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**A G R E E M E N T**  
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



Effective May 1, 2010  
through April 30, 2013



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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 2010, 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, production clerical employees (including clerical employees in the printing department) and composing room 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, bindery employees, pressmen, pressmen's helpers, junior assistants in the pressroom, 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 eli-

gible for and covered by the insurance benefits provided herein upon commencement of employment.

### 3.2. **Benefits.**

a. (i) For the period beginning May 1, 2010 and ending December 31, 2010, the benefits provided by the insurance program are as follows: Employee Group Term Life Insurance and Accidental Death and Dismemberment Insurance shall be equal to two (2) times the individual employee's annual base pay rounded to the next one thousand dollars (\$1,000).

(ii) 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. (i) For the period beginning May 1, 2010 and ending December 31, 2010, in addition to the employee group term life insurance provided in accordance with Article 3.2 (a) (i) above, employees will be allowed to purchase employee group term life insurance up to an additional two (2) 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.

(ii) Effective January 1, 2011, in addition to the employee group term life insurance provided in accordance with Article 3.2 (a) (ii) 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 for the life insurance plan effective January 1, 2010. In addition, employees hired on or after January 1, 2011 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). Notwithstanding the foregoing, employees will have a one time opportunity during open enrollment for 2011 to increase their employee group term life insurance coverage effective January 1, 2011 (subject to actively at work requirements) by one (1) times the individual employee's annual base pay without providing proof of insurability subject to the plan's maximum of four (4) times base pay for optional coverage. Employee group term life insurance described in Article 3.2 (b) that is in effect as of December 31, 2010 may be continued by the employee as of January 1, 2011 without providing proof of insurability.

d. As of January 1, 2011, the two (2) times employee group term life insurance coverage described in Article 3.2 (a) (i) will be automatically mapped (without any evidence of insurability required) for each employee into one (1) times base pay company-paid coverage described in Article 3.2 (a) (ii) and one (1) times base pay employee-paid coverage described in Article 3.2 (b)(ii).

### 3.3. **Contributions.**

a. For the employee group term life coverage described in Article 3.2 (a) (i) above provided for the period

between May 1, 2010 and December 31, 2010, employees contribute by payroll deductions twenty-five cents (\$.25) per month per one thousand dollars (\$1,000) of life insurance in effect in excess of twenty thousand dollars (\$20,000) up to two (2) times the individual employee's base pay. For the employee group term life insurance coverage described in Article 3.2 (a) (ii) above provided for the period beginning January 1, 2011, 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 and on or after January, 1 2011, 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 and on or after January 1, 2011, 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.

Employees retiring before their normal retirement date and on or after May 1, 2010 and before January 1, 2011 may at the option of the retiring employee, continue the group term life insurance (a) in excess of six thousand dollars (\$6,000) up to two (2) times base pay and (b) any additional group term life coverage described in Article 3.2 (b), in each case in effect on the date of early retirement, until the normal retirement date, by timely payment of the required contributions. Prior to January 1, 2011, the retiree contributions required for cover-

age under clause (a) shall be twenty-five cents (\$.25) per month per one thousand dollars (\$1,000) of life insurance in effect in excess of twenty thousand dollars (\$20,000) up to two (2) times base pay. If the retiree does not pay these contributions, coverage reduces to six thousand dollars \$6,000 and continues until death. Effective January 1, 2011, provided the retiree has continued to pay the required retiree contributions through December 31, 2010, (i) the retiree contributions required for coverage under clause (a) for coverage in excess of one (1) times base pay shall be the contributions described in Article 3.3 (c) established for coverage described in Article 3.2, and (ii) no retiree contributions are required for the first one (1) times coverage under clause (a). If the retiree continues to pay these contributions required to continue coverage under clause (a) until age 65, starting at age 65 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 retiree does not continue to pay these contributions required to continue coverage under clause (a) until 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 clause (a) above after the date of normal retirement. All group term life coverage described in clause (b) above terminates as to future coverage on the date of normal retirement.

**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 insur-

ance 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, 2007 shall not be less than \$55 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 \$56 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 but before January 1, 2008, the Retirement Plan will be amended to provide that interest rates for payment of lump sums shall be determined by reference to the interest rate established by the Internal Revenue Service pursuant to Treas. Reg. Sec. 1.417(e)-1(d)(4)(iii) or successor thereto as amended with respect to the fourth calendar month preceding the Plan year (i.e., the September rate published in October).

b. 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.

c. For annuity starting dates during Plan year 2005 only, the lump sum may not be less than the lump sum determined using the rate published in December 2004, when combined with the appropriate IRS mortality table.

d. 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.

4.14. **Wearaway Pension Enhancements.**

4.14-1. **2007 Enhancement**

For any Retirement Plan participant who is or is expected to be at least age 55 with at least 10 years of credited service or age 65 on or before March 31, 2010 and who retires on or after August 1, 2007, the Retirement Plan will provide that the participant's accrued benefit as of July 31, 2007, determined under the greater of the career average formula set forth in the Plan or the flat dollar minimum in the Plan, will be increased by 7.5 percent. Any participant, including but not limited to a disability retiree, who otherwise does not satisfy the requirement

for expected age and credited service on or before March 31, 2010 is not eligible for the benefit of this paragraph.

4.14-2. **2004 Enhancement.**

For any Retirement Plan participant who is or is expected to be at least age 55 with at least 10 years of credited service on or before March 31, 2007 and who retires on or after July 1, 2004, the Retirement Plan will provide that the participant's accrued benefit as of June 30, 2004, determined under the greater of the career average formula set forth in the Plan (as provided by Article 4.2) or the flat dollar minimum in the Plan as amended pursuant to this Agreement (\$55/\$56), will be increased by ten percent. Any participant, including but not limited to a disability retiree, who otherwise does not satisfy the requirement for expected age and credited service on or before March 31, 2007 is not eligible for the benefit of this paragraph. Employees who are on layoff on May 1, 2004 and have not terminated employment and who otherwise would be eligible for the enhancement described by this paragraph shall be eligible for this enhancement.

4.14-3. At retirement, eligible employees will receive a retirement benefit under the applicable flat dollar or career average formula pursuant to 4.2. or 4.3. as applicable or under the wearaway enhancements pursuant to this Article, whichever is greatest.

**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:

<b>Length of Continuous Service as of Date of Layoff</b>	<b>Amount of Separation Benefit Allowance</b>
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. **Alternative Separation Benefit Allowance.** Between May 1, 2010 and April 30, 2013 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 to outsource bargaining unit work made in accordance with the parties April 2010 Memorandum of Agreement Subcontracting; 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 clas-

sifications 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 can not 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) weeks pay. The maximum Separation Pay shall be 78 weeks of pay. A "Weeks 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. **Continuation Period.** Benefits will continue for Number of weeks upon which separation pay is calculated, with a minimum continuation period of 6 months.

5.4.4.2.2. **COBRA.** Will be available beginning at the end of continuation period for medical and dental.

5.4.4.2.3. **Employee Contribution.** Employee contributions 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 lay-off; (b) Death – In the case of an employee's death, covered dependents may continue medical, dental for the remainder of the continuation period with COBRA available beginning thereafter; (c) Retirees -- Continuation coverage is not available if the employee is eligible for retiree health benefits.

5.4.4.3. **Training Assistance.** The employee will be eligible for tuition assistance for courses related to obtaining employment, provided the program/course has been pre-approved by the Senior Management Representative and must be completed within 1 year from layoff date. The amount of assistance offered to each employee is the lesser of the actual expense and Five Thousand Dollars (\$5,000). All payments will be made directly to school/institution providing the training.

5.4.4.4. **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 healthcare, the employee can terminate employment as a retiree and be eligible for retiree healthcare.

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 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 and Plan administrative costs has been established. The Company will contribute for the period May 1, 2010 to June 30, 2011, a monthly per capita premium of one thousand thirty two dollars and 31/100 (\$1,032.31), for the period July 1, 2011 to June 30, 2012 a monthly per capita premium of one thousand and eighty three dollars and 93/100 (\$1,083.93); for the period July 1, 2012 to June 30, 2013 a monthly per capita premium of one thousand one hundred seventy dollars and 64/100 (\$1,170.64).

If the Trustees of the USW/Merck Health and Welfare Trust decide to provide benefits through the mechanism of self insurance, then during the period of time starting as of such deci-

sion and ending on June 30, 2013, the Company, in addition to the per capita contributions as set forth above, will make such other contributions as may be necessary, on a semi-annual basis, to ensure a six (6) month level of reserves as of June 30 of each Plan year.

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. 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. 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, appli-

cability, 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 non-working 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**

During the term of this Agreement, the employees shall be covered by the Employee Dental Insurance Plan in accordance with the terms of such plan. The DMO Dental Option set forth below will be in effect only until December 31, 2010, after which time all employees will move to the Comprehensive Dental Plan.

Effective on the dates indicated below, employees shall make monthly contributions by payroll deduction for employee only, employee plus one dependent, or employee plus two or more dependents as follows:

<b>Monthly Employee Contributions</b>			
<b>Comprehensive Dental Option</b>			
Effective Date	EE only	EE + 1	EE + 2 or more
1/1/2010	\$8.00	\$17.00	\$26.00
1/1/2011	\$8.00	\$17.00	\$26.00
1/1/2012	\$9.00	\$19.00	\$29.00
1/1/2013	\$10.00	\$21.00	\$32.00

<b>Monthly Employee Contributions</b>			
<b>DMO Dental Option</b>			
Effective Date	EE only	EE + 1	EE + 2 or more
1/1/2010			
through			
12/31/2010	\$6.00	\$14.00	\$21.00

During the term of this Agreement, the employees shall be covered by the Employee Dental Insurance Plan in accordance with the provisions of such Plan.

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.

7.1. The following is a general outline of the basic provisions of the Plan and is subject to the actual terms and conditions set forth in the insurance contract and/or summary plan description for the Plan.

7.1-1. Coverage will be provided for all employees actively at work and their eligible dependents on the effective date of the Plan and for those employees on short-term disability, long-term disability, leaves of absence or on a temporary layoff in accordance with Article 23.7-2. Employees on a non-temporary layoff are also included if they pay the applicable premium starting the first day of the month following layoff. Retirees are excluded, except that dental coverage for post May 1, 1988 retirees will be available on the same terms as dental coverage made available to salaried employees and their families. New employees will be eligible for and covered by the Plan upon commencement of employment.

7.1-2. Where an active employee who is not eligible for early retirement and who has twenty-five (25) or more years of service dies, or where an active employee who is eligible for early retirement pursuant to the Company's Pension Plan dies, the surviving spouse and dependent child(ren) shall continue to have coverage under the Plan for the lifetime of the spouse for as long as the child(ren) qualify as covered dependents under this Plan subject to the monthly contributions as set forth

above and subject to the continuation of the Plan. Where an active employee who is not eligible for early retirement and who has less than twenty-five (25) years of service dies, the surviving spouse and dependent child(ren) shall continue to have coverage under the Plan for a period of twenty-four (24) months following the employee's death subject to the monthly contributions as set forth above and subject to the continuation of the Plan.

7.1-3. Dependents, as used herein, means an employee's spouse who is not legally separated from the employee and an employee's unmarried child(ren) who derives more than fifty (50) percent of his/her support and maintenance from the employee, including any step child(ren), foster child(ren) or legally adopted child(ren), from birth to age nineteen (19) (twenty-five (25) if such child(ren) is a full-time day student in an accredited secondary school, college, university or vocational school other than a school providing for rehabilitation or occupational therapy); provided however that effective January 1, 2011, an employee's child(ren) shall mean the employee's birth child(ren), step child(ren), foster child(ren) or legally adopted child(ren) to age 26 provided that and for so long as such change is applicable to salaried employees.] In addition, any child of an employee who, by reason of bodily or mental infirmity, is disabled and incapable of self-support shall be considered as dependent without regard to such child's age, if otherwise insured as a dependent prior to the date coverage would have otherwise ended as described in the preceding sentence. "Dependents" as used herein shall include same sex domestic partners (and their dependent children) as defined by the Company's salaried health and welfare plans as currently in effect.

7.2. If a covered person is also covered under another group insurance plan providing dental benefits or services,

either on an insured or uninsured basis, then the benefits payable with respect to such person will not exceed the total dental expenses incurred nor will the Employee Dental Insurance Plan pay more than the total benefits provided for under the Plan. Benefits payable under another plan will include benefits which would have been payable had a claim been duly made therefore.

7.3. When the treatment proposed by the dentist to the patient will cost more than two hundred dollars (\$200), the dentist must submit his treatment plan plus supporting x-rays for pre-determination of benefits. When the proposed treatment is two hundred dollars (\$200) or less, or is required by an emergency, the Treatment Plan form is completed after the work is done.

7.4. The Plan will pay one hundred (100) percent of reasonable and customary charges made by a dentist for preventive and diagnostic services, eighty (80) percent of the reasonable and customary charges made by a dentist for basic services, including pre-existing conditions and work in-progress, and fifty (50) percent of the reasonable and customary charges made by a dentist for major services, including orthodontia, as identified in the Plan. The services described above are subject to an annual \$25 deductible. Reasonable and customary charges shall be determined by an insurance carrier. Any disagreement of a carrier's determination may be handled under the grievance procedure.

7.5. The lifetime maximum for orthodontic charges shall be fifteen hundred dollars (\$1,500). The calendar year maximum per person, exclusive of orthodontic charges, shall be two thousand dollars (\$2,000). The lifetime maximum per person, exclusive of orthodontic charges, is unlimited.

7.6. The benefits provided by the Plan shall not be reduced prior to the expiration date of this Agreement (April 30, 2013).

7.7. Employees may opt out of or into dental coverage during each year's annual enrollment, effective January 1 of the following calendar year. In addition, employees may opt into or out of dental coverage mid year subject to the permitted plan change rules applicable to salaried employees.

## **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 nonreviewable 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 ES&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. 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              |                           |

The Company will also observe two (2) floating holidays each year. A determination as to when the two (2) floating holidays in each year will be observed will be made during the fourth (4th) quarter of the first year of the contract and before

December 1 for the term of the contract by mutual agreement between the Company and the Union. They will be observed on a Monday or a Friday, either preceding or following one of the other paid holidays.

9.2. In the event any of the above holidays 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.

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 a bona fide illness or injury, or with the knowledge and consent of supervision, 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. Effective May 1, 2010, 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, except that employees who were on long-term disability as of April 30, 2010 will be eligible to be paid for holidays which occur during the eighteen (18) 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.

9.10. **Christmas Bonus.** Any Christmas bonus periodically paid to employees will be paid in December (less applicable withholding) and included in a regular weekly paycheck paid to employees in December. After payment of the 2010 Christmas bonus, the Christmas bonus will be eliminated.

## **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, vacation shutdown may be scheduled between December 15 and 31 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, and due to occupational illness or injury. 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 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. Annual Military Encampment Or Cruise.** The Company shall pay to an employee serving in the National Guard of the States, the Naval Militia or the United States Armed Forces Reserve for each day of absence from employment during the annual one (1) or two (2) weeks' encampment or cruise or, in the case of National Guardsmen, when performing duty in emergencies such as floods, fires, prison breaks, public disorders, etc., for not more than thirty (30) days of absence from employment in any one calendar year, the difference between the employee's standard base rate of pay plus shift differential, if applicable, (on the basis of an eight (8) hour day, forty (40) hour week), and the amount of compensation per day received for such military or naval duty.

**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 seven (7) 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 grievance shall be submitted within thirty (30) calendar days to the Company's designated representative(s). The latter shall hold a meeting within seven (7) working days with no more than five (5) representatives of the Union with or without the employee and shall give a written answer no later than seven (7) 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.

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 meet-

ings 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 twenty-one (21) 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; including any clerical or stenographic expenses that both agree to, provided that the party that 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 eight arbitration cases per calendar quarter.

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 up to 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 B(7)(b) below.

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: (a) discharge grievances; and (2) non-discharge grievances (discipline and contract-interpretation). 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.

b. The parties will maintain a master list that contains, by category and by order of priority, 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 cases 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;

ii. At all times, the selecting party may select any non-discharge grievance that arose after the ratification of the May 1, 2010 Agreement, without regard to the date of arbitration demand of such grievance;

iii. In the event that the Master List contains fifty or fewer cases, the selecting party may select a non-discharge grievance that arose prior to the ratification of the May 1, 2010 Agreement, without regard to the date of arbitration demand of such grievance;

iv. In the event that the Master List contains more than fifty cases, the selecting party may not select a case that arose prior to the ratification of the May 1, 2010 Agreement unless such case is the oldest case on the Master List as judged by the date of arbitration demand.

v. 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 21 days in advance of the arbitration dates.

b. In the event that an arbitration-ready grievance is settled more than 21 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 21-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 21-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 parties may also secure a replacement date from the affected Arbitrator.

**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.

### **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.** 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.

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.

## **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, slow-down 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 pro-

gression 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. **2010 Transitional Rule.** Employees in the bargaining unit as of May 1, 2010, who were in the bargaining unit as of April 30, 2010, will be placed into the appropriate wage progression by comparing his or her "Map Rate" (that amount cal-

culated by adding his/her COLA as of April 30, 2010 to the product of his/her base rate of pay as of April 30, 2010 times the general wage increase (1 plus the amount of the general wage increase expressed as a decimal) to become effective on the first Monday following ratification of the agreement) to the newly established wage progression. Employees will be placed on the schedule according to their Map Rate, not to exceed the applicable Top Rate. In cases where the employee's Map Rate falls between two levels of the applicable wage progression, the employee will be placed into the higher level of progression. The wage progression level to which the employee is mapped will establish his/her progression level and will apply until the employee's next anniversary, at which time he/she will progress to the next level (unless he/she is at top rate) and such process will continue until he/she reaches the Top Rate.

19.7. **Increased Starting Rate.** On January 1 and/or July 1 of each year, the Company may 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 calendar year basis. For purpose of this provision, "equally" means within twenty (20) 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 80 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.**

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 a trainee is eligible to be included in the overtime rotation within an Overtime Sharing Group. When a trainee goes into the rotation, he/she is assigned hours equal to the highest number of hours in the Overtime Sharing Group plus one.

c. 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.

d. All overtime hours offered to an employee will be charged as overtime hours offered whether accepted or refused. Until December 31, 2010, overtime will be charged on an hours offered basis, meaning that, an employee will be charged for the time/hours offered or worked, regardless of whether the employee is paid a premium for those hours. For example, an employee who works 16 hours in a day, will be

charged for eight hours, even though he/she may be paid 14 hours of overtime pay (hours 9 through 12 at one and a half times (1-1/2 ) and hours 13 through 16 at double time (2x)). Beginning on January 1, 2011, 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.

#### **22.4-1.3. 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. 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. An employee who bids or bumps into a job with established training procedures or evaluation will complete that training (required to do

the job) before being eligible for overtime as part of the Overtime Sharing Group and will pick up high hours at that point in time. Apprentice Training Program rules for eligibility will still apply.

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 a week with a holiday, will not be eligible to work any holidays during that week or for the sixth (6th) 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 of 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 time and one-half of their then current 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. 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. **Eligibility for Premium Pay.** An employee must work all scheduled straight time hours in a workweek in order to be eligible to receive the premium pay and/or overtime pay for any time worked in that workweek 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 workweek. For purposes of this provision, "straight time hours" includes approved vacation, holidays, union business, military encampment, bereavement leave, jury duty, court appearance, temporary layoff, authorized personal time off, but excludes (whether authorized or not) sick time, short-term disability, FMLA (e.g., intermittent or consecutive days off), long term disability, and workers compensation.

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 lay-off 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, Security, 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.** A one-half (1/2) hour lunch 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 (2nd) one-half (1/2) hour 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 lunch periods shall be considered time worked for payroll purposes; however, under no circumstances shall payment be made in lieu of time off the job under this Paragraph except in instances where in the opinion of the supervisor, the employee cannot be excused from work.

**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 23.1-1d 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 "**Business Unit**" means a work unit within the Company's operation as determined by the Company according to the function being performed and/or the skills and responsibilities of the employees in such unit.

b. A "**Sub Unit,**" or "**Area**" or other such term means a subdivision of employees and/or job classifications within a Business Unit as determined by the Company. Generally an Area is a grouping of employees that is smaller than a Sub Unit.

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, or a bump or has been working as a result of a Flex Flow Assignment (as defined in Article 23.2-1(a)) for six consecutive months. 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 any work schedule within a shift starting time no more than one hour before or after the current work schedule's shift start time, regardless of the day of the week.

f. "**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.

In the event two (2) or more employees have the same date of employment, seniority shall be determined by the time of hiring stamped on the employees' applications for employment, which time shall also be stamped upon the Union's copy of the Union Dues Authorization card. The employee with the earliest time stamp shall be the most senior and so on. The time stamps shall be consistent with the assigned shifts. That is, employees assigned to the earliest shifts on the day which they start to work shall have a time stamp earlier than employees assigned to a later shift that day. Employees with common seniority, hired prior to the use of the time stamp, shall have their seniority with respect to each other determined by a drawing on each occasion where seniority is the determining factor.

g. **"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.

h. **"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 Company seniority gives them.

**i. 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 one-hundred eighty (180) calendar day probationary period before being placed on any seniority list ("Probationary Period"). Time absent from work (for illness, vacation, FMLA, leave of absence or other reason) will extend this 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 com-

pleting 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 Business Units, Sub Units, Areas, 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 has the right to assign employees to perform any function or task of a job and/or to move employees to fill any job ("Right to Assign") based on the Company's assessment of the employee's skills, ability, experience and seniority and the needs of the business.

23.2-1. **Qualified Positions.**

a. **Same Classification, Business Unit and Shift.** The Company has the Right to Assign an employee in a qualified job to any job function or task within the employee's same classification, Business Unit and shift for an indefinite duration, subject to the following limitations:

i. In the case where an assignment would result in a change of the employee's work days, the Company will provide the Union and the employees in the affected classification in the affected Sub Unit and/or Area on the affected shift with advanced notice of the change and, in those cases where the move would involve less than the entire shift, the Company and the Union will solicit volunteers from the affected classification

in the affected Sub Unit and/or Area and on the affected shift for the assignment. The Company will select qualified employees for the assignment from those employees who have volunteered first. If there are insufficient volunteers, then the Company will select the least senior qualified employee(s) from the affected classification in the affected Sub Unit and/or Area on the affected shift for the assignment. No employee will be required to (but may agree to) begin an assignment that changes their work days with less than two weeks notice of the change.

ii. An employee who is assigned to work outside of his/her Home Area Assignment ("Flex Flow Assignment") has the right to be re-assigned to his/her Home Area Assignment (in accordance with the provisions of Article 23.2-4(e)) if the Company adds 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 (in either case) within six months from start of the Flex Flow Assignment.

b. **Different Classification and/or Business Unit, Same Shift.** The Company has the Right to Assign an employee in a qualified job to any job function or task on the employee's same shift, without regard to job classification or Business Unit for a period of time up to ninety (90) working days. Employees will be paid in accordance with Article 25.5-1.

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

a. **Same Classification and Shift, Same or Different Business Unit.** The Company has the Right to Assign an employee in a non-qualified job to any job function or task within the employee's same classification and shift, regardless of Business Unit, for an indefinite duration, subject to the following limitations:

i. In the case where an assignment would result in a change of the employee's work days, the Company will provide the Union and the employees in the affected classification in the affected Sub Unit and/or Area on the affected shift with advanced notice of the change and, in those cases where the move would involve less than the entire shift, the Company and the Union will solicit volunteers from the affected classification in the affected Sub Unit and/or Area and on the affected shift for the assignment. The Company will select qualified employees for the assignment from those employees who have volunteered first. If there are insufficient volunteers, then the Company will select the least senior qualified employee(s) from the affected classification in the affected Sub Unit and/or Area on the affected shift for the assignment. No employees will be required to (but may agree to) begin an assignment that changes their work days with less than two weeks notice of the change.

ii. An employee on a Flex Flow Assignment has the right to be re-assigned to his/her Home Area Assignment (in accordance with the provisions of Article 23.2-4(e)) if the Company adds 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 (in either case) within six months from the Flex Flow Assignment.

b. **Different Classification, Same Shift.** The Company has the Right to Assign an employee in a non-qualified job to any job function or task on the employee's same shift, without regard to job classification either in the same or different Business Unit for a period of time up to ninety (90) working days. Employees will be paid in accordance with Article 25.5-1.

**23.2-3 Assignments Across Shifts.** The Company has the Right to Assign employees (qualified and non-qualified) across shifts (regardless of classification and/or Business Unit) ("Different Shift Assignment") in accordance with the following provisions.

**23.2-3.1. Short Term Business Need.** The Company may make Different Shift Assignments 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 Business Unit(s) /Sub Unit(s)/Area(s) from where such need can be filled and the number of employees who can be moved from a given Business Unit /Sub Unit/Area); (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 Business Unit(s) /Sub Unit(s) /Area(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 as follows:

(i) at a rate of time and one-half (1 1/2x) for all hours worked in the Different Shift Assignment until December 31, 2010; and

(ii) effective, January 1, 2011, 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; and

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. **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.

**23.2-3.3 Special Assignments.** 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), employees who volunteer and are selected for such role(s) will be placed on the shift of the assignment, regardless of whether that shift is different from his/her current shift. No employee will be forced to accept such a special assignment. An employee who does volunteer and is selected for such a special assignment will have his/her schedule changed in the Time Reporting System to reflect the schedule of the special assignment 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 Business Units, Sub Units and/or Areas, by, for example, adding Business Units/Sub Units/Areas or combining Business Units; or (iii) a realignment of shifts by changing the allocation of the number of employees on the various shifts in a job classification in an Area 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 except that if the alter-

ation results in a decrease in the number of employees in an affected classification within an affected Business Unit, then the least senior employee(s) affected in such classification will be subject to layoff.

b. In the case of a Shift Realignment where the aggregate number of employees in the affected classification in the affected Sub Unit and/or Area will not change, the Company will solicit volunteers within the affected job classification in the affected Sub Unit and/or Area to change shifts. If there are insufficient volunteers to fill a shift, then the Company may exercise its rights in accordance with Article 23.2-3, use overtime or post open position(s).

c. In the case of a Shift Realignment accompanied by an increase in positions in the affected classification in the affected Sub Unit and/or Area, the Company will post the number of increased positions, subject to Article 23.2-4(e) below. The successful bidder(s) will be backfilled (if at all) in accordance with Article 23.3-9.

d. In the case where the Company decides to replace an employee who has vacated a position regardless of the reason (i.e., to fill a vacancy), the Company will post the position, subject to Article 23.2-4(e) below. The successful bidder will be backfilled (if at all) in accordance with Article 23.3-9.

e. If the increase in positions in accordance with Article 23.2-4(c) or the vacancy to be filled in accordance with Article 23.2-4(d) is in the Home Area Assignment of an employee on a Flex Flow Assignment, then the Company will give such employee the opportunity to return to his/her Home Area Assignment prior to filling the position. In such case, the Company will notify the Union and will contact the employee in person or by phone, and ask the employee whether he/she

wishes to return to his/her Home Area Assignment. If the Company is unsuccessful in reaching the employee in person or by phone, then it will leave a message at the employee's phone number of record. If the employee desires to return to his/her Home Area Assignment, then he/she must so inform the Company immediately if contacted directly or within 48 hours of a message being left on his/her phone number of record or of notice to the Union. If the employee fails to inform the Company of his/her desire to return to the Home Area Assignment as set forth above, then such failure will be deemed to be a decision not to return to the Home Area Assignment, in which case the Company may proceed to fill the position and the employee will have no further right to be returned to his/her Home Area Assignment for the duration of the Flex Flow Assignment. If the employee notifies the Company of his/her desire to return to his Home Area Assignment within the time limits set forth above, then the Company will return the employee to his/her Home Area Assignment within thirty calendar days of such notice. Notwithstanding the above, if the employee is on a vacation or otherwise away from work at the time of such notice, the Company will work with the Union in good faith to try to reach the employee and, in such case, will reasonably consider extending the 48 hour time period, *provided however* that, in no case will such extension be longer than 7 calendar days, the time at which the employee is reached or the day on which the employee is scheduled to return to work, whichever is shorter.

**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 two (2) days and twenty (20) hours on Company bulletin boards (which will begin at 12:00 noon on the first day and end at 8:00 A.M. on the third day), 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 Area), the shift, the initially assigned days of the week 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 immunization and/or titer, an employee must have the requisite immunization and/or acceptable current titer on record in Health Services at the time of his acceptance of the position. It is understood that this requirement applies only to vaccines that have been licensed. The Company will discuss new immunization and/or 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.** 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. In the event that the Company determines to backfill the successful bidder on a job posting, the Company, at its discretion, will either (a) solicit volunteers within the same classification and department (or Area) (*i.e.*, polling) of the successful bidder to allow for movement; or (b) post the backfill. Once the posting/polling process is complete, the Company may hire exter-

nally (but may, in its discretion, choose to further post or poll). 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.

#### 23.4. **Job Selection, Assessments.**

23.4-1. **Required Assessments.** All employees who wish to promote into a new job classification or make a lateral move into a qualified job will be required to take and pass a computer-based Assessment Test prior to bidding, unless the employee held the same job or any component of a consolidated or combined job within the three (3) years from the date of bid. In addition, 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. Employees will not be tested to remain in their current positions.

23.4-2. **Test-Taking.** If an employee wants to take an Assessment test, he/she shall sign up with West Point Labor Relations. In general, the Assessment test can be completed in 1.5 hours to 3 hours and the employee will be paid up to four (4) hours of pay at the straight time hourly rate to complete the first Assessment test. 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.** When a job is posted, the job will be awarded to the most senior bidder who successfully passed the applicable Assessment(s) and 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 assessment and qualifications requirements, an employee 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 labor grade 11 and above will be reevaluated for six (6) months 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.

All employees who are enrolled in an approved coursework program for In Lieu of Requirements by April 30, 2007 and complete the necessary courses in order to meet the In Lieu of Requirements by April 30, 2010 shall be eligible for the Trainee Bio Technician and Lab Technician position, provided the employee takes and passes the applicable Assessment test.

### 23.5. **Training.**

23.5-1. **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.

### 23.5-2. **Company Responsibilities.**

a. The Company shall have the responsibility to design and implement Training Plans for each job classification and/or within each job classification in the bargaining unit, as applicable, and to determine the funding for training. The term Training Plans as used in this Article 23.5 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, frequency of re-training and the appropriate time limits on demonstrating competency in training, the identification of employees subject to specific training, the establishment of the timing of training and the size of training classes, and the establishment of criteria for selecting and utilizing employee trainers to deliver training.

b. The Company will use its best efforts to establish and maintain Training Plans for each job classification in the bargaining unit and to ensure that the employees in such job classifications are provided with the training required to perform their job tasks.

c. The establishment and content of the Training Plans 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 Training Plans.

**23.5-3 Union Responsibilities.** The Union agrees to cooperate fully with the Company in the design and implementation of Training Plans, which cooperation will include its exercise of reasonable efforts to (a) provide feedback and input on Training Plans as requested; (b) encourage employees to engage and participate fully in Training Plans; (c) participate fully in training initiatives, including without limitation, the Training Governance Committee; and (d) otherwise to support the goals and objectives of maintaining a well-trained work force.

**23.5-4 Training Governance Committee.** On or after May 1, 2010, the Company will establish a Training Governance Committee with the charter to develop and recommend Training Plans for each bargaining-unit job classification. During the 2010 Agreement, the work of the Training Governance Committee will be initiated in priority areas of MMD Operations.

a. The Training Governance Committee will be comprised of three representatives from the Company and three representatives from the Union, with each party designating its representatives. One of the Company representatives shall act as Chairperson of the Training Governance Committee.

b. On or before May 15, 2010, the Company designated Chairperson shall provide to the Union President the names of the Company representatives. On or before one week after receiving the names of the Company representatives, the Union President shall forward to the Chairperson the names of the Union representatives. The Company and the Union agree that continuity of representatives on the Training Governance Committee is important and will endeavor to maintain that continuity. Notwithstanding the preceding sentence, either party may substitute representatives on the Training Governance Committee upon notice to the other party.

c. The Chairperson shall call an initial meeting of the Training Governance Committee as soon as practical after receiving notice of the Union representatives. Thereafter the Training Governance Committee shall meet monthly with the purpose of developing and implementing Training Plans.

d. Once Training Plans have been established

for each job classification in the MMD Operations' area, (i) the Training Governance Committee will continue to meet on a quarterly basis for the purpose of reviewing training experiences throughout the workplace and any recommended adjustments to the Training Plans; and (ii) the Company and Union will meet to discuss extending the work of the Training Governance Committee to other areas.

e. The Training Governance Committee will cease to exist at the earlier of (i) such date that the parties mutually agree or (ii) April 30, 2013, unless the parties mutually agree otherwise.

23.5-5. **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, however, that not every employee who is skilled at performing a job is also skilled at training others to perform that job. The parties agree to the following provisions with respect to bargaining unit employees acting as trainers ("Bargaining-Unit Trainers").

a. Each Business Unit or Area will establish, based on an assessment of business needs, how many (if any) Bargaining-Unit Trainers are desirable and the job classifications that warrant Bargaining-Unit Trainers.

b. In selecting Bargaining-Unit Trainers, the departmental leader will reasonably consider suggestions from the employees in the Business Unit or Area 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.

c. 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.

d. In no event will the work performed by a Bargaining-Unit Trainer be considered exclusive bargaining unit work.

### **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 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 after the employee has successfully completed his/her Progress Review Period as defined in Article 23.4-6 (120 days) (or Probationary Period as defined in Article 23.1-2 (180 days), if longer, in the case of a new hire). For clarity, a Flex Flow Assignment does not start a new lock-in period. 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. **Special Provision for Biological/Laboratory Technicians.** The Company will continue to honor Two Year Commitments and Extended Commitments entered by Biological/Laboratory Technicians under the parties' 2004 Agreement for the length of such commitment, provided that such commitment was entered on or before April 15, 2007.

23.6-3. **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 an eight (8) month period, which period shall begin on the date on which the employee has successfully completed his/her Progress Review Period as defined in Article 23.4-6 (120 days) (or Probationary Period as defined in Article 23.1-2 (180 days), if longer, in the case of a new hire).

**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.** Supervisors 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 lay-off 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. Subject to provisions of Article 23.2, a layoff event occurs only when there is a reduction in the total number of positions in a job classification due to an original lack of work (OLOW). The Company may alter its staffing structure without layoffs, bumps and job posting, except that if the alteration results in a decrease in the number of employees in an affected classification within an affected Business Unit, then the least senior employee(s) in such classification (or in the case of the Maintenance and Utilities Business Unit, within a craft in a job classification) will be subject to layoff.

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 to be placed into 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 either select an open position or a voluntary layoff to the street within 24 hours of the notice of layoff, then the Company will 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 as the employee's former job;

iii. if the Company does not place the Laid Off Employee into an open job 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 in a job classification (or, in the case of the Maintenance and Utilities Business Unit, within a craft) for which he or she is qualified); and

iv. if the employee does not exercise his/her bump rights with 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. **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 posi-

tion. All employees who successfully complete the training program will be upgraded at the completion of the training program.

**23.7-5. 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 illness pay, illness leave, 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 illness pay, illness leave, 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, Business Unit and shift, provided that:

a. the employee (i) meets all of posted qualifications of the job; and (ii) has successfully passed the applicable Assessment(s) for the job in question prior to the bump (the criteria of subparagraph (a)(i) 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); and

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.

## 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 twenty (20) working days, the employee shall be laid off and exercise his/her rights in accordance with Article 23.7-3(b). The employee bumped shall be recalled.

b. An employee who is permitted to bump upward to a job labor grade 8 and above 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 employ-

ee 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, except that the Company and Union agree that the recall provisions in the parties' 2004 Agreement will apply to the recall of any employee on the seniority list who was on layoff as of April 30, 2007.

23.10-1. **Recall Generally.** An employee recalled from the street must return to his/her former classification (or successor classification), regardless of shift, within three (3) calendar days of the recall notice.

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 Company seniority for openings in the employee's job classification (or successor job classification).

23.10-4. **Notice of Recall.** Within three (3) calendar days of written notice offering work in the job classification (or successor classification) to which the employee is entitled to be recalled, 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 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 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, 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 or evaluation measures 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 can not 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.

24.3. **Safety Representative.**

24.3-1. **Safety Representative Job.** The Company agrees to maintain the full-time safety representative position created in the May 1, 2007 Agreement ("Safety Representative Job") to be staffed initially by the same employee selected to the role immediately after the May 1, 2007 Agreement (the "Selected Employee"). The Company and Union agree that (a) the roles and responsibilities of the Safety Representative Job will include (i) those duties being performed during the May 1, 2007 Agreement and (ii) the responsibility for the timely notification to the designated union representative of injuries sustained by bargaining-unit members (after receiving such notice from the Company); (b) the reporting relationship of the Safety Representative Job will continue as established under the 2007 Agreement; (c) the Safety Representative Job will fit into the overall safety structure the same way as established in the 2007 Agreement; and (d) the Company will provide notice to the Selected Employee of work place injuries sustained by bargaining unit members within a reasonable period of time.

24.3-2. **Other Provisions**

a. If the Selected Employee fails to satisfactorily perform the duties and responsibilities as determined by Article

24.3-1(a) or otherwise leaves the position, then the Company and the Union shall designate a new representative to fill the Safety Representative Job (such new representative also referred to as the "Selected Employee").

b. The Selected Employee will be paid an hourly rate equal to the rate he/she was earning at the time of the assignment to the Safety Representative Job.

c. The assignment of the Selected Employee will end upon the earlier of (i) the removal of the employee from the position or (ii) the resignation of the employee from the Safety Representative Job. Upon the end of the assignment, if the Selected Employee is still part of the bargaining unit, he/she will be returned to his/her prior position, if it exists, and he/she has the seniority to bump the least senior employee in his/her former position, if not, the Company may absorb the bump or the least senior employee will exercise his/her layoff rights.

d. In no event will any work performed by the Selected Employee in the Safety Representative Job be considered exclusive bargaining unit work.

24.4. **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.

24.5. **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.

24.6. **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.

24.7. **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 1:30 P.M. or at other times which may be 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.

24.8. **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 May 17, 2010, January 1, 2011, May 1, 2011 and May 1, 2012. 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 departments 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 ren-

dered 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 immedi-

ately, 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.**

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 is placed into a lower rate job classification, the employee shall retain the hourly base rate of the job classification from which the employee is transferred.

25.6-3. An employee with less than twenty-five (25) years of service shall retain the employee's hourly base rate, provided the illness or injury was occupational.

25.6-4. 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.

## **ARTICLE 26 – JOB SECURITY**

In accordance with Appendix H, the Company will create a new Labor Grade 1 Service Worker Position ("Service Worker Position") that will be populated by no more than forty (40) employees. Employees in the Service Worker Position will perform cleaning and other similar 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; (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); (iv) the Company will not hire employees into the Service Worker Position.

## **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.

## **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. Non-Compensable Absences.**

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 accident. 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.

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 talk, there has been no subsequent disciplinary action for absenteeism and the employee's record has improved.

### **31.1-2. Schedule Of Benefits.**

### 31.1-2.1. **Definitions.**

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

b. **“Excused Absence”** means any absence that is covered by the "Exclusions" as set forth in the Absence Control Policy attached as Appendix G to this Agreement.

c. **“Measurement Period”** means (i) for calendar year 2011, that seven month period from May 1, 2010 through November 30, 2010; and (ii) for all other calendar years, that twelve month period beginning on December 1 of the second preceding calendar year and ending on November 30 of the preceding calendar year.

d. **“Non-Waiting Period Employee”** means an employee not subject to a Waiting Period.

e. **“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.

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

g. **“Waiting Period Employee”** means (i) from January 1, 2008 through and including December 31, 2010, every employee; (ii) from January 1, 2011 through December 31, 2011, an employee who, as of first date of any absence had a record of more than three Charged Absences in the Measurement Period; (iii) on and after January 1, 2012, an employee who, as of first date of any absence had a record of

more than five Charged Absences in the Measurement Period; and (iv) on and after January 1, 2011, is in the first six months of his/her employment.

31.1-2.2. **Benefits for Non-Waiting Period Employees.** A Non-Waiting Period Employee who is temporarily disabled as a result of a non-compensable injury or illness (i.e., not covered by workers' compensation laws) and who is absent as a result of such injury or illness shall be paid for such days or partial days absent at a rate of pay equal to his/her hourly base rate plus shift differential, if applicable, up to the maximum number of days set forth in the following schedule of benefits:

<b>Length of Continuous Service</b>	<b>Total Days of Benefits in Each Calendar Year</b>
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

A Non-Waiting Period Employee who experiences absences as a result of a non-compensable illness or injury after he/she has exhausted his/her benefits as set forth in the above schedule of benefits, will be paid for such days absent at State Rate for a period not to exceed twenty-six weeks, inclusive of days paid in accordance with the schedule of benefits.

31.1-2.3. **Benefits for Waiting Period Employees.**

a. No employee will be paid for any absence or partial day absence during the Waiting Period. Employees may use their full allotment of paid personal time as provided in Article 31.3 to offset unpaid days during the Waiting Period,

however, such personal time can not be used to offset time off that occurred prior to the request. In the event that an employee uses his/her paid personal time to offset a portion of a Waiting Period, such time off shall not be counted as absences subject to discipline under the Absence Control Policy.

b. For absences between January 1, 2008 and December 31, 2010, after the Waiting Period, a Waiting Period Employee who remains temporarily disabled as a result of a non-compensable injury or illness (i.e., not covered by workers' compensation laws) and who remains absent as a result of such injury or illness shall be paid in accordance with the provisions of Article 31.1-2.2.

c. For absences on or after January 1, 2011, after the Waiting Period, a Waiting Period Employee who remains temporarily disabled as a result of a non-compensable injury or illness (i.e., not covered by workers' compensation laws) and who remains absent as a result of such injury or illness shall be paid for such days absent at a rate of pay equal to the greater of (i) eighty percent of his/her hourly base rate plus shift differential, if applicable; or (ii) State Rate, for the maximum number of days as set forth in the above schedule of benefits. A Waiting Period Employee who experiences absences as a result of a non-compensable illness or injury after he/she has exhausted his/her benefits as set forth in the above schedule of benefits, will be paid (subject to any applicable Waiting Period) for such days absent at State Rate for a period not to exceed twenty-six weeks, inclusive of days paid in accordance with the schedule of benefits.

31.1-2.4. Additional benefits may be granted, at the discretion of Merck to employees with twenty-five (25) years or more continuous service.

31.1-2.5. The schedule of benefits is renewed each January 1.

### 31.1-3. **Additional Eligibility Requirements.**

a. **Reporting Of An Absence.** An employee must notify a supervisor or manager in his/her department 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.

b. **Medical Examination After Absence.** An employee returning from a non-compensable absence will report to Health Services before returning to work.

c. **Absence Exceeding Three Days.** In cases where an absence exceeds three (3) working days (including partial day absences), an employee will 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, specific treatment provided and that the employee is permitted to return to work. Employees will have the option of submitting a physician's certificate via fax to Health Services upon their return to work from an absence. If Health Services needs to see the employee in person, they will contact the employee.

### 31.1-4. **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.

31.1-5. **Forfeiture Of Benefits.** An employee who fails to report his/her absence within the prescribed time 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 supervisor, 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 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).

31.1-6 **Sick Pay And Overtime Pay.** Any absence due to illness or injury will not be considered as time worked for overtime purposes.

31.1-7. **Calculation Of Absences.** Any absence due to non-occupational accident or illness, regardless of length and regardless of the employee's eligibility for benefits, shall be deemed to be an absence for the purpose of computing the number of absences charged to the employee.

## 31.2. **Compensable Cases.**

31.2-1. An employee who is absent from work because of a compensable injury or illness (i.e., one covered by workers' compensation laws) shall be paid on the following basis according to the schedule outlined below.

- a. An employee shall receive pay at the employee's hourly base rate plus shift differential, if applicable.
- b. An employee shall be paid during the waiting

period required under workers' compensation laws (seven (7) days in Pennsylvania) in accordance with Subparagraphs 1 and 2 above and such time will not be deducted from the employee's benefit schedule. Thereafter, an employee will be granted "make up benefits" for the difference between the employee's wages as outlined above and the amount received under the workers' compensation law. The maximum duration of such "make up benefits" will in no event exceed eighteen (18) months.

c. An employee shall be compensated for scheduled overtime hours at the appropriate rate, if injured while working that scheduled overtime and received medical treatment either by Health Services, a licensed physician or a hospital. However, an employee will only be compensated for the overtime hours scheduled but not exceeding eight (8) hours.

**31.2-2. Additional Eligibility Requirements.**

Absence due to a compensable illness or injury must be at the direction of or be authorized by the Director of Health Services, a nurse, or authorized medical consultant.

**31.2-3. Benefits Not Accumulative.** Benefits are not accumulative from year to year. However, an employee who is absent due to a compensable illness or injury on the first (1st) day of the year will immediately become eligible for that year's schedule of benefits.

**31.2-4. Increased Benefits.** An employee who completes the necessary length of service for increased benefits will immediately become eligible for the additional portion of the new schedule.

**31.2-5. Forfeiture Of Benefits.** An employee whose absence due to a compensable illness or injury is not at the

direction of or authorization by the Director of Health Services, will be considered to have waived all benefits to which the employee would normally be entitled under this program. Employees who fail to report to Health Services before returning to work will be considered to have waived all benefits to which they would normally be entitled under this program. (If Health Services is closed when the employee is returning to work, the employee should report when Health Services is next open.)

31.2-6. **Illness Or Injury While At Work.** An employee who becomes ill or who is injured while at work will be referred at once to the Health Services section. Where no medical facilities are available, it will be the supervisor's responsibility to see that the employee receives prompt medical treatment if required.

31.2-7. **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.** An employee may be granted personal time off with pay for thirty-six (36) 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. Personal time off may be taken in increments or multiples of one or more hours and 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. Personal time off will also not be allowed when an employee is working a holiday.

**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:

31.4-1. An employee who works 2040 hours or more straight time hours in calendar year 2010 will earn three (3) days pay based on an eight hour day at the employee's base rate as of December 31, 2010. For purposes of earning this productivity bonus, "straight time hours" worked shall include approved vacation, holidays, union business, military encampment, bereavement leave, jury duty, court appearance, temporary layoff, authorized personal time off, but will exclude (whether authorized or not) sick time, short-term disability, FMLA (whether or not such days are partial, intermittent or consecutive days off), long term disability, disciplinary suspensions and workers compensation. In the event an employee earns the productivity bonus, the employee shall receive the three (3) days pay as soon as administratively feasible in 2011.

31.4-2. Beginning on January 1, 2011, an employee who works 2080 hours or all of his/her straight time hours, whichever is greater, in a calendar year will earn two (2) days pay based on an eight hour day at the employee's base rate as of December 31 in the calendar year in which the productivity bonus is earned. For purposes of earning this productivity bonus, "straight time hours" worked shall include approved vacation, holidays, union business, military encampment, bereavement leave, jury duty, court appearance, temporary layoff, authorized personal time off, but will exclude (whether

authorized or not) sick time, short-term disability, FMLA (whether or not such days are partial, intermittent or consecutive days off), long term disability, disciplinary suspensions, and workers compensation. In the event an employee earns the productivity bonus, the employee shall receive the two (2) days 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 Technician (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 which case the provisions of Article 23.7-3(b) will apply. 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



**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.

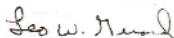
## **ARTICLE 35 - TERM OF AGREEMENT**

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, 2010 to April 30, 2013. The Agreement shall be continued in full force and effect for successive terms of one (1) year following April 30, 2013 unless either party shall notify the other party in writing sixty (60) days before April 30, 2013 or sixty (60) days before the expiration of any one (1) year term subsequent to April 30, 2013 that it wishes to terminate or modify this Agreement.

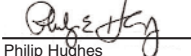
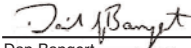
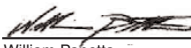
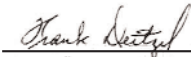
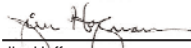
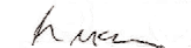
**This Agreement**, made and entered into this 1st day of May 2010, by and between Merck and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers, AFL-CIO, and its Local 10-00086 and to continue in effect through April 30, 2013.

United Steel, Paper, and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC

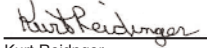
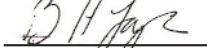
## AFL-CIO-CLC

Leo W. Gerard  
International PresidentStanley Johnson  
International Secretary/  
TreasurerThomas Conway  
International Vice President  
of AdministrationFred Redmond  
International Vice PresidentJohn P. DeFazio  
United Steelworkers,  
Director, District 10Thomas D. Jones  
United Steelworkers,  
Staff RepresentativeSam Thomas  
United Steelworkers,  
Technician

## LU 10-00086

Michael Parente, Sr.  
President  
LU #10-00086Philip Hughes  
Vice President,  
LU #10-00086Dan Bangert  
Plant Chairman  
LU #10-00086Mark Snyder,  
LU #10-00086Daryl L. Bailey, Sr.,  
LU #10-00086William Panetta,  
LU #10-00086Gary D. Holland,  
LU #10-00086Frank Deitzel,  
LU #10-00086Jim Hoffman,  
LU #10-00086Kevin McCafferty,  
LU #10-00086

## MERCK

Jose Morrissey  
Senior VP, NAO & CHCDaniel Driscoll  
Senior Director  
Labor RelationsJacks Lee  
VP, West Point OperationsStan Booth  
VPO, Strategy and IntegrationLorin Bradley  
Labor RelationsKurt Reidinger  
West Point Labor RelationsBrian Lange  
Director Quality Engineering

## APPENDIX A – WAGE PROGRESSION TABLES

May 2010

**Entry**

**Level 65%**

**GW 2%**

**GW added to base plus COLA**

**(Base+COLA)\*(1+GW)**

Effective 5/17/2010		LG 1	LG 2	LG 3	LG 4	LG 5	LG 6	LG 7	LG 8	LG 9
		10	20	30	40	50	60	70	80	90
Entry Rate	0	15.33	15.93	16.62	17.31	18.16	18.85	19.54	20.24	20.92
Step 1	1	16.15	16.79	17.52	18.24	19.14	19.86	20.59	21.33	22.05
Step 2	2	16.98	17.65	18.41	19.18	20.12	20.88	21.64	22.42	23.18
Step 3	3	17.80	18.51	19.31	20.11	21.09	21.89	22.69	23.51	24.30
Step 4	4	18.63	19.36	20.20	21.04	22.07	22.91	23.75	24.60	25.43
Step 5	5	19.46	20.22	21.10	21.97	23.05	23.92	24.80	25.69	26.56
Step 6	6	20.28	21.08	21.99	22.90	24.03	24.94	25.85	26.78	27.68
Step 7	7	21.11	21.94	22.89	23.84	25.00	25.95	26.90	27.87	28.81
Step 8	8	21.93	22.79	23.78	24.77	25.98	26.97	27.96	28.96	29.94
Step 9	9	22.76	23.65	24.68	25.70	26.96	27.98	29.01	30.05	31.06
Step 10: Top Rate	10	23.58	24.51	25.57	26.63	27.94	29.00	30.06	31.14	32.19
Effective 5/17/2010		LG 10	LG 11	LG 12	Production Clerical 3		Production Clerical 4		Production Clerical 5	
		100	110	120	30		40		50	
Entry Rate	0	21.81	22.56	23.28	18.37		20.04		22.01	
Step 1	1	22.98	23.78	24.54	19.36		21.12		23.20	
Step 2	2	24.15	24.99	25.79	20.35		22.20		24.38	
Step 3	3	25.33	26.21	27.05	21.34		23.28		25.57	
Step 4	4	26.50	27.42	28.30	22.33		24.36		26.75	
Step 5	5	27.68	28.64	29.55	23.32		25.44		27.94	
Step 6	6	28.85	29.85	30.81	24.31		26.52		29.12	
Step 7	7	30.03	31.07	32.06	25.30		27.60		30.31	
Step 8	8	31.20	32.28	33.31	26.29		28.68		31.49	
Step 9	9	32.37	33.50	34.57	27.27		29.76		32.68	
Step 10:	10	33.55	34.71	35.82	28.26		30.83		33.86	

Jan 2011

**Vacation/Holiday/Christmas  
Increase  
May 2010 wage plus 6 cents**

Effective 1/03/2011		LG 1	LG 2	LG 3	LG 4	LG 5	LG 6	LG 7	LG 8	LG 9
		10	20	30	40	50	60	70	80	90
Entry Rate	0	15.39	15.99	16.68	17.37	18.22	18.91	19.60	20.30	20.98
Step 1	1	16.21	16.85	17.58	18.30	19.20	19.92	20.65	21.39	22.11
Step 2	2	17.04	17.71	18.47	19.24	20.18	20.94	21.70	22.48	23.24
Step 3	3	17.86	18.57	19.37	20.17	21.15	21.95	22.75	23.57	24.36
Step 4	4	18.69	19.42	20.26	21.10	22.13	22.97	23.81	24.66	25.49
Step 5	5	19.52	20.28	21.16	22.03	23.11	23.98	24.86	25.75	26.62
Step 6	6	20.34	21.14	22.05	22.96	24.09	25.00	25.91	26.84	27.74
Step 7	7	21.17	22.00	22.95	23.90	25.06	26.01	26.96	27.93	28.87
Step 8	8	21.99	22.85	23.84	24.83	26.04	27.03	28.02	29.02	30.00
Step 9	9	22.82	23.71	24.74	25.76	27.02	28.04	29.07	30.11	31.12
Step 10: Top Rate	10	23.64	24.57	25.63	26.69	28.00	29.06	30.12	31.20	32.25
Effective 1/03/2011		LG 10	LG 11	LG 12	Production Clerical 3		Production Clerical 4		Production Clerical 5	
		100	110	120	30		40		50	
Retry Rate	0	21.87	22.62	23.34	18.43	20.10		22.07		
Step 1	1	23.04	23.84	24.60	19.42	21.18		23.26		
Step 2	2	24.21	25.05	25.85	20.41	22.26		24.44		
Step 3	3	25.39	26.27	27.11	21.40	23.34		25.63		
Step 4	4	26.56	27.48	28.36	22.39	24.42		26.81		
Step 5	5	27.74	28.70	29.61	23.38	25.50		28.00		
Step 6	6	28.91	29.91	30.87	24.37	26.58		29.18		
Step 7	7	30.09	31.13	32.12	25.36	27.66		30.37		
Step 8	8	31.26	32.34	33.37	26.35	28.74		31.55		
Step 9	9	32.43	33.56	34.63	27.33	29.82		32.74		
Step 10: Top Rate	10	33.61	34.77	35.88	28.32	30.89		33.92		

May 2011

**GW1 2%**  
**Jan 2011 Wage**  
**plus GW1**

Effective 5/1/2011		LG 1	LG 2	LG 3	LG 4	LG 5	LG 6	LG 7	LG 8	LG 9
		10	20	30	40	50	60	70	80	90
Entry Rate	0	15.70	16.31	17.01	17.72	18.58	19.29	19.99	20.71	21.40
Step 1	1	16.53	17.19	17.93	18.67	19.58	20.32	21.06	21.82	22.55
Step 2	2	17.38	18.06	18.84	19.62	20.58	21.36	22.13	22.93	23.70
Step 3	3	18.22	18.94	19.76	20.57	21.57	22.39	23.21	24.04	24.85
Step 4	4	19.06	19.81	20.67	21.52	22.57	23.43	24.29	25.15	26.00
Step 5	5	19.91	20.69	21.58	22.47	23.57	24.46	25.36	26.27	27.15
Step 6	6	20.75	21.56	22.49	23.42	24.57	25.50	26.43	27.38	28.29
Step 7	7	21.59	22.44	23.41	24.38	25.56	26.53	27.50	28.49	29.45
Step 8	8	22.43	23.31	24.32	25.33	26.56	27.57	28.58	29.60	30.60
Step 9	9	23.28	24.18	25.23	26.28	27.56	28.60	29.65	30.71	31.74
Step 10: Top Rate	10	24.11	25.06	26.14	27.22	28.56	29.64	30.72	31.82	32.90
Effective 5/1/2011		LG 10	LG 11	LG 12	Production Clerical 3		Production Clerical 4		Production Clerical 5	
		100	110	120	30		40		50	
Entry Rate	0	22.31	23.07	23.81	18.80		20.50		22.51	
Step 1	1	23.50	24.32	25.09	19.81		21.60		23.73	
Step 2	2	24.69	25.55	26.37	20.82		22.71		24.93	
Step 3	3	25.90	26.80	27.65	21.83		23.81		26.14	
Step 4	4	27.09	28.03	28.93	22.84		24.91		27.35	
Step 5	5	28.29	29.27	30.20	23.85		26.01		28.56	
Step 6	6	29.49	30.51	31.49	24.86		27.11		29.76	
Step 7	7	30.69	31.75	32.76	25.87		28.21		30.98	
Step 8	8	31.89	32.99	34.04	26.88		29.31		32.18	
Step 9	9	33.08	34.23	35.32	27.88		30.42		33.39	
Step 10: Top Rate	10	34.28	35.47	36.60	28.89		31.51		34.60	

May 2012

**GWI 3%**  
**May 2011 Wage**  
**plus GWI**

Effective 5/1/2012		LG 1	LG 2	LG 3	LG 4	LG 5	LG 6	LG 7	LG 8	LG 9
		10	20	30	40	50	60	70	80	90
Entry Rate	0	16.17	16.80	17.52	18.25	19.14	19.87	20.59	21.33	22.04
Step 1	1	17.03	17.71	18.47	19.23	20.17	20.93	21.69	22.47	23.23
Step 2	2	17.90	18.60	19.41	20.21	21.20	22.00	22.79	23.62	24.41
Step 3	3	18.77	19.51	20.35	21.19	22.22	23.06	23.91	24.76	25.60
Step 4	4	19.63	20.40	21.29	22.17	23.25	24.13	25.02	25.90	26.78
Step 5	5	20.51	21.31	22.23	23.14	24.28	25.19	26.12	27.06	27.96
Step 6	6	21.37	22.21	23.16	24.12	25.31	26.27	27.22	28.20	29.14
Step 7	7	22.24	23.11	24.11	25.11	26.33	27.33	28.33	29.34	30.33
Step 8	8	23.10	24.01	25.05	26.09	27.36	28.40	29.44	30.49	31.52
Step 9	9	23.98	24.91	25.99	27.07	28.39	29.46	30.54	31.63	32.69
Step 10: Top Rate	10	24.83	25.81	26.92	28.04	29.42	30.53	31.64	32.77	33.89
Effective 5/1/2012		LG 10	LG 11	LG 12	Production Clerical 3		Production Clerical 4		Production Clerical 5	
		100	110	120	30		40		50	
Entry Rate	0	22.98	23.76	24.52	19.36		21.12		23.19	
Step 1	1	24.21	25.05	25.84	20.40		22.25		24.44	
Step 2	2	25.43	26.32	27.16	21.44		23.39		25.68	
Step 3	3	26.68	27.60	28.48	22.48		24.52		26.92	
Step 4	4	27.90	28.87	29.80	23.53		25.66		28.17	
Step 5	5	29.14	30.15	31.11	24.57		26.79		29.42	
Step 6	6	30.37	31.43	32.43	25.61		27.92		30.65	
Step 7	7	31.61	32.70	33.74	26.65		29.06		31.91	
Step 8	8	32.85	33.98	35.06	27.69		30.19		33.15	
Step 9	9	34.07	35.26	36.38	28.72		31.33		34.39	
Step 10: Top Rate	10	35.31	36.53	37.70	29.76		32.46		35.64	

**WEST POINT USW TEN STEP WAGE PROGRESSION**

LG 1	Effective 5/17/2010	Effective 1/3/2011	Effective 5/1/2011	Effective 5/1/2012
Entry Rate	15.33	15.39	15.70	16.17
Step 1	16.15	16.21	16.53	17.03
Step 2	16.98	17.04	17.38	17.90
Step 3	17.80	17.86	18.22	18.77
Step 4	18.63	18.69	19.06	19.63
Step 5	19.46	19.52	19.91	20.51
Step 6	20.28	20.34	20.75	21.37
Step 7	21.11	21.17	21.59	22.24
Step 8	21.93	21.99	22.43	23.10
Step 9	22.76	22.82	23.28	23.98
Step 10: Top Rate	23.58	23.64	24.11	24.83

**WEST POINT USW TEN STEP WAGE PROGRESSION**

LG 2	Effective 5/17/2010	Effective 1/3/2011	Effective 5/1/2011	Effective 5/1/2012
Entry Rate	15.93	15.99	16.31	16.80
Step 1	16.79	16.85	17.19	17.71
Step 2	17.65	17.71	18.06	18.60
Step 3	18.51	18.57	18.94	19.51
Step 4	19.36	19.42	19.81	20.40
Step 5	20.22	20.28	20.69	21.31
Step 6	21.08	21.14	21.56	22.21
Step 7	21.94	22.00	22.44	23.11
Step 8	22.79	22.85	23.31	24.01
Step 9	23.65	23.71	24.18	24.91
Step 10: Top Rate	24.51	24.57	25.06	25.81

**WEST POINT USW TEN STEP WAGE PROGRESSION**

LG 3	Effective 5/17/2010	Effective 1/3/2011	Effective 5/1/2011	Effective 5/1/2012
Entry Rate	16.62	16.68	17.01	17.52
Step 1	17.52	17.58	17.93	18.47
Step 2	18.41	18.47	18.84	19.41
Step 3	19.31	19.37	19.76	20.35
Step 4	20.20	20.26	20.67	21.29
Step 5	21.10	21.16	21.58	22.23
Step 6	21.99	22.05	22.49	23.16
Step 7	22.89	22.95	23.41	24.11
Step 8	23.78	23.84	24.32	25.05
Step 9	24.68	24.74	25.23	25.99
Step 10: Top Rate	25.57	25.63	26.14	26.92

**WEST POINT USW TEN STEP WAGE PROGRESSION**

LG 4	Effective 5/17/2010	Effective 1/3/2011	Effective 5/1/2011	Effective 5/1/2012
Entry Rate	17.31	17.37	17.72	18.25
Step 1	18.24	18.30	18.67	19.23
Step 2	19.18	19.24	19.62	20.21
Step 3	20.11	20.17	20.57	21.19
Step 4	21.04	21.10	21.52	22.17
Step 5	21.97	22.03	22.47	23.14
Step 6	22.90	22.96	23.42	24.12
Step 7	23.84	23.90	24.38	25.11
Step 8	24.77	24.83	25.33	26.09
Step 9	25.70	25.76	26.28	27.07
Step 10: Top Rate	26.63	26.69	27.22	28.04

**WEST POINT USW TEN STEP WAGE PROGRESSION**

LG 5	Effective 5/17/2010	Effective 1/3/2011	Effective 5/1/2011	Effective 5/1/2012
Entry Rate	18.16	18.22	18.58	19.14
Step 1	19.14	19.20	19.58	20.17
Step 2	20.12	20.18	20.58	21.20
Step 3	21.09	21.15	21.57	22.22
Step 4	22.07	22.13	22.57	23.25
Step 5	23.05	23.11	23.57	24.28
Step 6	24.03	24.09	24.57	25.31
Step 7	25.00	25.06	25.56	26.33
Step 8	25.98	26.04	26.56	27.36
Step 9	26.96	27.02	27.56	28.39
Step 10: Top Rate	27.94	28.00	28.56	29.42

**WEST POINT USW TEN STEP WAGE PROGRESSION**

LG 6	Effective 5/17/2010	Effective 1/3/2011	Effective 5/1/2011	Effective 5/1/2012
Entry Rate	18.85	18.91	19.29	19.87
Step 1	19.86	19.92	20.32	20.93
Step 2	20.88	20.94	21.36	22.00
Step 3	21.89	21.95	22.39	23.06
Step 4	22.91	22.97	23.43	24.13
Step 5	23.92	23.98	24.46	25.19
Step 6	24.94	25.00	25.50	26.27
Step 7	25.95	26.01	26.53	27.33
Step 8	26.97	27.03	27.57	28.40
Step 9	27.98	28.04	28.60	29.46
Step 10: Top Rate	29.00	29.06	29.64	30.53

**WEST POINT USW TEN STEP WAGE PROGRESSION**

LG 7	Effective 5/17/2010	Effective 1/3/2011	Effective 5/1/2011	Effective 5/1/2012
Entry Rate	19.54	19.60	19.99	20.59
Step 1	20.59	20.65	21.06	21.69
Step 2	21.64	21.70	22.13	22.79
Step 3	22.69	22.75	23.21	23.91
Step 4	23.75	23.81	24.29	25.02
Step 5	24.80	24.86	25.36	26.12
Step 6	25.85	25.91	26.43	27.22
Step 7	26.90	26.96	27.50	28.33
Step 8	27.96	28.02	28.58	29.44
Step 9	29.01	29.07	29.65	30.54
Step 10: Top Rate	30.06	30.12	30.72	31.64

**WEST POINT USW TEN STEP WAGE PROGRESSION**

LG 8	Effective	Effective	Effective	Effective
Entry Rate	20.24	20.30	20.71	21.33
Step 1	21.33	21.39	21.82	22.47
Step 2	22.42	22.48	22.93	23.62
Step 3	23.51	23.57	24.04	24.76
Step 4	24.60	24.66	25.15	25.90
Step 5	25.69	25.75	26.27	27.06
Step 6	26.78	26.84	27.38	28.20
Step 7	27.87	27.93	28.49	29.34
Step 8	28.96	29.02	29.60	30.49
Step 9	30.05	30.11	30.71	31.63
Step 10: Top Rate	31.14	31.20	31.82	32.77

**WEST POINT USW TEN STEP WAGE PROGRESSION**

LG 9	Effective 5/17/2010	Effective 1/3/2011	Effective 5/1/2011	Effective 5/1/2012
Entry Rate	20.92	20.98	21.40	22.04
Step 1	22.05	22.11	22.55	23.23
Step 2	23.18	23.24	23.70	24.41
Step 3	24.30	24.36	24.85	25.60
Step 4	25.43	25.49	26.00	26.78
Step 5	26.56	26.62	27.15	27.96
Step 6	27.68	27.74	28.29	29.14
Step 7	28.81	28.87	29.45	30.33
Step 8	29.94	30.00	30.60	31.52
Step 9	31.06	31.12	31.74	32.69
Step 10: Top Rate	32.19	32.25	32.90	33.89

**WEST POINT USW TEN STEP WAGE PROGRESSION**

LG 10	Effective 5/17/2010	Effective 1/3/2011	Effective 5/1/2011	Effective 5/1/2012
Entry Rate	21.81	21.87	22.31	22.98
Step 1	22.98	23.04	23.50	24.21
Step 2	24.15	24.21	24.69	25.43
Step 3	25.33	25.39	25.90	26.68
Step 4	26.50	26.56	27.09	27.90
Step 5	27.68	27.74	28.29	29.14
Step 6	28.85	28.91	29.49	30.37
Step 7	30.03	30.09	30.69	31.61
Step 8	31.20	31.26	31.89	32.85
Step 9	32.37	32.43	33.08	34.07
Step 10: Top Rate	33.55	33.61	34.28	35.31

**WEST POINT USW TEN STEP WAGE PROGRESSION**

LG 11	Effective 5/17/2010	Effective 1/3/2011	Effective 5/1/2011	Effective 5/1/2012
Entry Rate	22.56	22.62	23.07	23.76
Step 1	23.78	23.84	24.32	25.05
Step 2	24.99	25.05	25.55	26.32
Step 3	26.21	26.27	26.80	27.60
Step 4	27.42	27.48	28.03	28.87
Step 5	28.64	28.70	29.27	30.15
Step 6	29.85	29.91	30.51	31.43
Step 7	31.07	31.13	31.75	32.70
Step 8	32.28	32.34	32.99	33.98
Step 9	33.50	33.56	34.23	35.26
Step 10: Top Rate	34.71	34.77	35.47	36.53

**WEST POINT USW TEN STEP WAGE PROGRESSION**

LG 12	Effective 5/17/2010	Effective 1/3/2011	Effective 5/1/2011	Effective 5/1/2012
Entry Rate	23.28	23.34	23.81	24.52
Step 1	24.54	24.60	25.09	25.84
Step 2	25.79	25.85	26.37	27.16
Step 3	27.05	27.11	27.65	28.48
Step 4	28.30	28.36	28.93	29.80
Step 5	29.55	29.61	30.20	31.11
Step 6	30.81	30.87	31.49	32.43
Step 7	32.06	32.12	32.76	33.74
Step 8	33.31	33.37	34.04	35.06
Step 9	34.57	34.63	35.32	36.38
Step 10: Top Rate	35.82	35.88	36.60	37.70

### WEST POINT USW TEN STEP WAGE PROGRESSION

Production Clerical - LG 3	Effective 5/1/2010	Effective 1/3/2011	Effective 5/1/2011	Effective 5/1/2012
Entry Rate	18.37	18.43	18.80	19.36
Step 1	19.36	19.42	19.81	20.40
Step 2	20.35	20.41	20.82	21.44
Step 3	21.34	21.40	21.83	22.48
Step 4	22.33	22.39	22.84	23.53
Step 5	23.32	23.38	23.85	24.57
Step 6	24.31	24.37	24.86	25.61
Step 7	25.30	25.36	25.87	26.65
Step 8	26.29	26.35	26.88	27.69
Step 9	27.27	27.33	27.88	28.72
Step 10: Top Rate	28.26	28.32	28.89	29.76

### WEST POINT USW TEN STEP WAGE PROGRESSION

Production Clerical - LG 4	Effective May 2010	Effective 1/3/2011	Effective 5/1/2011	Effective 5/1/2012
Entry Rate	20.04	20.10	20.50	21.12
Step 1	21.12	21.18	21.60	22.25
Step 2	22.20	22.26	22.71	23.39
Step 3	23.28	23.34	23.81	24.52
Step 4	24.36	24.42	24.91	25.66
Step 5	25.44	25.50	26.01	26.79
Step 6	26.52	26.58	27.11	27.92
Step 7	27.60	27.66	28.21	29.06
Step 8	28.68	28.74	29.31	30.19
Step 9	29.76	29.82	30.42	31.33
Step 10: Top Rate	30.83	30.89	31.51	32.46

<b>WEST POINT USW TEN STEP WAGE PROGRESSION</b>				
Production Clerical - LG 5	Effective May 2010	Effective 1/3/2011	Effective 5/1/2011	Effective 5/1/2012
Entry Rate	22.01	22.07	22.51	23.19
Step 1	23.20	23.26	23.73	24.44
Step 2	24.38	24.44	24.93	25.68
Step 3	25.57	25.63	26.14	26.92
Step 4	26.75	26.81	27.35	28.17
Step 5	27.94	28.00	28.56	29.42
Step 6	29.12	29.18	29.76	30.65
Step 7	30.31	30.37	30.98	31.91
Step 8	31.49	31.55	32.18	33.15
Step 9	32.68	32.74	33.39	34.39
Step 10: Top Rate	33.86	33.92	34.60	35.64

**Note With Respect to Construction of the Wage Tables:**

The Wage Tables set forth above (and the Maintenance Apprentice Training Wage Rates set forth in Appendix B) were constructed in accordance with the COLA/Wage Progression and the Payroll Clean Up provisions of the Parties' May 7, 2010 Memorandum of Agreement. The relevant portions of those provisions are set forth below:

**COLA/Wage Progression**

B. The Company proposes constructing a ten-step wage progression schedule for each labor grade as follows:

1. The Top Rate for each labor grade will be established by multiplying the sum of \$3.15 and the hourly rate of pay of the labor grade in effective on April 30, 2010 by the general wage increase (1 plus the amount of the general wage

increase expressed as a decimal) to become effective on the first Monday following ratification of the agreement.

2. The Start Rate for each labor grade will be established by multiplying the Top Rate by 65% (or .65).

3. The Incremental Rate will be calculated by dividing the difference between the Top Rate and the Start Rate by 10. The steps of progression will be established by adding the Incremental Rate to the prior year's level of progression as follows: first level of progression equals the Start Rate plus the Incremental Rate; second level of progression equals the first level of progression plus the Incremental rate and so forth through the tenth level of progression, which equals the ninth level of progression plus the Incremental Rate.

4. The wage schedules established in accordance with 1-3 will be the schedules that apply from the first Monday following ratification of the agreement through April 30, 2011 ("2010 Schedule").

5. The wage schedule that applies for May 1, 2011 through April 30, 2012 ("2011 Schedule") will be calculated by multiplying the 2010 Schedule by the general wage increase (if any) effective May 1, 2011.

6. The wage schedule that applies for May 1, 2012 through April 30, 2013 ("2012 Schedule") will be calculated by multiplying the 2011 Schedule by the general wage increase (if any) effective May 1, 2012.

7. The 2010-2012 wage schedules will be set forth and attached as Appendix A to the collective-bargaining agreement.

8. All existing and new appendices will be re-lettered

C. The Company proposes amending the wage schedules of the current Appendix A ("Apprenticeship Training Program") in the same manner described in B. above."

### **Payroll Clean Up Issues:**

**IV. Wage Adjustment.** The Company proposes making a one time wage adjustment by adding six cents (\$0.06) to base rate of each labor grade, effective January 3, 2011.

## **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 groupleaders 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. In regards to the pay scale for any apprentice, the Company & Union agree to pay said apprentice(s) according to the formula/philosophy contained within the MOA from the 2010 negotiations. Upon the introduction of a new/prior apprentice into the program, both parties will develop and utilize the appropriate pay charts.

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 classi-

cation 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.

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Date

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For the Company

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Date

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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**

Any involuntarily laid-off employee, that is an employee for whom no job exists at his site, with seniority rights who may be employed in any of the following bargaining units of the Company: USW Local 4-575, in Rahway, Branchburg Farm, NJ; PACE8-580 in Danville, PA; ICWU/UFCWU Local 94C or UNITE HERE! 1398 in Elkton, VA, will be entitled to have all of his benefits continued as if his service had not been interrupted, except at the new location he shall be treated as a new hire for plant seniority purposes. The rights granted pursuant to this Appendix are derived from an agreement entered into between United Steelworkers Local 10-00086, the constituent Unions of the IUC and the Company.

An involuntarily laid off employee will be offered employment in vacant non-temporary jobs at any other locations covered by this provision, which management decides to fill and for which he is qualified, on the basis of Company seniority, before an offer for such job has been made to applicant(s); provided that the covered employee indicates interest in such sites at the time of layoff, on a form provided by the Company and completed at the time of involuntary layoff by the employee, and further provided that the right of transfer under this appendix will exist only as long as the covered employee retains seniority rights in the local bargaining unit from which he is laid off.

The wage rate of an employee so transferred will be determined in accordance with Article 19.4 and the wage progression tables in Appendix A.

An employee who rejects an offer of employment to a specific site under the terms of this provision shall thereafter be ineligible for an inter-plant transfer for the period of that lay-off.

The employee will be notified by registered letter, addressed to the employee's last address appearing on the Company records. Within two (2) working days of the date written notice is received, as indicated on the registered mail receipt, but in no case longer than seven (7) calendar days from the postmark date of the registered letter, the employee shall report to the Employment Office at the location where the vacancy exists. Failure on the part of the employee to report to the Employment Office, or to report to work on the day designated by the Company, will result in the forfeiture of all rights under this provision. No employee shall be required to report to work less than seven (7) calendar days from the date the employee is required to report to the Company's Employment Office.

Transferred employees who accept recall to any other location of the Company covered by this provision, under the terms of such location's recall procedure, shall lose seniority at the plant to which he was transferred, and shall work a minimum notice period of five (5) working days before returning to the previous location.

A transferred employee who rejects recall to his home plant shall lose his seniority at such plant. If a transferred employee is laid off from any plant covered by this provision, he shall accrue seniority benefits as provided in the Local Agreement from the plant or plants in which he is in a laid-off status.

## **APPENDIX D - INCENTIVE PAY PROGRAM**

All bargaining unit employees will be eligible to participate in an incentive pay program that rewards enhanced productivity and satisfaction of key West Point business goals. The program will go in effect beginning calendar year 2008.

Designated representatives from the Company and Union (two (2) Union and two (2) Company representatives) shall meet a reasonable number of times between November 1 and November 30 each year during the term of the contract, including 2009, to discuss and agree to the threshold and performance metric targets for the following year.

In the event that the Company and Union are unable to agree on the threshold and/or performance metrics, the Company reserves the right to make the final decision on which metrics will be used for the tiers listed below. The Company will establish the specific financial rewards that can be earned for each performance metric.

### **INCENTIVE CRITERIA**

All bargaining unit employees will have a target annual incentive amount which is split among the following two or three tiers:

- Team Performance (Coating, LCE, etc.) - 50% of total award
- Business Unit Performance (Pharm, SPO, etc.) - 25% of total award
- Site performance (MMD, MRL, GSF) - 25% of total award

If an employee is moved to another team and/or business unit pursuant to Article 23 of this Agreement, the employee will earn a bonus based on the performance of the employee's work assignment (team or business unit) as of January 1 or the date of hire.

In instances where the target annual incentive amount is split between two (2) tiers, the target annual incentive amount will be allocated as follows: Team/Business Unit (75%) and Site (25%). All threshold metrics must be met in each tier to qualify for performance metric incentive pay from that tier.

Failure to meet any of the threshold metrics in a particular tier will result in ineligibility for all of the performance metric incentive pay for that specific tier; however, failure to earn incentive pay shall not be used as a basis for employee discipline. Once employees satisfy the threshold metric objectives in a particular tier, employees can earn rewards by achieving performance metrics for that specific tier.

### **INCENTIVE PAYOUT**

An annual bonus payout of up to \$1,500.00 can be earned and will be paid out as soon as administratively feasible in the following calendar year after annual performance and threshold metric results (for the preceding year) are satisfied and confirmed. The Company will have an incentive pay program during calendar year 2010 wherein employees will have the ability to earn a full annual bonus payout, which will be paid out in 2011.

- All regular and probationary employees are eligible for the bonus.
- Employees will earn a prorated amount based on percentage of regular straight time hours (i.e. 2080 hours per year) worked. For purposes of earning this incentive bonus, "straight time hours worked" shall include approved vacation, holidays, union business, military encampment, bereavement leave, jury duty, court appearance, temporary layoff, personal time, but will exclude (whether authorized or not) sick time, short-term disability, FMLA (e.g., intermittent or consecutive days off), long term disability, and workers compensation

Employees who are absent for an entire calendar year will not be eligible for an incentive bonus for that year.

Management has the right to modify the design of this Incentive Bonus Program on an annual basis, including the threshold and performance targets in order to meet evolving important business needs.

**APPENDIX E**  
**JOB CLASSIFICATION SCHEDULE**

<b>Job Title</b>	<b>Grade</b>	<b>Peoplesoft Job Code/ Grade</b>	<b>Hire to Retire Job Code/ Grade</b>
<b>BIOLOGICS SUPPORT OPERATIONS</b>			
Production			
Groupleader/Media Maker	12	5156-12	56910048-12
Media Manufacturing Associate	10	61732-10	56910067-10
Utility Worker	7	5159-7	56910049-7
<b>BULK BIOLOGICS OPERATIONS</b>			
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
Chemist	10	4317-10	56910005-10
Bio-Technician - Level 1	8	62082-8	56910070-8
Support Associate - Level 3	8	57000684-8	57000684-8
Support Associate - Level 2	6	62083-6	56910071-6
Support Associate - Level 1	2	62085-2	56910073-2
<b>COMMERCIALIZATION</b>			
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	
<b>CONVENTIONS DESIGN &amp; GRAPHICS (HH)</b>			
Production			
Senior Display Maker	12	4716-12	56910025-12
Gen Tech-Display Maker	10	62124-10	56910103-10

## JOB CLASSIFICATION SCHEDULE

Job Title	Grade	Peoplesoft Job Code/ Grade	Hire to Retire Job Code/ Grade
<b>DISTRIBUTIONS &amp; LOGISTICS</b>			
Production Clerical			
Logistics Clerk	4	57000476-4	57000476-4
Production			
Material Associate-Level 2 (for D.165 & 230)	8	57000479-8	57000479-8
Material Associate-Level 1 (for D.165 & 230)	7	57000477-7	57000477-7
<b>FACILITIES MANAGEMENT</b>			
Production - Graphic Services			
Digital Prepress System Adm/Technician	11	56059-11	56910059-11
Working Foreperson - Composition	11	4199-11	56910000-11
Digital Prepress Technician	10	4202-10	56910001-10
General Worker Print Power Strip (Graphic Serv)	5	4416-5	56910011-5
General Worker Promotional Mailing	3	4640-3	56910020-3
<b>Production - Security &amp; Emergency Serv.</b>			
Fire Protection Technician	10	4471-10	56910017-10
<b>Production - Facilities Maint. &amp; Lab Serv.</b>			
Groupleader-Laboratory Services	8	57000825-8	57000825-8
Material Associate-Level 2 (D. 265)	7	62109-7	56910094-7
General Worker - Laboratory Serv.	6	4371-6	56910009-6
Material Associate-Level 1 (D. 265)	5	62111-5	56910095-5
Service Worker *	1	4445-1	56910014-1
<b>Production - Energy &amp; Environmental Serv.</b>			
I/E Tech-Incinerator Instrumentation Technician	11	60281-11	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

## JOB CLASSIFICATION SCHEDULE

<b>Job Title</b>	<b>Grade</b>	<b>Peoplesoft Job Code/ Grade</b>	<b>Hire to Retire Job Code/ Grade</b>
<b>IN VIVO</b>			
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
<b>LABORATORY OPERATIONS</b>			
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-Environ. 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
<b>MAINTENANCE &amp; UTILITIES</b>			
<b>(for Operations and Facilities Mgmt. Areas)</b>			
Production Clerical			
Clerk (Maintenance & Utilities)	4	62106-4	56910092-4
Clerk-Maintenance Engineering	3	5344-3	56910057-3
Production			
I/E Tech.-Elec. Distrib. Sys. Electrician	11	5026-11	56910040-11
I/E Tech.-Electrician	11	62096-11	56910082-11

## JOB CLASSIFICATION SCHEDULE

<b>Job Title</b>	<b>Grade</b>	<b>Peoplesoft Job Code/ Grade</b>	<b>Hire to Retire Job Code/ Grade</b>
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 Engr.	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.-Vehicle/Service Equip Mech.	10	62104-10	56910090-10
General Tech.-Associate Painter	6	57000501-6	57000501-6
General Worker - Utilities	5	5050-5	56910044-5
<b>PHARMACEUTICAL OPERATIONS</b>			
Production Clerical			
Clerk (Pharm. Oper. 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 (D. 166)	7	62109-7	56910094-7
Pharmaceutical Technician - Level 1	6	62110-6	57000101-6
Material Associate - Level 1 (D. 166)	5	62111-5	56910095-5
Pharmaceutical Support Worker	2	62113-2	56910097-2
<b>STERILE &amp; PACKAGING OPERATIONS</b>			
Production Clerical			
SPO Clerk	4	62119-4	56910102-4
Production			
Formulator - Level 2 (Working Leader)	12	57000683-12	57000683-12
SPO Technician - Level 2	12	62114-12	57000103-12

## JOB CLASSIFICATION SCHEDULE

<b>Job Title</b>	<b>Grade</b>	<b>Peoplesoft Job Code/ Grade</b>	<b>Hire to Retire Job Code/ Grade</b>
Technical Services Operator	11	59808-11	56910062-11
SPO I/E Tech-Elect & Instru. Tech	11	62804-11	56910108-11
Formulator - Level 1	10	57000480-10	57000480-10
SPO Technician - Level 1	10	62115-10	56910098-10
SPO Operator 3 (Working Leader)	10	57001076-10	57001076-10
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.

**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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  - Agreement – Maintenance (12-Hour)
  - Agreement – Utilities
  - M. Molettiere Memorandum (Personal Time)
  - J. Pulli Memorandum (Personal Time)
  - W. Lee Memorandum (Overtime Charges)
  - M. R. Polonus Memorandum (25 Year Luncheon)
  - Jose Garcia Memorandum (PACE Union Members)
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  - Addendum to Job Consolidation and Job Description Revision
  - Memorandum of Agreement Regarding Time Clocks
  - Letter of Understanding Regarding Computation of Vacation Credits

## **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 and Union President 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;
- Company will continue to recognize that it is not necessary for employees to go to Health Services if they are absent for less than 4 days; employees will be permitted to leave work for illness or injury without Health Services release; and
- 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 15minutes.

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

*8-24-92*

Date

*Tom Melotte*

For the Union

*Arnold D. Brown*

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 withholding. 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 paragraph 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.

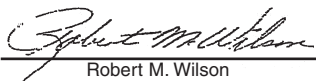
Employees with more than ten years of seniority from September 8, 1995 until September 8, 2010.

6. Such red circles will apply whether employees stay in or leave Department 207 during these periods.

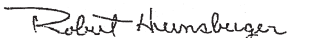
7. The Union agrees that it will not file or process any grievance relating to any disputes arising from the terms of the settlement itself or the implementation thereof except for enforcement of this agreement. The Union further agrees that it will not file any complaint or charge against the Company 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 wrongdoing or that the Company or its agents have failed in any way to act properly. Further, this agreement shall not be used as evidence of any past practice or as any evidence that the Company violated any agreement, contract, rule, regulation or law.

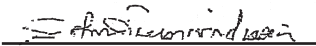
The signatures below indicate the full understanding and agreement of all the terms included herein:



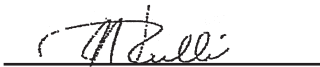
Robert M. Wilson  
President, OCAW



Robert Hunsberger  
Stewart



John Dingerdissen  
Sr. Director, Biological  
Mfg.



Joseph J. Pulli  
Assoc. Director, Labor  
Relations

9/11/95

Date

## AGREEMENT

### Vaccine Operations Group leaders

As a result of contract negotiations between Merck & Co., Inc. (the "Company") and the Paper, Allied- Industrial, Chemical and Energy Workers and its Local 2-86 (the "Union"), both parties agreed to and signed a Memorandum of Agreement (the "Agreement") dated 16 April 2004 which included among other things, "The Company agrees to add 4 Group leaders during the life of the contract as follows: one on third shift in Department 222, one on the first shift in Department 221, one on the second shift in Department 221, and one on the first shift Department 977. The Company will explore other opportunities to add Group leaders in the future."

To date the Company has been unable to fill two (2) of the above Group leader positions (viz., Department 222 third shift and Department 221 second shift). The Company and Union agree that, in lieu of the Company adding those two particular group leader positions, the Company shall have discharged its contractual obligation by adding two (2) Group leader positions in Department 245 Varicella with at least one of those positions posted on first shift.

For the Union

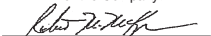


Michael J. Wynne  
Plant Chairman,  
PACE Local 2-86

07 June 2005

Date

For the Company



Robert M. McKeage  
Director,  
Labor Relations

6/9/05

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 bargaining 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 current 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 bargaining 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 membership 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.

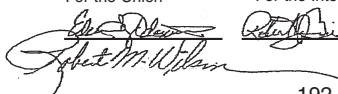
4. The parties agree that the commitments made by the Union in Paragraphs 2 and 3 shall not apply to a Company production/manufacturing or research (other than the robotic labs referenced in Paragraphs 2 and 3) facilities at UG in the event such facilities are established at UG.

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.

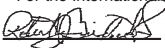
6. If any party to this agreement breaches the terms of this agreement, then the non-breaching party or parties of the agreement are hereby released from the Commitments made in this agreement. Prior to refuting or rescinding this Agreement because of breach, the parties shall act in good faith to resolve or remedy any breach of the agreement and shall attempt to keep this agreement in force.

Date 8/24/89

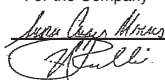
For the Union

  
Robert M. Wilson

For the International



For the Company

  
Susan Chapman Adams  
J. J. Galli

## Agreement Relating to Maintenance

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 Agreement Relating to Maintenance ("Agreement"):

1. During the parties' 2004 contract negotiations, the Company raised several issues relating to the Maintenance Department (D259). The Union asked that the parties address these issues outside of the contract negotiations. The Company agreed to this request. This Agreement memorializes the parties' understandings with the respect to the issues.
2. The parties acknowledge that Department 259 is de-centralized into four separate areas, containing shops as follows:

<u>AREA</u>	<u>SHOPS</u>
Biological Operations	Bldgs. 29 – 38A – 1
Merck Research Labs	Bldgs. 17 – 44- 78 – 75C
Pharmaceutical Operations	Bldgs. 39 – 49
Site Operations	Bldgs. 56B & 1

The parties agree that the Company reserves the right to add/delete areas and shops as business needs dictate and that this Agreement will continue to apply after any such additions or deletions.

3. The Company will determine the responsibilities of each area and the manpower within each shift and job classification that is necessary for each area. The Union agrees that the

staffing of each area will be accomplished by polling the affected employees by seniority on shift and slotting them in the shops of their choice. Affected employees will continue in their current lock in periods; this reorganization will not start a new lock-in period. Employees will be assigned to an area in which they normally work, but job assignments on any given day will be determined by the Company. The Union agrees that the work assignments, buildings or equipment are not exclusive to any employee.

4. This Agreement will apply to each area defined herein so long as the Company is subcontracting work out of any area of the Maintenance Department, 259.

5. Craftspeople in Department 259 will be offered overtime on a weekly basis as follows. Each craftsperson will be scheduled for eight (8) hours of overtime in two, four-hour increments during the week. This overtime is known as "common" overtime. In addition, the department will offer eight (8) hours of overtime to the craftspeople on their 6th day on their shift until either 50% of each craft has accepted the assignment or all employees in the craft in question have been offered the overtime.

This overtime is known as 6th day overtime and will work as follows: Each area (as described in paragraph 2 and as may be modified from time-to-time) will poll the employees in its area by craft on a low hours, high seniority basis until 50% of the craft accepts the overtime or until its exhausts its list. If an area exhausts its list without achieving a 50% acceptance rate in any craft, then that area will poll the employees in the other areas by craft on a low hours, high seniority basis; provided however, that such polling will involve only those employees in other areas who had not already been asked to work in their

area. In other words, an employee who has been asked and has refused to work overtime in his/her area shall have no right to be asked to work overtime in a different area. In addition, an employee who is polled to work overtime in an area other than their own and who turns down that offer will be charged for that refusal. Polling will be completed by 9 a.m., Thursday of each week for the 6th day of overtime for the following week. The Company and the Union will meet to discuss the scheduling of overtime on weeks containing a holiday.

6. All overtime other than the common overtime and the 6th day overtime discussed above will be called "special" or "area" overtime. Special or area overtime will be scheduled on an as needed basis at the Company's discretion. Such overtime assignments will be filled with area personnel by low hours, high seniority. In the event that an insufficient number of employees from the area volunteer for an overtime assignment, the Company may, at its discretion, offer the work to employees from the other areas on a low hour, high seniority basis provided the employee is trained to perform the work in question, contract out the work, or draft employees from the area.

7. Shop stewards, in addition to their other duties, will be responsible on a two-man rotating basis, for maintaining overtime records for this Agreement and all other applicable overtime guidelines. In general, the stewards will rotate on a weekly basis.

8. All apprentices will be offered eight hours of overtime per week. Apprentices who are attending school will be eligible to work Saturday overtime even though all Journeymen are not offered. Apprentices not attending school will be eligible for common overtime and shall be asked for 6th day and/or spe-

cial overtime after the Journeymen's list has been completely exhausted.

9. The parties agree that overtime will be equalized among the employees in the same job classification within each area only. The parties agree that this equalization of overtime will constitute equalization of overtime as required by the collective-bargaining agreement. Article 224-7.

10. The Union agrees that it will not process any grievances beyond second step or otherwise legally challenge matters concerning the contracting out of work as long as overtime is being offered in a manner consistent with this Agreement.

11. This agreement supercedes all prior agreements relating to guaranteed overtime in Department 259.

12. The Union agrees to hold in abeyance the pending class action grievances from Department 259.

13. The Company will continue to provide the Union with Contract Out review ("COR") sheets and will meet periodically with designees of the Maintenance Departments to discuss contracting out decisions as long as these discussions are productive.

14. The Company confirms its willingness and intent to examine work not currently being performed by Maintenance Employees to determine whether any of that work can be performed by Maintenance Employees in a more cost effective manner than is currently being performed. The Union agrees that whenever the Company may assign such work to the maintenance 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 discretion of Management.

Merck & Co.

  
\_\_\_\_\_  
Tom McCubbins

4/13/04  
\_\_\_\_\_  
Date

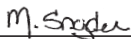
  
\_\_\_\_\_  
Axel Johnson

4/13/04  
\_\_\_\_\_  
Date

Merck & Co.

  
\_\_\_\_\_  
Charles Fickert

4/13/04  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Mark Snyder

4/13/04  
\_\_\_\_\_  
Date

## Agreement Relating to Utilities

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 Agreement Relating to Utilities ("Agreement"):

1. During the parties' 2004 contract negotiations, the Company raised several issues relating to the Utilities Department (D 282). The Union asked that the parties address these issues outside of the contract negotiations. The Company agreed to this request. This Agreement memorializes the parties' understandings with respect to the issues.

2. Employees in the Utilities Department will be assigned to an area in which they normally work, but job assignments on any given day will be determined by the Company. The Union agrees that work assignments, buildings or equipment are not exclusive to any employee.

3. Overtime will be equalized among job classifications in the Utilities Department in accordance with the collective-bargaining agreement, Article 224-7. The parties agree, however, that overtime assignments that require specialized skill or training will be offered to those employees who possess the requisite skill/training. For assignments that require training, the Company will provide training to a sufficient number of employees as determined by the Company. Selection of employees for such training will be done as follows: 50% of those to be trained will be selected by the Company; the other 50% will be selected by seniority. The Company agrees that it will assign overtime to those with specialized skill or training only when such skill or training is necessary. For example, the Company may assign only those trained in gowning procedures to enter the sterile core, but would not limit the assignment to those so trained to work in the core during a time of shutdown when gowning was not required to perform the work.

4. The parties agree that work on the Building Automation System ("BAS") will be shared according to the following guidelines:

(a) The Utility 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 sys-

tem 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.

5. The Company confirms that this Agreement is not being entered into with the specific intent to replace the Utility Employees with contractors, but to improve the flexibility, efficiency and productivity of the overall operation. The Company will base its work assignment decisions on the most cost effective way to establish the work while assuring compliance with increased quality expectations and regulatory requirements. The Company will establish a Contract Out Review ("COR") process and will meet periodically with designees for the Utility Employees to discuss projects and decisions so long as these discussions are productive.

6. The parties agree that the Company will have no obligation to have a Utility Employee present when management or other personnel are performing BAS work as allowed by this Agreement or as may have been contracted out in accordance with the collective-bargaining agreement, but may assign a Utility Employee(s) if such assignment, in the discretion of management, meets a business need.

7. The Company agrees to examine work not currently being performed by Utility Employees to determine whether any of the work can be performed by the Utility Employees. The Union agrees that any such work that may be assigned to the Utility Employees pursuant to this Agreement will be assigned on a non-exclusive basis and may be subsequently contracted out at the discretion of management.

8. This Agreement supercedes the October 24, 2000 third step answer to the BAS and will otherwise govern in accordance with its terms.

Merck & Co.

  
\_\_\_\_\_  
Tom McCubbins

4/13/04  
\_\_\_\_\_  
Date


  
\_\_\_\_\_  
Axel Johnson

4/13/04  
\_\_\_\_\_  
Date

Merck & Co.

  
\_\_\_\_\_  
Charles Fickert

4/13/04  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Mark Snyder

4/13/04  
\_\_\_\_\_  
Date

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 overtime barring any cancellation of the scheduled overtime.



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O. Jamerson  
Ext. 5623

TO: Managers/Supervisors of PACE Employees  
August 20, 1999

FROM: Joseph Pulli, Director, Labor Relations

SUBJECT: PERSONAL TIME

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In an effort to be consistent regarding the administration of personal time for employees in the PACE Local 2-86 bargaining unit, the following guidelines apply:

1. Employees are not entitled to any paid personal time in the calendar year in which their employment begins.
2. Employees other than those in the above category are entitled to a maximum of thirty-six (36) hours of paid personal time in each calendar year as long as they have worked at least one day in that calendar year.
3. Paid personal time must be taken in increments or multiples of four (4) hours.
4. Unused personal time will be paid to the employee the end of the calendar year.
5. All personal time will be paid at the straight time hourly rate.
6. Employees with paid personal time remaining may be granted a leave of absence without pay providing that the request is for five (5) days or longer.
7. Employees are required to take paid personal time or vacation time before being granted time off without pay. However, requests for less than four (4) hours without pay may be granted at the discretion of management.
8. Management has the discretion to grant or refuse requests for personal time after considering the effect on work requirements.
9. Personal time off with pay should not be granted on the sixth or seventh days of a work week nor should it be granted if an employee is working a holiday.

TO: All Directors of Employees by O.C.A.W.  
October 31, 1988

FROM: Mr. W. Lee

SUBJECT: OVERTIME CHARGES

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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 required to attend executive board of membership meetings. It is incumbent upon the union official to notify his/her immediate supervisor each time this situation arises. Attached is the current list of union officers.

Please notify all managers/supervisors to update their overtime guidelines to comply with this agreement.

If you have any questions, please call.



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W. L.  
5107

TO: SEE ATTACHED

March 19, 1985

FROM: M. R. Polonus

SUBJECT: 25-YEAR AND LONG-SERVICE EMPLOYEE LUNCHEONS

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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

TO: West Point Management Personnel

Date 03/12/2002

FROM: Jose Garcia  
MMD HR Labor Relations

SUBJECT: PACE Union Member Absence – 3 days or less

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An agreement was recently signed with the PACE Union leadership which clarifies the reporting of hourly employees who are absent for 3 days or less.

The agreement reads as follows:

It is agreed by and between Merck & Co., Inc. (the Company) and PACE Union Local 2-86 (the Union) as follows:

1. Effective immediately the procedure of reporting to Health Services following a non-compensable absence of three (3) day or less has been changed to the following:

An employee returning from a non-compensable absence of three (3) days or less shall report to his/her department management prior to the start of his/her shift.

2. In cases where an employee's absence exceeds three (3) days, Article 31 1-3 paragraph c of the current Collective Bargaining Agreement shall apply.

Under this agreement, PACE hourly employees do not need to report to Health Services nor will they be required to provide medical documentation for such absence if he/she has been absent for 3 (three) days or less.

If an employee who has been absent 3 days or less, returns to work with restrictions, the management representative should instruct the employee to report to Health Services.

Hourly employees with compensable injuries and/or illnesses (Workers Compensation), regardless of the time absent, will still be managed through Health Services.

If you require additional and/or more detailed information, please contact your appropriate Labor Relations representative.

## **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 "reinstate" [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 prepared 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 weekends 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.

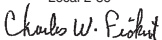
2. The Union's agreement in paragraph 1 above is without prejudice to the position that the staffing of Health Services with a paramedic on the third shift and the weekend shifts is not consistent with the parties' collective-bargaining agreement and/or Arbitrator Brogan's award, except that the Union 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-bargaining 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

## AGREEMENT

WHEREAS Merck & Co., Inc. ("the Company") advised the Oil, Chemical and Atomic Workers International Union, Local 8-86 ("the Union") of the Company's proposed plan to transfer certain pharmaceutical packaging operations from the Company's West Point, Pennsylvania facility to the Company's facility in Wilson, North Carolina,

WHEREAS the Company and the Union have engaged in good faith bargaining concerning the proposed transfer of work and the impact of that transfer on employees represented by the Union at the West Point facility.

WHEREAS the Union has represented to the Company that the Union is authorized and empowered to enter into this agreement incorporating and setting forth the parties' amicable resolution,

It is hereby agreed by and between the Company and the Union as follows:

1. The Company agrees to provide on a no-precedent basis, a modification of the Retirement Plan for Hourly Employees of Merck & Co., Inc., for Union employees at the Company's facility in West Point, Pennsylvania, as follows:

For purposes of calculating eligibility for retirement and pension benefits, five years will be added to the actual age and 2.5 years will be added to the actual credited service of employees in the aforementioned OCAW bargaining unit at the Company's West Point facility who will be age 50 and have at least 7.5 years of credited service prior to March 1, 1994, and who indicate to the Company by February 14, 1994, their intent to retire and who in fact retire from employment with the

Company on either March 1, 1994 ("Initial Retirement Date"), or if the Company deems appropriate, a later retirement date(s) to be determined by the Company ("Later Retirement Date(s)"), or for those employees with a seniority date of 1966, on the Initial Retirement Date or July 1, 1994. In addition, such employees will receive an enhanced pension amount equivalent to six months' pay (1040X hourly base rate plus COLA in effect on the first day of the month prior to the date of retirement).

If necessary, for each department and classification within the department, the Company will determine the number of retiring employees other than those with a seniority date of 1966 needed to work until a Later Retirement Date(s) in order to meet the operational needs of the department. The choice of retirement dates for those retiring employees other than those with a seniority date of 1966 will be determined by asking employees, in order of seniority within each department and classification within the department, his or her preference for retirement date. If enough employees within each department and classification within the department choose a Later Retirement Date(s), then all other retiring employees (other than those with a seniority date of 1966) within the department and classification within the department will retire on the Initial Retirement Date. If more than enough employees within each department and classification within the department select a Later Retirement Date(s), then only the most senior employees needed to meet operation needs will be retained to a Later Retirement Date(s) and all other retiring employees (other than those with a seniority date of 1966) will retire on the Initial Retirement Date. If fewer employees than are needed to meet the operational needs of the department and classification within the department choose a Later Retirement Date(s), then those employees with the least seniority within the department and classification within the department will be assigned a Later Retirement Date(s).

2. The Company agrees to provide \$10 million of earnings protection to employees who are displaced from their positions due to the relocation of Pharmaceutical Packaging from the West Point facility to the Wilson facility. The Company will identify employees who are displaced and the parties will determine the appropriate level of income protection and will mutually agree on a method for distributing the income protection compensation in order to ascertain when the \$10 million earnings protection fund is exhausted. Employees who elect voluntary layoff with separation pay will not be eligible for income protection.

3. Contractual separation benefit allowance paid to employees who elect layoff or red circle rates previously established will not be deducted from \$10 million earnings protection fund.

4. It is the intent of the company that no employees will be forced on layoff as a direct result of the relocation of pharmaceutical packaging operations from the West Point facility to the Wilson facility. The Company and the Union will work together to assure this goal. If, however, at least 100 employees accept the VRIP and/or elect a voluntary layoff with separation pay, then the Company guarantees that no employee will be forced on layoff as a direct result of the foregoing relocation.

5. The Company will remove qualifications from the following positions:

	<u>Department</u>	
Filler Culture Media		207
Lab Helper		232
Group Leader Service Worker		272
Granulator Trainee		292/102
Tablet Maker Trainee		101
Groupleader Grounds		278
Material Coordinator		111/188

2. The Company agrees to provide \$10 million of earnings protection to employees who are displaced from their positions due to the relocation of Pharmaceutical Packaging from the West Point facility to the Wilson facility. The Company will identify employees who are displaced and the parties will determine the appropriate level of income protection and will mutually agree on a method for distributing the income protection compensation in order to ascertain when the \$10 million earnings protection fund is exhausted. Employees who elect voluntary layoff with separation pay will not be eligible for income protection.

3. Contractual separation benefit allowance paid to employees who elect layoff or red circle rates previously established will not be deducted from \$10 million earnings protection fund.

4. It is the intent of the company that no employees will be forced on layoff as a direct result of the relocation of pharmaceutical packaging operations from the West Point facility to the Wilson facility. The Company and the Union will work together to assure this goal. If, however, at least 100 employees accept the VRIP and/or elect a voluntary layoff with separation pay, then the Company guarantees that no employee will be forced on layoff as a direct result of the foregoing relocation.

5. The Company will remove qualifications from the following positions:

	<u>Department</u>	
Filler Culture Media		207
Lab Helper		232
Group Leader Service Worker		272
Granulator Trainee		292/102
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Groupleader Grounds		278
Material Coordinator		111/188

local statute, regulation or executive order, or under any contract or tort theory, arising out of the relocation of pharmaceutical packaging, except that grievances concerning the enforcement or administration of the provisions of this agreement shall be subject to the contractual grievance and arbitration procedure.

7. This agreement will not be effective unless it is ratified by the Union membership.

8. The Company agrees that for the term of the present collective bargaining agreement, any incentive work that moves from department 188 to any location at West Point will remain department 188 incentive work.

Bob Nelson Dated: 1/10/94 Nelson Dated: 1-10-94

Marion Lightcap Dated: 1/10/94 Lightcap Dated: 1/10/94

Michael Mottin Dated: 1-10-94 Mottin Dated: 1/10/94

Dick Nagle Dated: 1-10-94 Nagle Dated: 1/10/94

Henry D. Brown Dated: 1-10-94 Brown Dated: 1/10/94

Marvyn Miller Dated: 1-10-94 Miller Dated: 1/10/94

U. Klein Dated: 1/10/94 Klein Dated: 1/10/94

TO: Mike Parente  
Dan Bangert  
FROM: Michele Thrush  
SUBJECT: Associate Painter Agreement

LOC: USW  
LOC: WP53B-408  
DATE: 18Jun2010

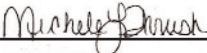
This memo is in response to a meeting between the Company and USW regarding the creation of an Associate Painter position within the USW, and will serve as the documented agreement of those outcomes. Attendees for the Company were Kurt Reidiner and Steve Mongiardo; attendees for the Union were Dan Bangert 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 forward. 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.

 6/18/10

Michele Thrush  
HR Business Partner



Mike Parente, Sr.  
USW President

 6/18/10

Steven Mongiardo  
Sr. Director, WP Facilities

 6-18-2010

Dan Bangert  
USW Plant Chairman

**ADDENDUM TO**  
**JOB CONSOLIDATION**  
**AND JOB DESCRIPTION**  
**REVISION MAY 7, 2010**

As an addendum to the Job Consolidation and Job Description Revision provision of the May 7, 2010 Memorandum of Agreement, the Company and the Union agree to create a new Labor Grade 8 job description for support associates currently in Biotech Manufacturing (BTM) sterile supply and weigh and dispense (department 242) within 60 days after ratification of this addendum.

If this addendum is ratified by the membership then the existing support associates in BTM department 242 will automatically be converted into the new BTM Operator position upon the creation of the new Job Description.

As part of this agreement, the Union agrees not to pursue any further upgrades as it relates to the issue of support associates in Department 242 of the BTM, except upon some future significant change made to the new Job Description. Furthermore, the Union agrees to withdraw with prejudice any and all grievances relating to the support associate job description in BTM Department 242 and/or any claim for an upgrade to such position and further not to pursue any other remedy with respect to such issues.

**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 provided in Article 22.11 and 22.12 of the Parties collective-bargaining 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).

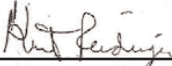
5. This Agreement is subject to ratification by the USW membership and to the receipt of written or email notice of such ratification from the Union leadership by the Merck WP Labor Lead by 1:00 pm on Friday, May 2, 2008.

6. If the conditions of paragraph 5 are met, then the Company will discontinue use of the paper time card for the

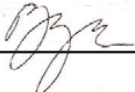
week commencing May 5, 2008. If the conditions of paragraph 5 are not met, then the Union understands that the employees will utilize the paper time cards as communicated.

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.

By:  Date: 28 April 2008

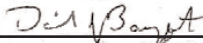
By:  Date: April 28, 2008

By:  Date: 28 APR 2008

United Steelworkers, Local 10-86

By:  Date: 28 APR 2008

By:  Date: 28 APR 2008

By:  Date: 28 Apr 2008

By:  Date: 28 April 2008

By:  Date: 28 APR 2008

By:  Date: 28 April 2008

**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.

By: David H. Allshouse Date: 1/3/08

United Steelworkers, Local 10-86

By: Nidal S. Santos Date: 1/3/2008

By: Philip E. Hughes Date: 1/3/2008

By: Jim Bayst Date: 03 JAN 2008

## **Appendix G – ABSENCE CONTROL POLICY**

This policy will become effective January 1, 2011.

### **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	5– 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.

n. The first Partial Day Absence in an Absence Period.

## **6. Counseling**

Employees will normally be counseled prior to when they have accumulated 6 Charged Absences. These coun-

selings 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 talk, 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 G – ABSENCE CONTROL POLICY (Transition)**

In connection with the transition from the pre January 1, 2011 Absence Control Policy ("Old ACP") to the Absence Control Policy as set forth above, to become effective January 1, 2011 (the "New ACP"), the Company and Union have agreed to the following rules of transition:

1. The Old ACP will continue to apply until December 31, 2010, except that after May 1, 2010 the exclusions of the New ACP will apply.

2. As of January 1, 2011, each employee's Charged Absences under the New ACP will be calculated by (a) establishing the employee's number of absences in the prior 12 month rolling year as of December 31, 2010; and (b) adjusting that number of absences by ignoring a maximum of the 4 oldest absences; to (c) establish the employee's number of Charged Absences under the New ACP. The following chart depicts the calculation at each level of absence as of December 31, 2010:

### Absence Control Policy Transition Schedule

Charged Absence Status As of December 31, 2010	Charged Absence Status As of January 1, 2011
0	0
1	0
2	0
3	0
4	0
5	1
6	2
7 (Currently: Verbal Warning)	3
8	4
9 (Current: Written Warning)	5
10	6 (Written Warning)
11 (Current: 1-day Suspension)	7
12	8
13 (Current: 5-day Suspension)	9 (5-day Suspension)
14	10
15	11
16 (Current: Termination)	12 (Termination)

3. An employee who has reached the termination step under the Old ACP (i.e., 16 absences or more) on or before December 31, 2010, will be subject to termination in accordance with the Old ACP, regardless of whether such termination occurs after January 1, 2011. In the event that the Company fails to issue a notice of discipline terminating any such employee on or before January 31 2011, however, the Company will have forfeited its right to terminate the employee under the Old ACP and, in such case, the employee will be deemed to have sustained 11 Charged Absences in accordance with the New ACP as of January 1, 2011 and will be subject to the terms of the New ACP.

4. The transition to the New ACP will not affect any disciplinary notices issued under the Old ACP.

## **APPENDIX H** **SUBCONTRACTING/OUTSOURCING**

The Parties' agreed to the following Subcontracting/Outsourcing provision as part of their May 7, 2010 Memorandum of Agreement:

### **Outsourcing/subcontracting:**

**A. Scope of outsourcing:** The duties performed by the employees in the following classifications will be outsourced to a third party: Sergeant of the Guard, Security Officer, Groupleader – Service Worker, Service Worker, Groupleader – Grounds, General Utility Worker (grades 5 and 6) (the "Outsourced Classifications"). In addition, the duties of the Trash Disposal Operator and Trash Disposal Operator Trainee classification related to garbage truck driving and garbage trash pick up/disposal (that require a garbage truck to perform) will be outsourced to a third party provider (the "Trash

Disposal Classifications"). The incumbents in the Outsourced Classifications and the least senior incumbent in the Trash Disposal Classifications (collectively referred to as the "Affected Employees") will be laid off in accordance with Section B below.

**B. Timing of the Outsourcing.** The Company will effectuate the outsourcing using the following timing:

1. The work of the Affected Employees will be moved to a third party provider in four phases as follows: (i) the work of the Affected Employees in the Grounds and Security Classifications and the Trash Disposal Classifications will be outsourced on or about July 1, 2010 ("Phase I"); (ii) the work of the Affected Employees responsible for servicing non-GMP administration areas of the plant site will be outsourced on or about August 31, 2010 ("Phase II"); (iii) the work of the Affected Employees responsible for servicing MRL areas of the plant site will be outsourced on or about December 31, 2010 ("Phase III"); and (iv) the work of the Affected Employees responsible for servicing non-GMP areas of manufacturing and any remaining work of Affected Employees will be outsourced on or about March 31 2011 ("Phase IV") (each such phase referred to individually as a "Phase" and collectively as the "Phases").

2. As the number of Affected Employees in any Phase is reduced by the movement of Affected Employees into other positions or as a result of vacancies and/or attrition, the Company may accelerate the outsourcing, in part (by bringing in third party employees or otherwise using non-bargaining unit employees to perform the work) or in its entirety.

3. Notwithstanding the provisions of Section B(1) above, the Company agrees that, after Phase IV, it will create

a new Labor Grade 1 Service Worker position ("New Position") which will be populated by no more than forty (40) employees. Employees in the New Position will perform cleaning and other similar duties in specific areas as designated by the Company. The parties understand and agree that (i) the New Position is intended to provide a place for employees to work who otherwise would be laid off; (ii) the work performed by employees in the New Position shall not be considered exclusive bargaining-unit work; (iii) the Company may employ those on the New 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 New Position at any given time); (iv) the Company will not hire employees into the New Position.

**C. Process for Outsourcing.** The Company will effectuate the outsourcing using the following steps:

1. The Company will solicit volunteers from the Affected Employees in accordance with the provisions of the Alternate Separation Benefit Allowance Program (the "Program") and will accept any such volunteers. Each Affected Employee who volunteers to leave employment will be entitled to receive, in addition to the benefits of the Program, a one-time payment of Seven Thousand Five Hundred Dollars (\$7,500), less applicable payroll deductions, payable under the same terms and conditions as the benefits of the Program.

2. The Company will solicit volunteers for layoff in accordance with the terms of the Program from non-qualified classifications other than the Outsourced Classifications and the Trash Disposal Classifications ("Unaffected Non-Qualified Classifications") and from employees in qualified classifications ("Unaffected Qualified Classifications").

3. After obtaining volunteers, the Company will meet with the Union to review the volunteers and the qualifications of the Affected Employees in the next Phase. During this process, the Company will determine any limitations on the acceptance of volunteers based on the needs of the business. Also during this process the Company and the Union will discuss whether current employees in non-qualified jobs have the qualifications to replace any volunteers in the Qualified Classifications in order to open a slot for an Affected Employee. The Company may agree to a special polling of some qualified jobs to allow such movement. The Union agrees that any such special polling would be open only to employees in non-qualified positions as of the time of the poll after which the senior employee qualified for the job would be selected, his/her job would be filled by placing an Affected Employee.

4. The Company will accept volunteers from the Unaffected Non-Qualified Classifications and the Unaffected Qualified Classifications in accordance with the terms of the Program (by seniority up to the number of surplus employees from each classification as determined by the Company) and provide each such selected employee ("Selected Volunteer") with a notice of conditional layoff.

5. The Company will place the Affected Employees into positions, including the position of a Selected Volunteer by first selecting, by seniority, among those Affected Employees who have taken and passed the requisite skills assessment (or are not required to have passed the skills assessment for the job in question), and then by selecting, by seniority, among those Affected Employees who have not taken or have taken but not passed the requisite skills assessment. The Company will provide each such placed employee with training for the position in question. The training period

will last for a minimum of 45 days and may be conducted on any shift without the requirement to pay any shift premium. Provided that the Affected Employee passes the training, the Affected Employee will be placed in the identified position and the Selected Volunteer will be released.

6. Affected Employees not placed after Phase IV ("Unplaced Affected Employees") will be placed in the New Position even if the number of such Affected Employees exceeds forty; *provided however* that the Company will continue to place all such employees in other positions as set forth above until all such employees have been placed. Once placed, an Affected Employee is no longer an Unplaced Affected Employee.

7. The Company agrees that no Unplaced Affected Employee will be involuntarily laid off to the street as a direct result of the outsourcing. For clarity, the phrase "direct result of the outsourcing" means as a result of the outsourcing as a single event and does not include a layoff that occurs as the result of an event other than the outsourcing or in combination with some other event and the outsourcing.

8. To the extent that there remain employees who have volunteered for separation but have not been selected and all Affected Employees have either volunteered for separation or have been placed, the Company will have the discretion to accept additional volunteers from such classifications and in such numbers as it determines, subject to the needs of the business. The Company will have no obligation to backfill the positions vacated by such employees who are allowed to be separated, but (absent agreement with the Union) will not replace such employees with non-bargaining unit employees to do bargaining unit work at the West point site.

#### **D. Initial West Point Postings after Contract Ratification.**

As soon as administratively feasible, but no later than June 30, 2010, the Company will post no fewer than 30 positions using the Posting and Selection process set forth in Article 23 of the Labor Agreement, except that each such posting will be identified as a "Special Posting" for which the Parties agree that Affected Employees will be given priority selection without regard to seniority, except for seniority between Affected Employees. The Company reserves the right to cancel any of these postings should there be no Affected Employee successful bidder. In such case, the Company may use any or all of the cancelled jobs to place Affected Employees.

#### **E. Skills Assessment.**

1. The Company agrees to increase the current frequency of skills assessment testing beginning on May 3, 2010 and ending on July 18, 2010 to no less than (a) twice per week, with (b) two sessions per day (morning and night).

2. The provisions of Article 23.4-1 will not prevent the placement of an Affected Employee into a non-qualified job as a result of the outsourcing.

3. All provisions of Article 23.4-2 (including without limitation the number of allowable test failures) will apply to Affected Employees, except that Affected Employees will be allowed to re-test without any waiting period.

4. The Company agrees to make an employee in its Human Resources department available to provide periodic skills assessment test preparation assistance to employees desiring such assistance.

**F. Interviews with Third Party Provider.** The Company will ensure that any employee desiring to interview with a Third

Party Provider will be granted an interview, with no attendant guarantee of employment being made.

**G. Internal Opportunities.** The Company will work together with its Stonewall facility to identify potential job opportunities for Affected Employees and to facilitate Affected Employees' applications for employment at this site through the Inter-Plant Transfer Process.

**H. Communication and Other West Point Postings.** The Company will provide general updates to the Union regarding other opportunities for Affected Employees as part of the regular Company/Union meetings.

**I. Eliminated Classifications/Contract Cleanup:** The job classifications of Sergeant of the Guard, Security Officer, Groupleader – Service Worker, Service Worker, Groupleader – Grounds, General Utility Worker (grades 5 and 6) will be abolished and all references to these classifications 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 and the duties of the Trash Disposal Classifications.

## **APPENDIX I** **UNION HOLIDAY SCHEDULE**

### **2011 Holidays**

Jan 3	(Mon)	New Year's Day
Jan 17	(Mon)	Martin Luther King Day
Feb 21	(Mon)	President's Day
Apr 22	(Fri)	Good Friday
May 27	(Fri)	Floating Holiday
May 30	(Mon)	Memorial Day
Jul 4	(Mon)	Independence Day
Sept 2	(Fri)	Floating Holiday

### **2011 Holidays**

Sept 5 (Mon)	Labor Day
Nov 24 (Thurs)	Thanksgiving Day
Nov 25 (Fri)	Day after Thanksgiving
Dec 23 (Fri)	Christmas Eve
Dec 26 (Mon)	Christmas Day

### **2012 Holidays**

Jan 2 (Mon)	New Year's Day
Jan 16 (Mon)	Martin Luther King Day
Feb 20 (Mon)	President's Day
Apr 6 (Fri)	Good Friday
May 25 (Fri)	Floating Holiday
May 28 (Mon)	Memorial Day
Jul 4 (Wed)	Independence Day
Aug 31 (Fri)	Floating Holiday
Sept 3 (Mon)	Labor Day
Nov 22 (Thurs)	Thanksgiving Day
Nov 23 (Fri)	Day after Thanksgiving
Dec 24 (Mon)	Christmas Eve
Dec 25 (Tues)	Christmas Day

### **2013 Holidays**

Jan 1 (Tues)	New Year's Day
Jan 21 (Mon)	Martin Luther King Day
Feb 18 (Mon)	President's Day
Mar 29 (Fri)	Good Friday
May 27 (Mon)	Memorial Day
Jul 4 (Thurs)	Independence Day
Jul 5 (Fri)	Floating Holiday
Aug 30 (Fri)	Floating Holiday
Sept 2 (Mon)	Labor Day
Nov 28 (Thurs)	Thanksgiving Day
Nov 29 (Fri)	Day after Thanksgiving
Dec 24 (Tues)	Christmas Eve
Dec 25 (Wed)	Christmas Day

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## NOTES

## NOTES

## January

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

## February

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29					

## March

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

## April

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

## May

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

## June

S	M	T	W	T	F	S
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

## July

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

## August

S	M	T	W	T	F	S
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

## September

S	M	T	W	T	F	S
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

## October

S	M	T	W	T	F	S
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

## November

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

## December

S	M	T	W	T	F	S
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

## January

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

## February

S	M	T	W	T	F	S
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

## March

S	M	T	W	T	F	S
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

## April

S	M	T	W	T	F	S
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

## May

S	M	T	W	T	F	S
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

## June

S	M	T	W	T	F	S
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

## July

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

## August

S	M	T	W	T	F	S
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

## September

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

## October

S	M	T	W	T	F	S
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

## November

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

## December

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

