for any other reason, his/her base rate will be determined as though he/she had been recalled from layoff under Section 6.2(d).

Section 6.3 Base Rate Changes.

6.3(a) Seniority Progression Increases. On the Friday immediately preceding their six (6)-month anniversary of the date of hire or date of the last seniority

Best and Final Offer
August 28, 2008

progression increase, employees below the rate range maximum for their labor grade shall, subject to such maximum, receive a seniority progression increase to their base rate of fifty (50) cents. Employees shall automatically progress to the base rate range maximum upon their twelfth (12th) seniority progression increase. Employees on approved leave of absence will continue to accrue time toward their next six (6)-month progression increase for the first ninety (90) days of the leave. Employees recalled from layoff within one (1) year will be credited with any time they had prior to their layoff toward their next six (6)-month progression increase.

6.3(b) General Wage Increase. ~~No g~~General wage increases will be granted as follows:-

6.3(b)(1) Effective September 5, 2008, all employees on the active payroll on September 3, 2008, including those on approved leave of absence for ninety (90) days or less, will have their base rates increased first by application of Section 6.2(b) and then by application of a five (5) percent general wage increase.

6.3(b)(2) Effective September 4, 2009, all employees on the active payroll on September 3, 2009, including those on approved leave of absence for ninety (90) days or less, will have their base rates increased first by application of Section 6.4(c) and then by application of a three (3) percent general wage increase.

6.3(b)(3) Effective September 3, 2010, all employees on the active payroll on September 2, 2010, including those on approved leave of absence for ninety (90) days or less, will have their base rates increased first by application of Section 6.4(c) and then by application of a three (3) percent general wage increase.

The base rate maximums set forth in Section 6.2(a) shall be similarly increased on each date set forth above.

6.3(c) Base Rates After Reclassifications. Subject to the base rate ranges provided for in Section 6.2(a), employees who are promoted will have their base rate increased by fifty-six (56) cents for each labor grade they are promoted or paid the same base rate last held by the employee in the labor grade, whichever is greater. ~~and e~~Employees who are downgraded will have their base rate decreased by fifty-six (56) cents for each labor grade they are downgraded.

6.3(d) Rate Retention. The base rate of an employee who, under Article 22, accepts downgrade rather than electing layoff shall be, for the ninety (90) calendar-day-period after the downgrade, a rate that is not less than the rate he/she held immediately preceding the downgrade. However, this provision shall not apply to any period of employment within a bargaining unit covered by this Agreement after termination, layoff, employee-requested downgrade or transfer to a unit or group to which this Agreement does not apply within the ninety (90)-day period with the

Best and Final Offer
August 28, 2008

following exception: if such an individual is recalled from layoff to a job title to which he/she had been downgraded, and the recall occurs less than ninety (90)-calendar-days after such downgrade, he/she will receive rate retention prospectively for the portion of the ninety (90)-calendar-day period that remained at the time of layoff. If an employee receives a Temporary Promotion (as provided in Section 22.1(q)) to the job title from which he/she was most recently surplused and the employee is receiving rate retention pay as a result of such downgrade, the 90-calendar-day period will be extended one (1) day for each day of such Temporary Promotion.

Section 6.4 Cost of Living Adjustment.

6.4(a) Employees covered by this Agreement shall receive Cost of Living Adjustments to the extent such adjustments become effective under and in accordance with all of the terms, conditions and limitations stated in this Section 6.4.

6.4(b) Determination of Cost of Living Adjustments.

6.4(b)(1) Determination of the potential Cost of Living Adjustment shall be made in reference to the new series "All City Average of the Consumer Price Index for Urban Wage Earners and Clerical Workers" published by the Bureau of Labor Statistics, U.S. Department of Labor, with the following base period: 1982-84 = 100, such index being referred to herein as the BLS Index.

6.4(b)(2) During the life of this Agreement, subject to the proviso stated below, a Cost of Living Adjustment shall be computed by using (1) 190.4-214.8 (the three-month average of the BLS Index for May, June and July, 20052008) as the base and (2) the formula 1 cent = .075 percent change in the appropriate three-month average of the BLS Index, as shown in the table below:

Effective Date of Potential Adjustment	Based Upon the Average of the Three-Month BLS Consumer Price Indexes for
December <u>25</u> , <u>20052008</u>	August, September, October <u>20052008</u>
March <u>36</u> , <u>20062009</u>	November, December <u>20052008</u> , January <u>20062009</u>
June <u>25</u> , <u>20062009</u>	February, March, April <u>20062009</u>
September <u>14</u> , <u>20062009</u>	May, June, July <u>20062009</u>
December <u>14</u> , <u>20062009</u>	August, September, October <u>20062009</u>
March <u>25</u> , <u>20072010</u>	November, December <u>20062009</u> , January <u>20072010</u>

Best and Final Offer
August 28, 2008

Effective Date of Potential Adjustment	Based Upon the Average of the Three-Month BLS Consumer Price Indexes for
June 14 , 2007 <u>2010</u>	February, March, April 2007 <u>2010</u>
September 7 <u>3</u> , 2007 <u>2010</u>	May, June, July 2007 <u>2010</u>
December 7 <u>3</u> , 2007 <u>2010</u>	August, September, October 2007 <u>2010</u>
March 7 <u>4</u> , 2008 <u>2011</u>	November, December 2007 <u>2010</u> , January 2008 <u>2011</u>
June 6 <u>3</u> , 2008 <u>2011</u>	February, March, April 2008 <u>2011</u>

6.4(b)(3) Any quarterly Cost of Living Adjustment shall be added to or subtracted from any quarterly Cost of Living Adjustment already paid during the life of this Agreement, subject to Section 6.4(c), provided, however, a Cost of Living Adjustment generated in any particular quarter shall be payable only to those employees who, on an Effective Date of Potential Adjustment, are on the active payroll or on leave of absence for less than ninety (90) days.

6.4(b)(4) If the BLS Index is revised or discontinued, the parties shall attempt to determine an appropriate Index figure by agreement and, if agreement is not reached, the parties shall request the Bureau of Labor Statistics to make available a BLS Index in its present form for the appropriate date or dates and calculated on a comparable basis.

6.4(c) Cost of Living Adjustments shall not be added to or subtracted from any employee's base rate, except as herein provided:

On September ~~14~~, ~~2006~~2009, the Cost of Living Adjustment being paid to employees on that date under Section 6.4 shall be added to the employees' base rates and made a part thereof. On September ~~7~~3, ~~2007~~2010, the Cost of Living Adjustment being paid to employees on that date under Section 6.4 shall be added to the employees' base rates and made a part thereof.

Any Cost of Living Adjustment payable during the life of this Agreement shall be added only to each employee's straight time hourly earnings. The applicable Cost of Living Adjustment shall be included in computing overtime payment, third-shift bonus, vacation and holiday payment, sick leave payment and report time payment.

The base rate maximums set forth in Section 6.2(a) shall be increased on each date set forth above.

Section 6.5 Shift Differentials, Non-regular Workweek Premium, Third Shift Bonus, and Swamp Pay.

6.5(a) An employee assigned to the second shift shall receive a shift differential of seventy-five (75) cents per hour which shall be added to his/her base rate and made a part thereof.

6.5(b) An employee assigned to the third shift shall receive a shift differential of ten (10) cents per hour which shall be added to his/her base rate and made a part thereof.

6.5(c) An employee assigned to work a non-regular workweek (other than Monday through Friday) as provided in Section 5.1 of this Agreement shall have seventy-five (75) cents per hour added to his/her base rate and made a part thereof while so assigned.

6.5(d) An employee who works a third shift of six and one-half (6-1/2) hours will receive a bonus equivalent to one and one-half (1-1/2) hours' pay at his/her base rate. A prorated portion of that bonus will be paid when the employee works less than six and one-half (6-1/2) hours on a regular third shift.

Section 6.6 Jury Duty, Witness Duty, Military Leave, Bereavement Leave.

6.6(a) An employee absent from work due to (1) required jury duty (including grand jury duty), (2) to testify as a witness for the Company, (3) to respond to a subpoena to appear as a witness in any legal proceeding, (4) to appear at an arbitration resulting from the referral, by a court, for a lawsuit that has been filed with the court (excluding arbitration pursuant to a Collective Bargaining Agreement or other contractual provisions) or (5) to respond to a subpoena to appear for a deposition will be paid for such lost hours at his/her current straight time rate, including any applicable Cost of Living Adjustment, up to a maximum of eight (8) hours per day, for each regular work day of required jury or witness duty. Employees will be excused from their scheduled shift for each day they serve. If substantial time is remaining in the work schedule after release from jury duty or witness service, allowing for meal and travel time, employees should return to work. Second and third shift employees summoned to jury or witness duty will be temporarily assigned to first shift on a weekly basis during the time required to serve. Fees received for jury or witness duty will not be deducted from such pay. To be eligible for time off with pay, the employee must furnish a copy of this summons or subpoena to management, before the appearance, to indicate that the absence from work as necessary to appear for a jury duty or to serve as a witness. In addition, management may require verification of such appearance. An employee is not entitled to pay under this Section 6.6(a) in circumstances where the employee (1) is called as a witness against the Company or its interests; or (2) is called as a witness on his/her own behalf in an action in which he/she is a party; or (3) voluntarily seeks to testify as a witness; or (4) is a witness in a case arising from or related to his/her

Best and Final Offer
August 28, 2008

outside employment or outside business activities; or (5) is subpoenaed as a witness while on leave of absence except when serving as a Company witness.

6.6(b) An employee who is a member of a reserve component of the Armed Forces, who is absent due to required active annual training duty or temporary special services duty, shall be paid his/her normal straight time earnings, including shift differential and Cost of Living Adjustment where applicable, up to a maximum of ten (10) workdays each calendar year. An employee who, because of schedule adjustments by the reserve component, receives orders to report for two (2) training periods in one (1) calendar year may receive time off with pay in excess of the ten (10)-day annual maximum provided that the total time off with pay does not exceed twenty (20) workdays in a two (2) consecutive year period (either current and previous calendar years or current and following calendar years) and the employee was a member of the reserve component during both of the applicable consecutive years. Employees with military orders to serve additional days of duty will be excused on unpaid authorized leave of absence. The amount due the employee under this Section 6.6(b) shall be reduced by the amount received from the government body identified with such training duty or services, for the period of such duty (up to the maximum period mentioned above). Such items as subsistence, uniform and travel allowance shall not be included in determining pay received from state or federal government.

6.6(c) Up to three (3) days bereavement leave with pay will be granted to an employee on the active payroll, including those on leave of absence for not longer than ninety (90) calendar days, who, because of death in his/her immediate family, takes time off from work during his/her normal work schedule as such term is defined in Section 5.1 of this Agreement. Such pay shall be for eight (8) hours at his/her straight time base rate, including shift differential and Cost of Living Adjustment where applicable for each such day off; however, such pay will not be applicable if the employee receives pay for such days off under any other provision of this Agreement. Bereavement leave must be taken on consecutive workdays as selected by the employee within ~~twenty (20)~~ thirty (30) calendar days following the death (or evidence of belated notification of death). For the purposes of this Section 6.6(c) the "immediate family" is defined as follows: spouse, same gender domestic partner, mother, father, mother-in-law, father-in-law, children, brother, sister, son-in-law, daughter-in-law, great-grandparents, grandparents, grandchildren, stepmother, stepfather, stepchildren, stepbrother, stepsister, half brother, half sister and spouse's grandparents. In addition, an employee will be granted bereavement leave for a stillborn child if the employee provides a certificate of fetal death which has been certified by the attending physician.

Section 6.7 Garnishments.

In cases of dismissal or suspension of an employee because of writs of garnishment served upon the Company in litigation involving claims of third parties against such employee, such a dismissal or suspension will be treated as a dismissal or suspension

under Section 19.3 and will be subject to the grievance procedure and other provisions of Article 19.

Section 6.8 Paydays.

Paydays For employees working in Washington, Kansas, and other states where mandatory direct deposit is permitted by law, paychecks will be delivered via direct deposit on Thursday of every second week, covering all wages, including overtime, earned through Thursday of the preceding week, except when other circumstances intervening beyond the Company's control make such practice impossible. For employees working in other states, paychecks for employees under this Agreement on all shifts shall be delivered via direct deposit on or before Thursday of every second week, or placed in the U.S. mail on or before Thursday-Tuesday of every second week, at which time they will be paid covering wages, including overtime, earned through Thursday of the preceding week, except when holidays or circumstances intervening beyond the Company's control make such practice impossible.

Section 6.9 Report Time.

If an employee reports for work in accordance with instructions, he/she shall receive a minimum of eight (8) hours pay at his/her straight time base rate, including shift differential and Cost of Living Adjustment where applicable. Report time will not apply in case of emergency shutdowns arising out of any condition beyond the Company's control. An employee who leaves work of his/her own volition, or because of incapacity (other than industrial injury or illness), or is discharged or suspended after beginning work, will be paid only for the number of hours actually worked during that day. An employee who leaves work because of incapacity due to industrial injury or illness will be paid eight (8) hours pay at his/her straight time base rate, including shift differential and Cost of Living Adjustment where applicable.

Section 6.10 Overtime.

6.10(a) The Company will first attempt to meet its overtime requirements on a voluntary basis from among employees who normally perform the particular work activity on a straight time basis; however, in cases of selective overtime new hires or rehires may be excluded for the first fifteen (15) calendar days of their employment. In the event there are insufficient volunteers to meet the requirement, the supervisor may designate and require the necessary number of employees to work the overtime.

6.10(b) Overtime Scheduling Procedures for Extended Workday or Workweek.

- (1) The normal practice for the advance scheduling of overtime within the shop and shift will be to:
 - (a) First, ask the employee regularly assigned to either the machine, job, crew or position providing the employee is in attendance when the overtime is being assigned, provided, however, that the Company may designate that

Best and Final Offer
August 28, 2008

employee to work the overtime before proceeding to Subparagraph 6.10(b)(1)(b).

- (b) Then, ask other qualified employees in the same job classification who are in attendance when the overtime is being assigned.
 - (c) If sufficient volunteers are not obtained, the Company may designate any employee to satisfy remaining requirements.
- (2) Management may exclude an employee from overtime, even if the employee is in attendance when the overtime is being assigned, if:
- (a) The employee has been absent during the week, except for sick leave, jury duty, witness service, bereavement leave, military leave, authorized Union business, previously scheduled vacation or absence due to industrial injury or illness.
 - (b) An employee is asked to work overtime (Saturday and/or Sunday) and is subsequently absent due to illness or bereavement leave on the workday preceding the overtime day.
 - (c) Two (2) consecutive weekends have been worked by the employee.
 - (d) One hundred twenty-eight (128) overtime hours have been worked in the budget quarter.
 - (e) Eight (8) overtime hours have been worked on the Saturday or the Sunday.
 - (f) An employee's schedule performance or work quality is currently documented as being deficient.
- (3) If the whole shift of a shop/functional area/crew or position is scheduled to work a six (6) or seven (7)-day week, all employees in the shop/functional area/crew or position will be required to report for weekend work, regardless of whether or not they were absent during the week, except when an employee has previously scheduled the use of vacation, bereavement leave or military leave on Friday preceding the weekend, or unless Sections (2)(c), (2)(d) or (2)(e) of this Section 6.10(b) apply.

6.10(c) The following subparagraphs of this Section 6.10(c) shall apply to continuous work periods (continuous except for lunch and rest periods) that begin at or after 10:00 P.M. Sunday (or the day treated as the employee's Sunday under Section 5.1) and prior to 6:01 P.M. Friday (or the day prior to the day treated as the employee's Saturday under Section 5.1):

Best and Final Offer
August 28, 2008

6.10(c)(1) Time worked within an assigned shift period shall be compensated at straight time rates.

6.10(c)(2) For time worked outside of his/her assigned shift, by an employee on first or second shift, an employee shall be paid one and one-half times his/her base rate for the first two (2) hours and double his/her base rate thereafter.

6.10(c)(3) For time worked outside of his/her assigned shift, by an employee on third shift, an employee shall be paid one and one-half times his/her base rate for the first one and one-half hours and double his/her base rate thereafter.

6.10(d) The following subparagraphs of this Section 6.10(d) shall apply to continuous work periods (continuous except for lunch and rest periods) that begin at or after 6:01 P.M. Friday (or the day prior to the day treated as the employee's Saturday under Section 5.1) and prior to 10:00 P.M. Sunday (or the day treated as the employee's Sunday under Section 5.1):

6.10(d)(1) In any continuous period of work (continuous except for lunch periods and rest periods) the work will be deemed to have been performed on the shift and day shown below:

If Work Period Starts	Shift	Day
6:01 P.M. Friday through 1:30 A.M. Saturday	3 rd	Saturday
1:31 A.M. Saturday through 10:00 A.M. Saturday	1 st	Saturday
10:01 A.M. Saturday through 6:00 P.M. Saturday	2 nd	Saturday
6:01 P.M. Saturday through 1:30 A.M. Sunday	3 rd	Sunday
1:31 A.M. Sunday through 10:00 A.M. Sunday	1 st	Sunday
10:01 A.M. Sunday through 9:59 P.M. Sunday	2 nd	Sunday

Best and Final Offer
August 28, 2008

6.10(d)(2) For the first eight (8) hours of work by an employee on the first day of his/her two (2) consecutive days of rest, who is assigned on that day to work the first or second shift, such employee shall be paid one and one-half times his/her base rate for that shift and double such base rate thereafter.

6.10(d)(3) For the first six and one-half (6-1/2) hours of work by an employee on the first day of his/her two (2) consecutive days of rest, who is assigned on that day to work the third shift, such employee shall be paid one and one-half times his/her base rate for that shift and double such base rate thereafter.

6.10(d)(4) Any time worked on the second day of an employee's two (2) consecutive days of rest shall be paid for at double his/her base rate for such shift and such double time shall remain in effect for all hours continuously worked.

6.10(e) In lieu of the provisions of Sections 6.10(c) and 6.10(d), overtime worked in any of the following circumstances shall be paid at double the employee's base rate:

- (1) more than one hundred sixty (160) overtime hours in the budget quarter; or
- (2) on a weekend immediately following three (3) consecutive weekends worked by the employee.

Section 6.11 Wage Payment Basis.

Employees shall be paid for time worked computed to the nearest one-tenth hour.
Overtime will be paid in the next regularly scheduled paycheck.

Section 6.12 New Assignments.

When employees are assigned to work in a higher or lower labor grade the new pay rate shall be effective in the employee's paycheck not later than the third payday subsequent to the date on which the new assignment is made.