HIGHLIGHTS OF THE
COLLECTIVE AGREEMENT
BETWEEN
AMPAC FINE CHEMICALS LLC
AND
INTERNATIONAL ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS, AFL-CIO
DISTRICT LODGE 725 & LOCAL LODGE 946

Effective June 17, 2016 through June 19, 2021
MANAGEMENT RIGHTS

Cannot terminate you without just cause (these members are NOT at-will employees). Grievance procedure for contract violations (conflict resolution).

VACATION

<table>
<thead>
<tr>
<th>Years of Credited Service</th>
<th>Accrual Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5 years</td>
<td>.040/hour for all paid hours per week</td>
</tr>
<tr>
<td>5 years but less than 15 years</td>
<td>.060/hour for all paid hours per week</td>
</tr>
<tr>
<td>15 or more years</td>
<td>.080/hour for all paid hours per week</td>
</tr>
</tbody>
</table>

5 days of sick leave can be used as vacation with management approval. All hours paid count for overtime computation.

HOLIDAYS (12 fixed)

- New Year’s Day
- President’s Day
- Easter
- Memorial Day
- Independence Day
- Labor Day
- Veteran’s Day
- Thanksgiving Day
- Day After Thanksgiving
- Christmas Eve
- Christmas Day
- New Year’s Eve

Holiday “premium”: If scheduled to work a holiday as part of continuous workweek, employee is paid at 2 times regular rate (this is considered a premium—not overtime.)

HOURS OF WORK

There are two schedules.

**Option 1:**
Standard workweek consists of 5 standard 8.5-hour (.5 unpaid meal period each day) workdays, Monday through Friday.

**Option 2:**
Continuous 7-day 8.5 hour rotating schedule or non-rotating schedule. Employees who work this continuous workweek get an additional $1.00/hour for all hours worked.
Work Schedule changes.
✓ 3 days’ notice is required for shift change. If less than 3 days prior to start of workweek in which shift change occurs, employee will be paid overtime rate of 1.5 times regular rate of pay for the first shift only of the new workweek.

✓ 7 days’ notice is required for workweek change. If less than 7 days, employee will be paid overtime rate of 1.5 times regular rate of pay for the first shift only of the new workweek.

Overtime and report time highlights:
✓ Report time: if report to work without having been previously notified not to report, employee will be given 4 hours of work (if available) or 4 hours of pay.

✓ Overtime is paid if work over 8 hours in one day or 40 hours in one week. Workweek hours cannot be reduced to avoid paying overtime.

✓ Hours worked for overtime computation include: work hours, holiday pay, vacation hours that have been pre-approved and hours spent on Union business.

✓ Overtime rate is 1.5 times regular rate of pay for all time over regular 8-hour shift. Time in excess of 4 hours over your 8-hour shift is paid at 2 times regular rate of pay.

Premiums:
✓ Swing shift premium of $1.00/hour for all hours worked
✓ Night shift premium of $1.50/hour for all hours worked

SENIORITY

Seniority prevails for layoffs or downgrades in an employee’s classification. (Subject to grievance procedure if Union proves senior employee should not have been laidoff). Seniority prevails in the preference of non-rotating schedule openings.

LEAVES

Jury Duty:
Up to 25 regular 8 hour workdays in one calendar year.

Maternity/Parental Leave/Adoption Leave:
Will comply with all state/federal laws pertaining to FMLA, Military leave, etc.
Bereavement Leave:
✓ 3 consecutive days for death of an immediate family member.
✓ Immediate family defined as: employee’s spouse, children, father, mother, any relative who is a permanent resident in the employee’s domicile and who is mainly dependent upon the employee for support, parents-in-law, son-in-law, daughter-in-law, grandparents, grandchildren, brothers, sisters, significant other, grandparent in-laws.

GROUP INSURANCE
Employees participate in the same plans available for salaried employees. Employees will not contribute more than 15% to premium costs for the duration of the contract.

SICK LEAVE
✓ Accrues at the rate of .023/hour for all hours paid. (~48 hours per year).
✓ Any unused sick leave can be paid out each June.
✓ Can carry 240 hours on the books. Any sick leave over that amount will be paid out.

RETIREMENT
✓ AMPAC pension plan pays $66 per month for each year of credited service.
✓ AMPAC Retirement savings 401(k) plan: employer matches 100% for first 4.5% for employees who participate. Employer match is 100% of the first 6% for those who do not participate. (Incentive to sign up.)

COMPENSATION
4% wage increase in 2016
3.5% wage increase in 2017
3.5% wage increase in 2018
4% wage increase in 2019
4% wage increase in 2020

<table>
<thead>
<tr>
<th>Job Title</th>
<th>2017 Max Rate</th>
<th>2020 Max Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemical Materials Worker</td>
<td>$33.93</td>
<td>$37.98</td>
</tr>
<tr>
<td>Chemical Plant Electrician</td>
<td>$45.66</td>
<td>$51.12</td>
</tr>
<tr>
<td>Chemical Plant Electronics Technician</td>
<td>$43.25</td>
<td>$48.41</td>
</tr>
<tr>
<td>Chemical Plant Machinist</td>
<td>$43.25</td>
<td>$48.41</td>
</tr>
<tr>
<td>Chemical Plant Painter</td>
<td>$39.13</td>
<td>$43.80</td>
</tr>
<tr>
<td>Job Title</td>
<td>2017 Max Rate</td>
<td>2020 Max Rate</td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>---------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Chemical Plant Refrigeration Mechanic</td>
<td>$50.88</td>
<td>$56.96</td>
</tr>
<tr>
<td>Chemical Plant Truck Driver</td>
<td>$33.93</td>
<td>$37.98</td>
</tr>
<tr>
<td>Chemical Operations Technician, Sr</td>
<td>$42.54</td>
<td>$47.62</td>
</tr>
<tr>
<td>Chemical Operations Technician I</td>
<td>$36.94</td>
<td>$41.35</td>
</tr>
</tbody>
</table>

If employee is below maximum rate of pay, they will receive $.20/hour increase every 8 weeks until reach maximum rate for their job classification.

**Miscellaneous benefits:**

- $350 safety shoe stipend each calendar year
- $5,000 each calendar year for education assistance in a discipline relevant to the company.