

**Summary of Tentatively Agreed Changes
Subject to Ratification by the Membership
Rexam Beverage Can North America and United Steelworkers,
Master Agreement
May 1, 2007**

1. *Medical coverage for retirees:*

Eligible employees and spouses who retire during the term of the contract will have access to the active employee medical plan at active costs until December 31, 2011. From January 1, 2012, retired employees and spouses (and surviving spouses) will have access to the retiree medical plan within the Rexam Inc. Group Insurance Plan as adopted effective January 1, 2006 (health plan comparison chart provided on 2/19/07) until age sixty-five (65). Eligible participants will pay \$136.50 per month for retiree or retiree plus spouse coverage. In addition,

- a. All retired employees who are pre-Medicare-eligible and meet eligibility under the terms of the plan will have access to the plan. Employees hired after January 1, 2007 will have access at the retiree's cost.
- b. The negotiated terms of the retiree medical program may not be changed unilaterally by the Employer. However, the Employer shall be permitted to modify the plan in order to make minor changes to accommodate changes in the medical insurance environment such as changes in treatment options or preferences for inpatient and outpatient care.
- c. Each year, beginning in January, 2013, the contribution for retiree medical insurance will increase by no more than 4%.
- d. Beginning January 1, 2012, if a retiree was hired before January 1, 2007 and an eligible participant (retired employee, spouse or surviving spouse) is or becomes Medicare-eligible, the participant will exit the retiree medical plan and receive a stipend of \$104.17 per month for the rest of the participant's life.

2. *Medical coverage for active employees:*

Amend SPD of medical plan to reflect the following changes to the plan.

- a. PPO plan design, 90% coverage (10% paid by employee)
- b. deductible at \$100 individual, \$300 family
- c. annual out-of-pocket maximum at \$1,000 (employee pays no more than \$1,000 for covered claims), increasing as indicated below
- d. unlimited lifetime maximum (as current plan)
- e. prescription coverage continues with deductibles of \$25 individual, \$50 family, increasing to \$35/\$70 in 2009
- f. prescription co-pays (after deductible) remain as in current plan, without formulary
- g. contribution continues at \$8 per employee, with increases beginning 1/1/08
- h. Employees on approved leave of absence (except personal leave) shall not be obligated to pay the weekly premium contribution (as current plan).

Weekly Contributions for Employees participating in *Healthy Choices*

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|-------------------|-------|-------|-------|-------|-------|
| Current Employees | 16.00 | 20.00 | 20.00 | 25.00 | 25.00 |

Weekly Contributions for Employees not participating in *Healthy Choices*

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|-------------------|-------|-------|-------|-------|-------|
| Current Employees | 26.00 | 30.00 | 30.00 | 35.00 | 35.00 |

Plan Design Changes

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|------|--------------------|--|------|------|
| Deductible | None | None | In: \$150/\$450 Out: \$300/\$900 | None | None |
| Out-of-Pocket Maximum | None | In: \$1,500 family | In: \$1,000/\$2,000 Out: \$3,000/\$6000 | None | None |
| Retail Prescription Drug Deductibles | None | In: \$35/\$70 | Out: \$100/\$200 | None | None |
| Mail Order Prescription Drug Copayments | None | None | None | None | None |

3. *Additional health and welfare increases:*

- a. Increase life insurance to
 - i. \$65,000 (2/24/08)
 - ii. \$70,000 (2/24/09)
 - iii. \$73,000 (2/24/10)
 - iv. \$76,000 (2/24/11)
 - v. \$80,000 (2/24/12)
- b. Increase weekly accident and sickness benefits by \$15.00 per year, beginning 5/1/07
- c. Increase accidental death and dismemberment insurance to \$40,000, effective 5/1/07
- d. Provide opportunity to purchase additional life insurance in \$10,000 increments up to \$100,000

4. *Wage:* Wage increases of:

- a. Upon ratification: lump sum \$1,500
- b. Year one: across the board 2.0%
- c. Year two: lump sum \$1,000 (option to deposit in 401k)
- d. Year three: across the board 2.0%
- e. Year four: lump sum \$1,000 (option to deposit in 401k)
- f. Year five: across the board 2.0%

5. *Wage:* COLA will continue to be paid in the current fashion (quarterly calculation, annual roll-in).

6. *Wage:* New employees hired between February 25, 2007 and February 24, 2012 into job class thirteen (13) and below will be paid 70% of the wage scale for the first three years of

employment. Beginning in the fourth (4th) year of employment, such employees will receive increases of 3.75% per quarter.

Employees who are in a new-hire progression currently will continue the progression to completion.

Employees hired into a job class 14 or above will be hired at 80% and receive annual increases to 90% and then to 100%. The escalation for this group may be waived for a new employee who can demonstrate skill equivalent to an incumbent.

7. *Pension plan*: Amend the SPD to increase the maximum multipliers to the following:
 - for all employees hired before (date of ratification, 2007)*:
 - a. Effective 5/1/07, maximum of \$59
 - b. Effective 2/25/10, maximum of \$64
 - c. Effective 1/1/12, maximum of \$68
 - for employees hired after (date of ratification), 2007*: all years of service, up to \$40
8. *401k*: Effective January 1, 2008, auto-enroll new employees and current employees with no current contribution at 3%.
9. *Term of Agreement*: Five year agreement.
10. *Working on holidays*: Rexam will provide seven days' notice if it will be working on Thanksgiving or Christmas. If less than a full crew is required, Rexam may call for volunteers, but may require employees to work.
11. *Contracting out*: If work must be contracted out, Rexam will provide the Union with seven days' notice.
12. *Language expansion for improved practices*: USW, its local Presidents and Rexam will meet through the contract term to agree on revisions to the job classifications, evaluate new hire wage progression, and to improve training programs (agreements clarified 2/25/07).
13. *Language update and housekeeping*: Change references to schedules and benefit plans to make them current; move topics (such as overtime, holidays) for continuous operation so they all appear together in one article; move references on salaried employee to side letter (agreements clarified 2/25/07).
14. *Grievance committee*: A master grievance committee, inclusive of local Presidents, will monitor the process of grievances every six months to prevent backlog. The grievance procedure was clarified and streamlined, including FMCS panels for regular and expedited arbitration. Rexam has forty-five days to issue back pay if awarded.
15. *Group leader*: Rexam may remove title and duties of instructor or group leader from employees unable to satisfactorily perform requisite duties.

Article 11, Section 8. When the Company determines that group leaders and instructors are required they will be assigned under the applicable plant seniority rules from employees within the classification on the shift provided the senior employee is able to perform the work. If the employees assigned to be group leader or instructor are not performing their duties satisfactorily, and the Company has just cause to act on the employees failure to satisfactorily perform their duties, the company may reassign the position using the same method.

16. *Winston-Salem*: Include bargaining unit in master agreement with full application of the terms of the master contract, contingent upon the following criteria.
- a. Increase pension multiplier to \$59 for all past years of service; master contract multipliers for all future years of service
 - b. Merge Winston-Salem pension plan into the Rexam pension plan
 - c. Reset alcohol level that constitutes just cause for discharge under drug and alcohol policy (for all locations) to state-accepted levels for operating a passenger vehicle
 - d. Change to master 401k and health and welfare benefit programs effective January 1, 2008
 - e. Seven-year escalation of wages in equal increments to reach master scale; this escalation will be confirmed by side letter and the parties agree it will not be subject to negotiation at any time within the seven years
 - f. Escalation of shift differential at 1% per year, reaching 5% (master scale) in the beginning of year 4
 - g. Job re-classification to master job classes by January 1, 2008
 - h. Winston-Salem will distribute overtime with use of a daily sign up sheet for one year. If after that year the parties do not agree to continue the practice, the parties will return to the current canvassing procedure
 - i. Employees on justice and dignity for alcohol consumption in Winston-Salem will have discharge converted to a 30-day suspension, which will be considered as already served
 - i. Employees hired before January 1, 2007 will retain the vacation eligibility schedule identified in the Winston-Salem contract expiring February 24, 2007
 - j. The guaranteed success share of \$1400 will be paid through 2007; effective January 1, 2008, the guaranteed success share will be converted to a \$.50 increase to the base rate

Strike-related issues:

- The Employer will accept all bargaining unit employees back to work immediately upon ratification.
- The Union will withdraw all unfair labor practice charges within three (3) days of ratification. The Employer waives any and all unfair labor practice charges against the Union.
- There will be no break in service for purposes of seniority dates or benefit purposes, or for any other purpose under the agreement.
- Amnesty will be provided to all striking employees.

- All increases will be effective 2/25/07, except for the period of 4/10/07 through the date of ratification.
- COBRA premiums and premium contributions paid for any and all days that fall after employees return to work will be reimbursed or credited to the employee.