

COLLECTIVE BARGAINING AGREEMENT

between

XEROX WILSONVILLE



SERVICE EMPLOYEES
INTERNATIONAL UNION
LOCAL 49

in effect from

OCTOBER 5TH, 2017

— *through* —

NOVEMBER 1ST, 2021

3536 SE 26TH AVE PORTLAND, OR 97202



1-800-955-3352 | FAX 503-238-6692

www.SEIU49.ORG

TABLE OF CONTENTS

ARTICLE 1.	DECLARATION OF PURPOSE.....	1
ARTICLE 2.	UNION RECOGNITION	1
ARTICLE 3.	UNION DUES AND MEMBERSHIP	2
ARTICLE 4.	NO STRIKES OR LOCKOUTS	3
ARTICLE 5.	SUBCONTRACTING	3
ARTICLE 6.	COMMITTEE ON POLITICAL EDUCATION (COPE)	3
ARTICLE 7.	NON-DISCRIMINATION	4
ARTICLE 8.	QUALITY	4
ARTICLE 9.	EMPOWERMENT	4
ARTICLE 10.	PROBATIONARY PERIOD	4
ARTICLE 11.	TEMPORARY WORKFORCE	5
	A. RESTRICTIONS AND LIMITATIONS	4
	B. OVERTIME.....	5
	C. WAGES.....	5
	D. UNION NOTIFICATION OF USE OF THE TEMPORARY WORK FORCE	5
ARTICLE 12.	HOURS OF WORK AND OVERTIME.....	5
	A. SHIFT CONFIGURATION	5
	B. PREMIUM PAY	6
	C. CREDIT FOR TIME NOT WORKED	6
	D. BREAKS AND LUNCH	6
	E. SUPERVISOR APPROVED ABSENCES.....	6
ARTICLE 13.	OVERTIME DISTRIBUTION	7
ARTICLE 14.	SENIORITY	8
	A. BARGAINING UNIT SENIORITY	8
	B. COMPANY SENIORITY	8
ARTICLE 15.	REDUCTION IN FORCE.....	9
	A. REDUCTION WITHIN A SPECIFIC JOB CLASSIFICATION	9
	B. GENERAL REDUCTION IN FORCE	9
	C. RECALL	10
ARTICLE 16.	TEMPORARY LAYOFF	10
ARTICLE 17.	PREFERENTIAL HIRING RIGHTS.....	11
	A. BARGAINING UNIT CHOICE	11
	B. RE-EMPLOYMENT	11
	C. RECALL	12
ARTICLE 18.	PRIOR RIGHTS.....	12

ARTICLE 19.	PROMOTION AND TRANSFER	12
A.	RESTRICTIONS AND LIMITATIONS	12
B.	PROMOTION AND TRANSFER	13
C.	INVOLUNTARY DOWNGRADE.....	14
D.	SPECIAL SITUATIONS	14
ARTICLE 20.	SHIFT CONFIGURATION REALIGNMENT	14
ARTICLE 21.	TEMPORARY TRANSFERS	14
ARTICLE 22.	TEMPORARY REASSIGNMENT OF PHYSICALLY	15
	DISABLED EMPLOYEES.....	15
ARTICLE 23.	JOB CLASSIFICATIONS AND WAGES	16
A.	JOB CLASSIFICATIONS.....	16
B.	WAGE RATES.....	16
C.	SHIFT DIFFERENTIAL.....	16
D.	LEAD PERSON.....	16
ARTICLE 24.	PAY DAY	16
ARTICLE 25.	ARMED SERVICES.....	17
A.	VETERANS' REEMPLOYMENT	17
B.	PRE-INDUCTION PHYSICAL.....	17
ARTICLE 26.	HOLIDAYS	17
ARTICLE 27.	VACATIONS.....	18
A.	VACATION ENTITLEMENT.....	18
B.	VACATION EARNING.....	18
C.	VACATION PAY	18
D.	VACATION SCHEDULING.....	18
ARTICLE 28.	JURY SERVICE.....	19
ARTICLE 29.	DEATH IN THE FAMILY.....	20
ARTICLE 30.	SICK LEAVE	21
ARTICLE 31.	DISCIPLINE.....	21
ARTICLE 32.	GRIEVANCE AND EXPEDITED ARBITRATION PROCEDURE	22
ARTICLE 33.	HEALTH AND SAFETY.....	23
ARTICLE 34.	DRUG FREE WORKPLACE.....	24
ARTICLE 35.	LEAVES OF ABSENCE	25
ARTICLE 36.	BENEFITS	25
A.	LIFE INSURANCE, SICKNESS AND ACCIDENT, LONG-TERM DISABILITY, MEDICAL AND DENTAL FLEXIBLE BENEFITS PROGRAMS	25
B.	SUPPLEMENTAL UNEMPLOYMENT BENEFITS PLAN (SUB).....	25
C.	SEVERANCE PAY	25
D.	401(K) COMPANY SAVINGS PLAN	25
E.	RETIREMENT INCLUDING RETIREMENT INCOME.....	25
F.	DEFINITION OF SENIORITY.....	25

ARTICLE 37. TERMINATION OF BENEFITS.....	26
ARTICLE 38. SUCCESSORSHIP	26
ARTICLE 39. VALIDITY	27
ARTICLE 40. PRODUCTIVITY	27
ARTICLE 41. TERM OF AGREEMENT	28
SCHEDULE A: JOB CLASSIFICATION STRUCTURE / PROMOTION AND.....	29
TRANSFER CHARTS.....	29
SCHEDULE B: WAGE RATES.....	39
SCHEDULE C: LIFE INSURANCE, SICKNESS AND ACCIDENT, LONG-TERM.....	41
DISABILITY, MEDICAL & DENTAL, FLEXIBLE BENEFIT	41
SCHEDULE C:PROGRAMS.....	41
I. LIFE INSURANCE PLAN	41
II. SICKNESS AND ACCIDENT PLAN	42
III. LONG-TERM DISABILITY PLAN	43
IV. FLEXIBLE BENEFIT PROGRAMS	47
V. SERVICE EMPLOYEES INTERNATIONAL UNION (SEIU), LOCAL 49	49
BENEFITS TRUST	49
VI. MEDICAL OPT-OUT	5050
VII. DENTAL CARE PLAN	50
VIII. SALARY REDIRECTION ACCOUNTS	53
IX. VISION CARE PLAN	54
X. ACCIDENT INSURANCE	55
XI. DEPENDENT LIFE INSURANCE	55
SCHEDULE D: SUPPLEMENTAL UNEMPLOYMENT BENEFITS PLAN.....	57
SCHEDULE E: SEVERANCE PAY PLAN.....	59
I. ELIGIBILITY.....	59
II. BENEFIT.....	59
III. PAYMENTS.....	60
IV. REHIRES WITHIN THIRTY-FIVE (35) MILES.....	60
V. OFFER OF EMPLOYMENT BEYOND (35) MILES	60
VI. EMPLOYEES ON LAYOFF STATUS	61
VII. RETIREMENT	61
VIII. DEATH BENEFITS.....	61
IX. EXCEPTIONS	61

SCHEDULE F: 401(k) COMPANY SAVINGS PLAN	63
I. PARTICIPATION IN THE PLAN	63
II. VOLUNTARY SAVINGS	63
III. COMPANY MATCHED SAVINGS	64
IV. ADDITIONAL 401(K) SAVINGS PLAN HIGHLIGHTS.....	64
V. TRANSFERS AMONG THE FUNDS	64
VI. LOANS	65
VII. WITHDRAWALS	66
VIII. MISCELLANEOUS PROVISIONS	67
IX. ADDITIONAL PLAN DETAIL	67
SCHEDULE G: RETIREMENT INCOME GUARANTEE PLAN	69
I. PURPOSE.....	69
II. PAY	69
III. CASH BALANCE RETIREMENT ACCOUNT (CBRA).....	69
IV. NORMAL RETIREMENT GUARANTEE	70
V. EARLY RETIREMENT GUARANTEE	72
VI. VESTING	72
VII. PRE-RETIREMENT SURVIVOR INCOME.....	73
VIII. POST-RETIREMENT SURVIVOR INCOME (EXCEPT FOR THOSE EMPLOYEES WHO ELECT A LUMP SUM EQUIVALENT PAYMENT.).....	73
IX. OPTIONAL FORMS OF BENEFITS	73
X. LUMP SUM EQUIVALENT PAYMENT	73
XI. PRIOR SERVICE CREDIT FOR EMPLOYEES WHO SEPARATE	
AND ARE LATER REEMPLOYED BY XEROX	74
XII. MISCELLANEOUS	74
SCHEDULE H: BENEFITS FOR RETIREES AND THEIR DEPENDENTS	75
I. ELIGIBILITY FOR RETIREMENT	75
II. PROVISIONS OF BENEFITS FOR RETIREES AND THEIR DEPENDENTS ..	75
ADDENDUM 1: UNION REPRESENTATION GUIDELINES FOR EMPLOYEES.....	79
STEWART, SHOP CHAIRPERSON & SUPERVISORS	79
LETTER OF UNDERSTANDING: DATED OCTOBER 4, 2000 FROM JAMES R. COLE TO.....	
BARBARA MEJIA RE: EXPEDITOR'S INTERNATIONAL WAREHOUSING	81
LETTER OF UNDERSTANDING: DATED OCTOBER 24, 2002 FROM BARBARA MEJIA	
TO JAMES COLE RE: PROMOTION & TRANSFER, CANVASSING	
OR POSTING.....	83
GLOSSARY:	85

AGREEMENT

Made on the fifth (5th) day of October, 2017 between XEROX CORPORATION located in the County of Clackamas, Oregon (hereinafter referred to as "the Company"), and the SEIU (hereinafter referred to as "the Union"), on its own behalf and on behalf of its Local 49.

WITNESSETH:

ARTICLE 1. DECLARATION OF PURPOSE

The purpose of this Agreement is to establish the basis of the collective bargaining relationship between the parties whereby a spirit of mutual understanding, harmony, and cooperation between the parties, employees, and the Company is promoted, thereby serving the best interests of all concerned and ensuring industrial peace.

The Company and the Union also recognize the need for a new approach to labor/management relations utilizing innovative approaches to the staffing and operations of a highly efficient existing business. It recognizes that traditional methods of management and labor relations should be supplanted by the development of an environment of cooperative problem solving and employee commitment to the concept of continuous quality improvement while reducing costs through teamwork.

ARTICLE 2. UNION RECOGNITION

- A.** The Company recognizes the Union as the exclusive bargaining representative at its Wilsonville, Oregon facilities as defined herein: all production operators, assemblers, distribution, shipping and receiving employees, material handlers, and manufacturing line maintenance, excluding clerical employees, engineering, professional, and field service technicians, guards and supervisors as defined in the Act.
- B.** The Company agrees to provide bulletin boards for the Union's use in posting of notices of meetings and other proper communications to the members of the bargaining unit. The Union agrees not to post political information endorsing candidates or measures, or to post inflammatory statements against the Company.
- C.** Non-Bargaining Unit employees shall not normally and routinely perform Bargaining Unit work. Exceptions to this principle could include:
 - 1. For brief periods of time to determine operating characteristics of equipment or processes.
 - 2. When necessary for instruction and training.
 - 3. Emergencies beyond the Company's control.
 - 4. To avoid interruption of operations caused by circumstances requiring immediate action.

The area steward will be notified as soon as practical when Non-Bargaining Unit employees perform Bargaining Unit work.

Nothing contained herein shall be interpreted so as to permit work performed by supervisors to reduce the size of the Bargaining Unit or deny a Bargaining Unit employee the opportunity to perform Bargaining Unit work.

- D. The Company shall recognize and deal with such representatives of the employees as the Union may elect or appoint and shall permit such representatives elected or appointed by the Union to visit the plant at any time, during working hours, in accordance with existing rules. The Union representative will provide as much advance notice of the visit as is reasonably possible.

The regional office staff of SEIU Local 49 will notify the Industrial Relations Representative in advance of any visit by e-mail or phone communication. In the event the Industrial Relations Representative cannot be reached, the Company manager involved will be contacted. The communication will include the nature of the visit. However, notwithstanding the above, the Company will not interfere with the Union's right to enforce the collective bargaining agreement.

- E. New hires will be introduced to the work area Steward on the employee's first day of work. Time will be allowed for communicating SEIU Local 49 information. The Company, shall, within thirty (30) days of hire, notify the Union in writing of the name, home address, primary telephone number, work location, job classification, shift information, and wage rate of each new employee engaged by the Company subject to this Agreement. This information, in the form of the Membership Application, shall be scanned and emailed to the designated SEIU Local 49 contact.

ARTICLE 3. UNION DUES AND MEMBERSHIP

- A. To the extent permitted by law, after the thirtieth (30th) day following the date of ratification of this Agreement, all employees covered by this Agreement shall become and remain members in good standing in the Union.
- B. To the extent permitted by law, after the completion of the probationary period, all newly hired employees covered by this Agreement shall become and remain members in good standing in the Union. The Company shall provide a Membership Application and a copy of the current Collective Bargaining Agreement to all new hires.
- C. Separate from the remittance of monthly dues, the Company, at the request of the union, shall provide a list showing employees names, employee number, dates of hire, hourly wage rates, home address, and primary telephone number given to the Company. The list will be submitted electronically in a mutually agreed upon format.
- D. In the case of each employee to whom this Agreement is applicable, and who voluntarily executes a written form of authorization which shall not be revocable for a period of one (1) year or until the date of modification of this Agreement, whichever occurs sooner, the Company agrees to make monthly deductions from such employee's wages of the regular initiation fee and dues and to remit such to the Union monthly. The Union agrees to indemnify the Company with respect to any claims arising out of the check-off provisions.
- E. Any employee who is expelled or suspended from the Union because of nonpayment of dues or initiation fee shall be subject to dismissal seven (7) days after notification in writing to the Company by the authorized representative of the Union. However, if payment of such arrears is made within such seven (7) day period, the Company shall

not be required to dismiss such employee. When an employee has been dismissed by the Company due to his suspension or expulsion by the Union, the Company shall not be required to re-employ or reinstate such employee at any time.

- F. The Union shall indemnify, defend and hold the Company harmless against any and all claims, demands, suits or other forms of liability that shall arise out of or result from action taken by the Company for the purpose of complying with this Article.

ARTICLE 4. NO STRIKES OR LOCKOUTS

- A. Under no circumstances shall strikes, sympathy strikes, stoppages of work, walkouts, slowdowns or picketing be ordered, sanctioned, permitted or enforced by the Union, its officials, agents or shop chairpersons; nor shall lockouts be ordered sanctioned, permitted, or enforced by the Company, its officials, or agents.
- B. In the event of a strike, stoppage, walkout, slowdown or picketing, the Union, acting through its officers, shall promptly and publicly state that the strike, stoppage, walkout, slowdown or picketing is not authorized by the Union and is disapproved of by it and order the employees back to work.
- C. Any employee who engages in such activity shall be subject to such discipline as the Company may see fit to impose, including termination of employment.

ARTICLE 5. SUBCONTRACTING

- A. Whenever the Company finds it necessary to subcontract work that is within the jurisdiction of the Bargaining Unit, the Company will meet and discuss its intentions with the Union. The discussion shall include other alternatives to subcontracting such as cost reductions, productivity increases and restructuring of job classifications.
- B. Should a decision be reached to subcontract work within the jurisdiction of the Bargaining Unit, it must provide data to the Union in writing showing the economic and efficiency gains and shall not be done for the purpose of abolishing jobs or causing employees to be laid off.

ARTICLE 6. COMMITTEE ON POLITICAL EDUCATION (COPE)

The Company agrees to make deductions from the wages of those employees who voluntarily execute a form authorizing such deductions meeting applicable legal requirements, to the Committee on Political Education (COPE) and to remit such deductions to SEIU Local 49 monthly.

The Union shall indemnify, defend and hold the Company harmless against any and all claims, demands, suits or other forms of liability that shall arise out of or result from action taken by the Company for the purpose of complying with this Article.

ARTICLE 7. NON-DISCRIMINATION

Both the Company and the Union agree to support the principles of Equal Employment Opportunity, and to comply with all applicable laws, rules, regulations, and guidelines regarding discrimination against an employee because of race, color, religious belief, sex, age, national origin, citizenship status, marital status, union membership, sexual orientation, or gender identity. Nor will there be discrimination against veterans of the Vietnam era. Similarly, considering the need for reasonable accommodation to their limitation under this contract, the Company will not discriminate against persons because of their disability, including disabled veterans. This section shall be interpreted broadly to be coextensive with all federal, state and municipal statutes and orders.

ARTICLE 8. QUALITY

The Company and Union agree to a work environment characterized by Employee Involvement and are dedicated to the proposition that every employee shall be committed to support the concept of continuous quality improvement while reducing quality costs through teamwork.

In the interest of open communication and quality improvement, a Labor and Management Committee will be established. In the event that releasing multiple Union Executive Board members in a single work group would negatively impact the operations, participation on the Labor and Management Committee will occur on a rotational basis.

ARTICLE 9. EMPOWERMENT

During the term of the contract, a joint Company/Union committee will be established to explore the concept of empowerment and seek mutually agreeable applications of employee empowerment in all operations of the business.

ARTICLE 10. PROBATIONARY PERIOD

All newly hired employees shall be subject to a probationary period of ninety (90) calendar days, during which period the Company shall have the unqualified right to suspend or dismiss such employees. The exercise of such right shall not be subject to arbitration. The Industrial Relations Manager shall meet with the Local Business Agent in cases of suspension and/or terminations of employees during their probationary period and will explain the facts in a timely manner. Upon mutual agreement of the parties, the probationary period for any newly hired employee may be extended for an additional thirty (30) calendar days.

Newly hired employees shall not be entitled to use personal choice holidays under Article 26.B, vacation under Article 27, or sick leave under Article 30 until the successful completion of their probationary period. To be eligible for sick leave under Article 30, the employee's absence must commence after the successful completion of the probationary period.

ARTICLE 11. TEMPORARY WORKFORCE

A. Restrictions and limitations:

1. The use of temporary workers when there are employees on the recall list should be limited to filling positions vacated by employees on disability, vacation, leaves of absence and during temporary increases in production demands.
2. The number of temporary workers shall not exceed twenty five (25%) percent of the regular full-time workforce.
3. The Company may use each temporary worker in any Bargaining Unit classifications/positions at all levels for up to twelve (12) months in duration.
4. Regular employees on layoff, during their one (1) year recall period, will be offered the opportunity, in seniority order, based upon qualifications, for any temporary positions. Declining temporary positions, while on layoff, will not affect an employee's recall rights.
5. Should the Company determine, during the course of the temporary assignment that the position will become regular full-time the Company will fill the position through the Promotion and Transfer Provision of Article 19.B.
6. It is not the intent of the Company to utilize temporary workers for the purpose of laying off the permanent work force.

B. Overtime:

Temporary workers shall be allowed to work overtime subject to the provisions in accordance with Article 13, Overtime Distribution.

C. Wages:

Temporary workers shall be paid no more than the entry wage rate (in accordance with Schedule B) for the job classification to which they are initially assigned.

D. Union Notification of Use of the Temporary Work Force:

Prior to each use of the temporary work force, the Company will notify the Shop Chairperson by email of the need requiring this action, and the anticipated duration of the assignment.

ARTICLE 12. HOURS OF WORK AND OVERTIME

A. Shift Configuration:

1. The standard workweek is forty (40) hours, eight (8) hours per day, five (5) days per week, Monday through Friday.
2. The non-standard workweek is forty (40) hours, ten (10) hours per day, four (4) days per week, Monday through Thursday.
3. The weekend workweek is thirty-six (36) hours, twelve (12) hours per day, three (3) days per week, Friday, Saturday, and Sunday, and shall be paid forty (40) hours pay for the workweek. The initial staffing of the weekend workweek will be in accordance with Article 18D.
4. In the event that shift configurations need to be added or changed during the term of this agreement, the parties shall meet to establish rules regarding the applicable hours of work and overtime premium pay.
5. Nothing herein shall be construed as a guarantee of work.

B. Premium Pay:

1. Employees shall be paid for overtime at the rate of time and one-half (1.5X) for all hours worked in excess of ten (10) hours in any one (1) workday.
2. Employees shall be paid for overtime at the applicable premium rates described below for all hours worked in excess of forty (40) in any work week:
 - a. Employees on the standard work week shall receive premium pay at the rate of time and one-half (1.5X) for hours worked on the sixth (6th) consecutive work day and at the rate of double time (2X) for hours worked on the seventh (7th) consecutive work day.
 - b. Employees on the non-standard work week shall receive premium pay at the rate of time and one-half (1.5X) for hours worked on the fifth (5th) consecutive work day and at the rate of double time (2X) for hours worked on the sixth (6th) and seventh (7th) consecutive work day(s).
 - c. Employees on the weekend work week shall receive premium pay at the rate of time and one-half (1.5X) for hours worked on the fourth (4th) consecutive work day and at the rate of double time (2X) for hours worked on the fifth (5th), sixth (6th), and seventh (7th) consecutive work day(s).
 - d. Employees shall receive double time (2X) for all hours worked on Sunday, except for those employees working the weekend workweek.
3. There shall be no pyramiding of overtime or premium pay.

C. Credit for Time Not Worked:

Work credit toward computation of ten (10) hours in one day or forty (40) hours in one week for purposes of overtime calculation shall be granted only for those non work absences due to fixed holidays.

D. Breaks and Lunch:

The intent of this Article is to provide guidelines for breaks and lunch periods.

1. During each regular workday, all employees scheduled to work will be entitled to two (2) fifteen minute breaks; employees whose normal work schedule is ten (10) hours or twelve (12) hours a day will be entitled to an additional fifteen (15) minute break.
2. Times scheduled for breaks may vary within shifts according to availability of services and operating needs of the Company. However, one (1) break shall be scheduled no later than three (3) hours after the start of the employees' work day and the other break no earlier than five (5) hours after the start of the employees' work day and no later than seven (7) hours after the start of the employees' work day. Employees scheduled on a ten (10) hour or twelve (12) hour shift shall continue their established practice of utilization of the third break.
3. Each employee will be entitled to a thirty (30) minute unpaid lunch break (paid for employees on a twelve (12) hour work schedule). Times scheduled for lunch periods may vary within shifts according to availability of service and operating needs of the Company. However, lunch periods shall be scheduled as close to the middle of each employee's workday as far as practical.
4. A fifteen (15) minute rest period will be provided when an overtime opportunity of two (2) hours or more is scheduled at either end of the normal shift.

E. Supervisor Approved Absences:

With prior approval from their immediate supervisor, employees may be granted from one (1) to four (4) hours of excused time off without pay in increments of one-half (1/2) hour to take care of personal business which cannot be scheduled during non-working hours and subject to management approval, may be given an opportunity to make up the time by extending the normal work period on the same day or workweek. Approval of requests under this procedure will be based on operating requirements of the Company and the nature of the reason for the request. No additional shift or overtime premium obligation will be incurred under this procedure.

ARTICLE 13. OVERTIME DISTRIBUTION

In the event that business needs require overtime, employees may be requested to work beyond their regular scheduled work hours. Such work may be scheduled or unscheduled.

A. Scheduled Overtime: All scheduled overtime will allow for more than twenty-one (21) hours in advance notice:

- Step 1. The Company will first offer the overtime to the regular employees, who are at work and normally perform the work on the shift where the overtime occurs, in seniority order.
- Step 2. If Step 1 does not produce enough volunteers to fill the overtime needs, the Company will offer the overtime to the regular employees, who are at work and normally perform the work on other shifts, in seniority order.
- Step 3. If Step 2 does not produce enough volunteers to fill the overtime needs, the Company will offer the overtime to all qualified, regular employees in the line of progression, in seniority order, by posting the overtime in the designated posting areas.
- Step 4. If Step 3 does not produce enough volunteers to fill the overtime needs, the Company will offer the overtime to all qualified, regular employees, in seniority order.
- Step 5. If Step 4 does not produce enough volunteers to fill the overtime needs, the Company will next assign the overtime to qualified temporary workers.
- Step 6. If Step 5 does not produce enough volunteers to fill the overtime needs, the Company will next assign the overtime to all qualified, employees within the work group where the overtime is required, based on lowest seniority first, including temporary workers in that work group.

B. Unscheduled Overtime: All overtime not scheduled more than twenty-one (21) hours in advance will be considered to be unscheduled overtime. Unscheduled overtime will be four (4) hours or less in one day within the work group. The work may be performed by the employee(s) who are at work and normally perform the work in seniority order. This includes both regular employees and temporary workers.

C. Every reasonable effort shall be made by management to include all shifts equally in the overtime.

- D. Regular qualified employees who volunteered to work the entire specified overtime hours will have precedence over employees volunteering to work only partial overtime hours. Prior to allowing temporary employees to work overtime, the Company will consider employees who volunteer for partial overtime hours, but reserves its right to deny such requests based on the needs of the business. Employees who volunteer for partial shift overtime shall only be considered if the amount of hours volunteered is more than or equal to fifty (50) percent of the overtime opportunity, and they agree to come in at the start or end of the shift.

ARTICLE 14. SENIORITY

A. Bargaining Unit Seniority:

1. For employees who joined Xerox from Tektronix on January 1, 2000, Bargaining Unit seniority shall mean the length of continuous service at Xerox, Wilsonville, and Tektronix, Inc., and shall be used for the purpose of promotion, transfer, reduction in force, temporary layoff and recall. Ties in Bargaining Unit seniority will be resolved on the basis of the alphabetical order of the employees' last names at the time of their assignment to the Unit. If two employees who joined the unit on the same date have identical last names, ties shall be resolved by looking at the last four digits of the employees' Social Security numbers, and granting the greater seniority to the employee with the higher number.
2. Employees who joined Xerox's Wilsonville facility after January 1, 2000, or who worked at the Wilsonville facility prior to January 1, 2000 but were not in Bargaining Unit positions at the time of ratification, will begin accumulating Bargaining Unit seniority as of the date that they enter a Bargaining Unit position in Local 14Z. Ties shall be resolved in the same manner as in 1., above.

B. Company Seniority:

1. Company seniority shall mean length of continuous service from most recent date of hire with the Company, except as modified for those former Tektronix employees by the Asset Purchase Agreement dated September 22, 1999, between the Company and Tektronix. Company Seniority shall be used to determine benefits eligibility and Preferential Hiring Rights only.
2. Company seniority shall be considered as being continuous so long as an employee remains actively in the employ of the Company. Absences due to illness, leaves of absence of specified duration as mutually agreed upon, or reduction in force due to lack of work of less than one (1) year's duration, shall not constitute interruptions in the accumulation of seniority. Employees who leave the Company's employment voluntarily, or are discharged for cause, or laid off in excess of one (1) year, or fail to return by the expiration of an approved leave of absence (except in cases reported prior to the expiration of the leave, of verifiable illness, disability or other circumstances customarily accepted by the Company), or fail to return to work after recall in accordance with the terms and provisions of this Agreement, shall lose all seniority, and if rehired (except as provided by law) shall be considered newly hired employees with all wages, bonuses, conditions of employment and benefits based on seniority measured from the date on which they are rehired, unless otherwise classified by mutual agreement.

- C. In the event the Company deems it appropriate, they may request the Union to consider the return to the Bargaining Unit of an employee transferred from the Bargaining Unit. Such transfer back to the Bargaining Unit shall be upon terms and conditions mutually agreeable.

ARTICLE 15. REDUCTION IN FORCE

For a reduction in the Bargaining Unit not covered by Schedule E, the following procedures shall apply and employees must possess the requisite qualifications pursuant to Article 19.A.1. to enter any position.

- A.** Reduction within a specific job classification (when no net loss of headcount is anticipated). In reducing the number of incumbents within any job classification the Company shall make the reductions or movements in the following order:
1. Temporary employees in the specific job classification.
 2. The least senior employee(s) in the line of progression shall be moved into an open and available position for which the employee(s) is qualified.
 3. If the least senior employee(s) who is not qualified for an open and available position under subparagraph 2, the employee(s) may use Bargaining Unit seniority to bump the least senior incumbent in a lower level classification within the line of progression, so long as the employee possesses the requisite qualifications for the specific job held by that employee. Such qualifications are not subject to the ten (10) day period in Article 19.A.1.
 4. Any employee displaced as the result of bumping pursuant to subparagraph 3, or who is unable to bump another employee pursuant to subparagraph 3, may be placed in an opening in other lines of progression for which the employee is qualified as determined by management.
 5. In the event an employee does not possess seniority to bump into other lines of progression, is not qualified, or is not placed into a position by management then that employee shall be placed on layoff.
- B.** General reduction in force (when a net loss of headcount is anticipated). Whenever the demands of the business require the Company to reduce the number of Bargaining Unit employees, the Company shall advise the Union and the employees in writing in advance of the date of such reduction. The Company will make every possible attempt, other than in cases of emergency, to give employees to be laid off one (1) full weeks' notice. The Company shall make the reductions in the following order.
1. Temporary employees.
 2. Volunteers, in the order of seniority and subject to the needs of the business.
 3. The reduction will happen by laying off the least senior employee(s) in the Bargaining Unit. The positions to be vacated by those laid off employees shall be posted pursuant to Article 19.B.1., but for three (3) days instead of seven (7) days. Employees must be pre-qualified before being awarded an open position and will not have the ten (10) day period in which to become qualified.
- If the positions remain open after the initial posting, pre-qualified employees who do not have positions may fill an opening in inverse order of seniority. In the event an employee is not awarded a bid and is not placed into a position then that employee shall be placed on layoff. Any remaining openings shall be filled from the recall list.

C. Recall:

1. Those employees subject to layoff under either paragraph A. or B. above, of less than one (1) year in duration shall be eligible for recall in order of Bargaining Unit seniority, with the most senior employee who possesses the requisite qualifications for the specific job recalled first. Employees may be recalled out of seniority order if such employees possess qualifications for open positions not possessed by senior employee on layoff status.
2. The Company shall not hire new Bargaining Unit employees into job classifications from which employees have been laid off until all employees possessing the requisite qualifications have been recalled or have exhausted their one (1) year recall rights.
3. Employees to be recalled from layoff status shall be notified as far in advance as practicable by notice in writing. Such notice shall be sent by certified mail, return receipt requested, to the employees' last known address of record. It shall be the obligation of all employees, whether an active or laid off status, to keep the Company informed of changes in their mailing address. This provision shall not, however, prohibit the Company from notifying employees by personal contact, telephone call, or by any other means available. Upon request from the Union the employer will provide documentation of how an Employee was contacted.
4. Employees who are recalled from layoff status must notify the Company of their intention to return to work no later than five (5) working days after the date the notice is sent. Employees must return to work on the date set forth on the notice, which shall not be sooner than four (4) working days after receipt of such notice. An employee so recalled must accept the opening in any job classification for which the employee possesses the requisite qualifications on the occasion of its first availability to the employee. Failure to accept such opening shall result in the forfeiture of all future recall rights. A five (5) working day extension of the reporting date will be allowed for an employee to give another employer notice of termination when necessary. Extension of the reporting date will also be granted for reasons of verifiable illness or injury.

ARTICLE 16. TEMPORARY LAYOFF

- A. When the Company determines that work is temporarily unavailable, for any reason in a specific work group(s), the following procedures will be instituted:
 1. Notify Union that work is temporarily unavailable
 2. Canvass employee(s) in work group(s) for volunteers to go home. Employees may use vacation time, personal choice holidays, and/or unpaid excused absence to cover the time off.
 3. Identify available work for impacted employees.
 4. Assign employees to available work based on seniority, provided they are qualified.
 5. If additional employees want to work, allow employees to bump employees (temporary and/or regular) with lower seniority in other work groups not affected provided they are qualified.
 6. If employee is not able to bump based on seniority or not being qualified, employee is sent home. Employees may use vacation time, personal choice holidays, sick time, and/or unpaid excused absence to cover the time off work.

B. Duration:

The duration of any temporary layoff shall not exceed thirty (30) days.

C. Benefits:

Medical, dental, and life insurance coverage will be maintained during the temporary layoff period.

ARTICLE 17. PREFERENTIAL HIRING RIGHTS

The Company and the Union agree to the following procedures for providing employees laid off, or scheduled and identified for reduction in force as the result of full and final application of all reduction in force provisions of the Collective Bargaining Agreement of the current Bargaining Unit, Preferential Hiring Rights for Xerox/Western States Regional Joint Board Bargaining Unit(s) where openings exist that would otherwise be filled by new hires.

A. Bargaining Unit Choice:

At the time of reduction in force, employees of Xerox/Western States Regional Joint Board Bargaining Unit(s), other than that from which they are being laid off, they wish to be considered for reemployment in the event a permanent worker opening becomes available that would otherwise be filled by a new hire. The Company will provide employees with application forms for those Bargaining Units for which they indicate an interest for consideration, and information for filing such applications by mail.

B. Re-employment:

1. The Company will contact laid off employees for whom it has applications on file, prior to notifying applicants from the street, in the same fashion as it would have contacted applicants from the street when an opening occurs. However, the Company shall not be liable in the event a successful contact is not made, using the Company's procedures.
2. Laid off employees who have an application on file with the hiring facility will be given priority consideration for reemployment on the following basis:
 - a. Candidates who possess the required experience and are successful in completing whatever tests and procedures are required of a new hire, and are available for work within ten (10) working days of an offer for reemployment.
 - b. The Company reserves the right to refuse reemployment on the basis of: 1) an employees' unsatisfactory work record as substantiated by formal disciplinary action that would bar the employee from consideration for promotion in his/her current Bargaining Unit; 2) an absenteeism record that exceeds 2% for non-disability related absences in the twelve (12) months preceding the reduction in force or 10% overall; or 3) for non-compliance with any of the provisions provided herein. The hiring facility shall not be liable through the grievance procedure for any disputes regarding the employee's work or attendance record in his/her previous Bargaining Unit. However at the time of the reduction in force, employees indicating a desire for reemployment in another facility shall be advised if his/her work or absenteeism records would render them ineligible for such hire.
 - c. Employees re-employed under this procedure will be paid at the rate of pay equal to that which would have been paid a new hire and will be subject to the probationary provision of the Collective Bargaining Agreement.

3. In the event two or more employees are considered acceptable candidates for filling an opening under the provisions of this agreement, the Company will make its selection on the basis of Company seniority.

C. Recall:

1. Employees will be given consideration under this procedure for the duration of their normal recall rights.
2. If the Company advises the employee that there is a reasonable expectation of being recalled to his/her Bargaining Unit within the one (1) year period for which they have recall rights to that Unit, such an employee will not be eligible to take advantage of reemployment under this procedure unless the employee waives his/her recall rights to the former Bargaining Unit.
3. The Company will make an effort to obtain information about openings in facilities not covered by a Xerox/Western States Regional Joint Board bargaining agreement, and will, upon request from the Union, make available to the Union information so obtained.
4. Copies of all applications received by the Company from this procedure will be mailed to the Western States Regional Joint Board. Prior to contacting any applicants to fill openings the Western States Regional Joint Board will be notified. The Joint Board will handle all applications in a confidential manner.

ARTICLE 18. PRIOR RIGHTS

- A. In unit seniority order in which they were laid off, employees laid off shall have the prior rights to claim an opening in their former job classifications for a period of one (1) year from date of the reduction in force, provided they are qualified. These prior rights to job classifications previously held by employees laid off shall take precedence over any other seniority provisions, provided employees indicate a desire to return to the classifications from which they were laid off.
- B. Prior rights shall apply regardless of conventional movement back up the original line of progression.

ARTICLE 19. PROMOTION AND TRANSFER

The Promotion and Transfer Charts attached hereto as Schedule A, as revised from time-to-time by agreement of the parties, shall serve as the basis for all promotions and transfers in the Bargaining Unit in accordance with the following procedures and limitations.

A. Restrictions and Limitations:

1. Employees may be required to meet specified job qualifications in order to enter or remain in a job classification. Such qualifications, as determined by the Company, will be specified in job descriptions and/or job postings.

If an Employee does not initially meet the qualifications of a position, and such qualifications can be obtained within ten (10) days, the Employee will be given the opportunity to fill the position and during the ten (10) day period in subparagraph B.4. the employee must meet or obtain those qualifications. An employee will not be granted an extension of the ten (10) day period because the employee was not able to, or did not take any actions necessary to, obtain the qualification. If an employee has failed a test or certification in the past twelve (12) months, the

employee will not be eligible to take a position under this provision. Employees are encouraged to obtain qualifications prior to moving into a different position. If the first employee to fill a position is unable to obtain or meet the qualifications within the ten (10) day period, the Company may decide that the next employee to fill the position must already possess the qualifications.

2. Employees must maintain a satisfactory work and performance record in order to promote or make voluntary transfers. The Company will notify the Shop Chairperson if an employee's job bid was rejected due to an unsatisfactory work record.
 - a. Level "A" Labor Reports do not constitute as a condition of unsatisfactory work performance, with the exception of Rules 11, 12, and 13. Level "A" Labor Reports of those rules may affect the employee's ability to transfer or upgrade for the first three (3) months following the Labor Report.
 - b. Level "B" Labor Report may affect the employee's ability to transfer or upgrade for the first six (6) months following the Labor Report.
 - c. Level "C" Labor Report may affect the employee's ability to transfer or upgrade for the first twelve (12) months following the Labor Report.
 - d. Labor Reports do not affect the shift preference process.

B. Promotion and Transfer:

1. Job openings for vacancies in the Bargaining Unit shall be posted on designated bulletin boards for seven (7) calendar days. To be eligible for a voluntary promotion or transfer, employees must indicate their desire for the open position by responding to the posting in the designated manner within the seven (7) calendar days. Such job bids shall not be revocable after the seven (7) day window has closed.
2. The Shop Chairperson will receive copies of all Union Job Bid Announcements. For each vacancy filled, the Shop Chairperson shall be provided with the names of all applicants and the name of the candidate(s) selected.
3. When there is no excess within a job classification, the Company shall fill job openings on the basis of Bargaining Unit seniority in accordance with the following procedure:
 - Step 1 Employees who have prior rights to the job classification and who were involuntarily reduced in force from the former position, within one (1) year from the date of the reduction in force (for reasons other than unsatisfactory job performance) who bid for the position.
 - Step 2 Senior qualified employees who bid for the position.
 - Step 3 Senior qualified employees on the recall list.
 - Step 4 New employees shall be hired.
4. Employees awarded a bid or recalled following the procedure above will be given a trial period of up to ten (10) working days, during which the employee may decide to return to their former position and shift at their former rate of pay, or to the recall list. For employees awarded a bid the Company will have the same ninety (90) working days (unless an extended time period has been mutually agreed upon) to determine whether the employee is certified. An employee deemed not certified, shall be returned to their former job and pay rate. If the employee returns to their

former position for any reason, the Chief Steward will be notified by email of the date and reason for return.

5. Newly hired employees must remain in the new position for a period of not less than three (3) months. All other employees must remain in the position until they are certified. Anyone taking a Level III position must remain in the position for a minimum of six (6) months.
6. Employees voluntarily downgrading by posting to a lower position must remain in the lower position for a period of not less than six (6) months, prior to posting or voluntarily transferring into a new position.
7. Employees, who voluntarily downgrade to a lower level job classification, will immediately have their pay reduced to the hourly rate of the lower level job classification, as listed in Schedule B.

C. Involuntary Downgrade:

1. Company-initiated actions, i.e. reductions in force, will reset the time period that an employee must wait prior to posting or voluntarily transferring into a new classification or position to zero (0).
2. Employees who are involuntarily downgraded for medical reasons (physically unable to do the job) or due to performance/disciplinary reasons to a lower level job classification, will have their pay immediately reduced to the lower level job classification hourly rate as listed in Schedule B. Employees hired after October 25, 2011 who are involuntarily downgraded due to a reduction in force to a lower level job classification will have their pay reduced to the lower level job classification hourly rate after sixty (60) days, as listed in Schedule B.

D. Special Situations:

1. In the event the Company has a “ramp-up” situation, such as adding a shift or a new line, the Company will meet with a Union official to outline a process that satisfies the business requirement and recognizes employee interest. Transfers, Article 22, may be utilized.

ARTICLE 20. SHIFT CONFIGURATION REALIGNMENT

When the Company needs to change the number of employees in a job classification(s) on a shift or when a new shift configuration(s) is being created and there is not a reduction or increase in the number of incumbents in the job classification(s) then qualified incumbents in the affected classification(s) and/or shift will be canvassed, in seniority order, to move to an open shift(s). If there are still openings on shifts in the affected classifications, the least senior qualified employee(s) from the affected classification(s) will be assigned to the opening(s).

ARTICLE 21. TEMPORARY TRANSFERS

- A.** In case of emergency, or where conditions temporarily require it, employees may be temporarily transferred between shifts, departments, and jobs. In the selection of employees for temporary transfer, the Company shall consider seniority, operating needs, qualifications, availability, and training requirements of employees to be so transferred. Such temporary transfers shall not give employees so assigned the right to claim the positions on a permanent basis.

- B. Temporary transfers shall not be made when, in the best judgment of the Company, the duration of such transfers will exceed one-hundred and twenty (120) days, but will be posted as a Job bid instead.
- C. When a need for a temporary position exists, the Company will ask for qualified volunteer(s) and select the senior qualified volunteer(s). Should no employee(s) volunteer for the temporary assignment, the least senior qualified employee(s) will be assigned from within the appropriate work group.
- D. Pay for employees temporarily transferred will be their current hourly rate or the hourly rate for the job transferred to, whichever is greater. Employees temporarily transferred to a higher job classification for a duration of one (1) hour or more whose current hourly wage is greater than the hourly wage for the job transferred to, will have his or her wages increased by then-current promotional wage increases as referenced in Schedule B.
- E. If, at the end of the one-hundred and twenty (120) day period the temporary situation continues to exist, the Company shall discuss the situation with the Shop Chairperson, and only after mutual agreement will the transferred employee be requested to remain.
- F. Except when covering for employees on disability, worker's compensation, military leave, and leave of absence, should the Company fill the same temporary position(s) for an accumulated 120 days within a twelve (12) month period through the temporary transfer process, the situation shall be considered continuous and will be filled as a permanent position.

ARTICLE 22. TEMPORARY REASSIGNMENT OF PHYSICALLY DISABLED EMPLOYEES

- A. A Bargaining Unit employee who is physically disabled and restricted from performing work in his/her permanent job classification may be assigned by the Company, on a temporary basis, to an opening in any job classification in which suitable work is available.
- B. When such work within the Bargaining Unit is unavailable, an employee who is temporarily physically disabled may be assigned by the Company on a temporary basis to suitable non-Bargaining Unit work. Employees who voluntarily accept such temporary assignments shall be regarded as members of the Bargaining Unit and paid the applicable wage rate of their permanent Bargaining unit job classification during the period of temporary assignment. Such employees shall not be entitled to grieve issues relating to the nature of the work included in the temporary assignment. These employees shall retain at all times the right to return without prejudice to the Bargaining Unit job classification to which their seniority entitles them, provided they are physically capable of doing the work. The Company shall likewise retain the right to reassign such employees when, in its judgment, the services in the non-Bargaining Unit job are no longer required. This provision shall not expand Bargaining Unit jurisdiction.
- C. Any employee who refuses such assignment and who has exhausted their job-protected Family and Medical Leave entitlement shall be considered to have voluntarily terminated employment with the Company.

ARTICLE 23. JOB CLASSIFICATIONS AND WAGES

A. Job classifications:

Job classifications are described as set forth in Schedule A, attached hereto and made a part hereof. Specific Job descriptions shall be maintained by the Company and may be changed from time-to-time following discussion with the Union.

B. Wage Rates:

Wage rates for each job classification during the term of this agreement shall be set forth in the "Wage Tables" in Schedule B, attached hereto, and made a part hereof.

C. Shift Differential:

1. Employees who work on a regularly established second shift shall receive shift differential of \$0.75 per hour. Those employees who work on a regularly established third shift shall receive shift differential of \$1.00 per hour.
2. The regular first shift hours will occur between 5:00 a.m. and 5:00 p.m., second shift between 3:00 p.m. and 1:00 a.m., and third shift between 10:00 p.m. and 8:00 a.m. An employee working the majority of his/her hours in any one of these periods will receive the shift premium if any for that shift.

D. Lead Person:

1. An employee appointed to a Lead position shall receive a \$1.00 per hour increase in base hourly wage upon appointment. The \$1.00 increase in base hourly wage will be in effect until the end of the appointment period.
2. A Lead person is a working member of the group and will retain their job classification.
3. Company reserves the right to determine where and when Bargaining Unit employees may be utilized to perform lead person duties. Lead duties include:
 - a. A lead person is not to determine the work assignment, but is only to carry out the direction of the supervisor in the assignment of work.
 - b. Obtain necessary tools, equipment, materials and production paperwork.
 - c. Provide instruction and assistance when necessary.
 - d. Maintain necessary required production paperwork.
4. Lead people will not be responsible for maintaining attendance records, hiring, firing, or initiating discipline of other employees.

ARTICLE 24. PAY DAY

A. All employees will be paid on a bi-weekly basis.

B. Any employee who voluntarily terminates his/her employment or is terminated by the Company shall receive his/her remaining pay on the date of the next scheduled payday. Employees who give at least one (1) week notice shall receive their pay on the last day of work.

C. The union recognizes the Company's right to implement electronic time keeping with three (3) months' notice should the Company's systems permit such.

ARTICLE 25. ARMED SERVICES

A. Veterans' Reemployment:

Any employee who serves in the Armed Forces of the United States shall have and retain such rights with respect to seniority, vacation, and layoffs as are provided by applicable statutes of the United States or the State of Oregon.

B. Pre-Induction Physical:

Employees who are unable to work all or part of their regular scheduled shifts because they are required to submit to a physical examination prior to induction in the Armed Forces of the United States shall suffer no loss of pay below a minimum of eight (8) hours of straight time pay for any shift missed.

ARTICLE 26. HOLIDAYS

A. The following fixed holidays are recognized under this Agreement, and will be observed each year as per the attached Holiday Schedule:

New Year's Day	Thanksgiving Day
Memorial Day	Friday after Thanksgiving
Independence Day	Christmas
Labor Day	

Three (3) Floating Holidays: Scheduling of such floating holidays shall be aligned with each operating unit within the Company. The Company shall inform the employees by December 1 of each year what the Floating Holidays are for the following year.

Holidays falling on Sunday will be observed the following Monday. Holidays falling on Saturday will be recognized on the preceding Friday.

B. During the term of the contract, employees shall have two (2) Personal Choice Holidays. Employees shall earn 25% of their annual Personal Choice Holiday entitlement on the first workday of each quarter in which they are in active status. Employees who are inactive for the entire quarter will forfeit that quarter's Personal Holiday entitlement. Employees may use their available but unearned Personal Choice Holidays at any time during the year. Personal Choice Holidays will be scheduled with as much advance notice as possible.

C. Except in the case of approved FMLA and/or OFLA absence, jury duty, death in the immediate family, or time off requested in advance and approved by the employee's immediate supervisor, an employee who fails to work on the scheduled work day immediately preceding the holiday and the scheduled work day immediately following the holiday and the holiday, if scheduled to work, shall not receive any pay for the holiday.

D. Holiday pay will be the equivalent to the number of hours in the employee's normal work day, times their current base hourly rate. Employees working on a holiday shall be paid at two (2) times their current hourly rate, in addition to their holiday pay. The Company will continue the practice of scheduling holidays that fall on a non-work day to a work day for the ten (10) hour and twelve (12) hour shift configurations.

E. In the event that a twelve (12) hour shift configuration is established, the parties will meet to mutually agree on how the holidays will be observed.

ARTICLE 27. VACATIONS

A. Vacation Entitlement:

1. All employees shall be eligible for vacation as follows:

- a. Employees who have completed six (6) months but less than one (1) year of employment shall be eligible for one (1) week of vacation.
 - b. Employees who have one (1) year but less than five (5) years of Company Seniority shall receive two (2) weeks of vacation.
 - c. Employees who have five (5) years but less than ten (10) years of Company Seniority shall receive three (3) weeks of vacation.
 - d. Employees who have ten (10) years but less than twenty (20) years of Company Seniority shall receive four (4) weeks of vacation.
 - e. Employees who have twenty (20) years but less than twenty-five (25) years of Company Seniority shall receive five (5) weeks of vacation.
 - f. Employees who have twenty-five (25) or more years of Company Seniority shall receive six (6) weeks of vacation.
2. Employees shall not be eligible for more than one (1) vacation entitlement in any calendar year.

B. Vacation Earning:

1. Employees shall earn 25% of their annual vacation entitlement on the first workday of each quarter in which they are in active status; employees who are inactive for the entire quarter will forfeit that quarter's vacation entitlement.
2. Employees may use their available but unearned vacation time any time during the year, subject to the vacation scheduling process and supervisor approval.
3. Employees who leave the Company during the year will be paid in lieu of vacation time for all earned but unused vacation due as of the date of their separation. An employee who leaves the Company and who has used more than his or her earned vacation time will be expected to reimburse the Company for such excess vacation time taken.

C. Vacation Pay:

One week's vacation pay shall be equal to forty (40) hours of the employee's straight-time hourly rate plus shift differential for the period immediately preceding the time when the vacation is paid.

D. Vacation Scheduling:

1. The vacation year shall be January 1st through December 31st.
2. Where the Company deems it necessary to have a one-week vacation shutdown period, the Company shall so notify the Union no later than December 15th of the preceding calendar year. Shutdown periods shall normally be scheduled in conjunction with a Company holiday. Unless otherwise agreed, all affected employees shall be scheduled to take vacation during the vacation shutdown period. The Company shall be under no obligation to provide work for employees who are entitled to no vacation or whose vacation is exhausted prior to the end of the shutdown period.
3. Vacation days may be scheduled as follows:
 - a. Vacation Requests Submitted by December 15th

Employees shall state their preferences for vacation time on forms provided by the Company, and such preference sheets shall be submitted no later than December 15th of the following calendar year (i.e., December 15th of 2017 for 2018 vacation preferences). The Company shall respond to such vacation requests within fifteen (15) days, and will grant vacation in accordance with the following limitations and guidelines:

- i. Vacations outside the vacation shutdown period shall be scheduled in appropriate work groups by considering preferences of the employees and operating requirements of the Company. No more than 20% of the employees in any work group may be granted vacation on the same workday.
 - ii. Where more employees have requested vacation on their vacation sheets than operating requirements allow, the time shall be scheduled for the employee or employees with the most Bargaining Unit seniority.
- b. Vacation Requests submitted after December 15th
Vacation requests submitted after December 15th shall be granted on a first-come, first-served basis. Approval of such requests shall be denied if at the time of the request the absence of the employee(s) requesting the personal time off would interfere with the ability to achieve production schedules, or if granting the request would result in more than 20% of the employees in the work group scheduling vacation on that date.
- c. Single Day Requests for Vacation:
Whenever possible, employees will be required to schedule vacation in advance of the date it is needed. Requests for vacation time may be called in on the date of the absence; however such requests may be approved or denied at the discretion of the employee's immediate supervisor.
- d. Unused Vacation:
Employees who have not fully utilized their 2017 vacation entitlement may defer forty (40) hours to calendar year 2018. Any unused vacation will be forfeited. Thereafter there shall be no vacation deferrals.

ARTICLE 28. JURY SERVICE

- A.** Employees who are unable to work a full shift as scheduled because they are required to serve as jurors shall suffer no loss of regular pay.
- B.** Employees who serve on jury duty (including jury selection), on days on which they would otherwise be scheduled to work shall be paid their regular straight-time hourly base rate; multiplied by eight (8) (ten (10) for employees whose normal work schedule is ten (10) hours a day, four (4) days a week).
- C.** To be eligible for Company payments, the employee must present a statement from an officer of the Court indicating the date served.
- D.** Employees released from jury duty at 10:00 AM, or before, are expected to return to work as promptly as possible, but in no case more than two (2) hours after their release from court.

- E. All employees, regardless of shift, shall be considered a “day” shift employee for the duration of their jury duty. Employees working a scheduled third (3rd) shift will not be required to report for work on the shift preceding the first day of jury service.

ARTICLE 29. DEATH IN THE FAMILY

- A. Employees shall be allowed up to five (5) working days off, with eight (8) hours pay per day (ten (10) for those employees on a regular 10-hour shift, twelve (12) for those employees on a regular 12-hour shift) at their straight-time hourly base rate, for the death of their spouse/domestic partner*, child/stepchild, domestic partner’s* child, mother or father, stepmother or stepfather.

Employees referenced above may utilize bereavement time off on or immediately following the date of death or up to thirty (30) days with prior notification to their manager to do such. The manager may accommodate other requests as they arise.

- B. Employees shall be allowed up to three (3) working days off, with eight (8) hours pay per day (ten (10) for those employees on a regular 10-hour shift, twelve (12) for those employees on a regular 12-hour shift) at their straight-time hourly base rate, on or immediately following the date of death of their brother, sister, current father-in-law/domestic partner’s* father, current mother-in-law/domestic partner’s* mother, grandparents, and grandchildren.
- C. Employees shall be allowed up to one (1) working day off, with eight (8) hours pay (ten (10) for those employees on a regular 10-hour shift, twelve (12) for those employees on a regular 12-hour shift) at their straight-time hourly base rate, on or immediately following the date of death of their current brother-in-law or current sister-in-law.
- D. In the event of the death of a member of the immediate family during an employee’s prescheduled vacation, the employee may extend or postpone his/her vacation time off with pay up to the number of days provided for that family member above.
- E. In the event of death covered by this Article, additional time off without pay may be granted at the discretion of the supervisor where necessary for the family members above, or for family members not listed in this agreement.

* For purposes of this and other benefits, a “domestic partner” is defined as an adult of the same or opposite sex as the employee who meets the following criteria:

1. Resides in the employee’s household.
2. Has lived with the employee for at least six (6) months.
3. Is jointly responsible for the household’s financial obligations or is dependent on the employee for financial assistance.
4. Is in a relationship with the employee that is intended to be permanent and in which each is the sole domestic partner of the other.
5. Is unmarried and at least 18 years of age.

6. Is not related by blood to the employee closer than would prohibit marriage under applicable state law

Alternatively, a person will also be considered the employee's domestic partner if:

1. He or she and the employee are registered as domestic partners or have entered into a Civil Union in a state or municipality that has such registration, or
2. He or she and the employee are married adults of the same sex and their marriage is recognized by the state where they live.

ARTICLE 30. SICK LEAVE

- A. In order to provide income continuation during periods of minor physical or psychological illness and to be in compliance with the Oregon Sick Time Law, the Company will provide employees with paid time off for sickness. All full-time employees are advanced forty (40) hours of sick time on January 1 of each year with no carry over into the next year.
- B. Employees hired after January 1 or employees returning from a Disability Leave or Leave of Absence (LOA) will be advanced a prorated sick leave, 25% per quarter, including the quarter in which they are hired or return.
- C. Sick time benefits may be taken when an employee, spouse, domestic partner, or child is ill, or to care for a terminally ill parent and for all other purposes allowable by the Oregon Sick Time Law. Medical verification will be required when an employee takes more than three consecutively scheduled workdays of sick time.
- D. Sick time may not be borrowed, nor can sick time be worked off. Sick time remains as a charge against an individual's accrual.
- E. Employees are not paid for unused sick time.
- F. The Company and the Union agree to work together in addressing both disability and abuses of the forty (40) sick leave hours.

ARTICLE 31. DISCIPLINE

- A. No employee represented by the Union shall be discharged or disciplined without just cause. The Company shall, however, continue to have the right and authority to discipline and discharge employees for just cause.
- B. Prior to the start of a disciplinary hearing, the manager will inform the employee of his/her right to have an area steward present during the disciplinary hearing. If requested, the manager will wait to start the disciplinary hearing until an area steward is present.
- C. Any discipline administered to an employee shall include the exact date the Labor Report shall be removed from the employee's record to the extent there is no other Labor Report issued for that rule within the immediately following eighteen (18) months. The Labor Report shall also include what negative effect the Labor Report has on the employee's right to promote or transfer, as well as the date the employee

is eligible to promote and transfer, provided no other Labor Reports are issued that would negatively affect the employee's right to promote or transfer.

- D. The Company and the Union have agreed to use the Grievance and Expedited Arbitration Procedure to resolve all disputes concerning discipline and discharge.
- E. In the event of a violation of the rules or policies requiring the suspension and/or termination, the Company will notify the appropriate Union Representative and explain the facts in a timely manner. In circumstances involving immediate suspension, the Company will notify the appropriate Union Representative as soon as possible but in every case no later than the next business day. Where reasonably possible, decisions requiring disciplinary action will be rendered within three (3) working days of the incident. In all cases involving suspension and/or termination, all pertinent facts will be gathered as soon as possible and a formal hearing will be scheduled within five (5) working days from the date of the suspension or termination, unless both parties agree to additional time.
- F. All full-time employees will at the time of hire be advised of all rules and policies governing their employment.
- G. Prior to any changes in the rules and policies governing employment, the Company will meet with the Union, including the Shop Chairperson, to explain the nature of the changes being made and the effective date of implementation. The Union shall have the right to question such changes to the full extent of the law.

ARTICLE 32. GRIEVANCE AND EXPEDITED ARBITRATION PROCEDURE

- A. Should any difference or dispute arise between the Company and the Union, or between the Company and an employee(s), such difference or dispute shall be considered a grievance and shall be handled in accordance with the procedure outlined herein.
 - Step 1. The employee(s) shall first discuss the complaint with his/her 1st level supervisor/manager within thirty (30) days of when he/she knew, or should have known, that a violation occurred. The Area Steward shall be present if requested by the employee(s). The supervisor/manager shall provide an oral response to the Step 1 meeting by the end of the shift following two (2) workdays from the date of being presented with this complaint. If the oral answer given by the supervisor/manager does not settle the issue, then the employee(s) and/or the Area Steward may proceed to the next step of the grievance procedure.
 - Step 2. Within five (5) working days following receipt of the oral answer provided for in Step 1, the Shop Chairperson may present the grievance in writing to the Second Level manager or designated representative. The Second Level Manager, or designee, shall then meet the aggrieved employee, and the Shop Chairperson, Area Steward, and the employee's Second Level Manager within five (5) working days following receipt of the written grievance and shall attempt to settle the matter. The Second Level Manager or designee will respond in writing within five (5) working days. If the grievance is not settled at this step, the Shop Chairperson may proceed to the next step of the grievance procedure.

Step 3. Within the time period of five (5) working days following the receipt of the written answer provided for in Step 2, District Manager of the Union, or designee, may present the grievance to the Vice President Operations, or designee, and they will conduct a meeting within fifteen (15) working days of receipt of the grievance to discuss the matter and attempt a settlement. The aggrieved employee, area steward, and the Shop Chairperson may be present. If a settlement is reached, it shall be reduced to writing within fifteen (15) working days and signed by the Vice President Operations, or designee, and the District Manager of the Union. If a settlement is not reached, The Vice President Operations, or designee, will respond within fifteen (15) working days of the step 3 hearing.

B. Notwithstanding the time provisions above, time limits may be extended by mutual agreement. If the Employer fails to respond in writing within the prescribed time limits, the grievances shall be deemed denied as of the date the decision was due.

C. All grievances on terminations or suspensions shall go directly to Step 3 of the procedure.

D. The Union's Joint Board Manager or his/her designee shall notify the Company of its intent to submit the grievance to arbitration within thirty (30) days of receipt of the Company's Step 3 answer. The Union and the Company will assign an arbitrator (whose decision must be rendered no later than (30) days after the hearing) from the following list who shall hear the grievance and whose decision will be final and binding on both parties.

E. Selection of Arbitrator. The Union and the Company will jointly request the Federal Mediation and Conciliation Service (FMCS) to provide a panel of seven arbitrators. The Union and the Company will alternately strike a name from the submitted panel until one remains.

The impartial arbitrator shall only have authority to interpret, apply, or determine compliance with the provisions set forth in this Agreement, but shall not have the authority to add to, detract from, or otherwise alter the language of this Agreement.

The expenses and compensation of the impartial arbitrator, and any FMCS fees and expenses, shall be divided equally between the Company and the Union.

F. Notwithstanding the time limits set forth in the foregoing Article, in the event a grievance is reinstated by order of a competent governmental agency, the Company will accept and process the grievance; however, no arbitrator shall have the authority to award back pay for the period between the initial expiration of the time limit and the later reinstatement of the grievance as a result of a successful appeal.

ARTICLE 33. HEALTH AND SAFETY

A. The Company agrees to furnish and maintain safe and sanitary working conditions in the facilities in accordance with all federal, state, county, and city laws and regulations. As a continuing portion of the Health and Safety Program, the Company agrees to maintain an active Company/Union Safety Committee. The purpose of such committee will be to provide communication of any health and safety problems noted within the facilities and to make recommendations for their resolution.

- B.** The Company agrees to institute joint walk-through(s) of all Bargaining Unit areas on a quarterly basis as part of the existing Company/Union Safety Committee.
- C.** Emergency safety equipment will be inspected and maintained per all federal, state, county, and city laws and such information will be provided to the existing Company/Union Safety Committee upon request.
- D.** In any instance when an employee refuses to perform work based on a claim that it is unsafe, the Company Safety Coordinator and the employee's Area Steward shall be contacted. The Company Safety Coordinator will determine if a safety hazard exists. If, in the judgment of the Company Safety Coordinator, the work is safe, the employee will be directed to perform such work. Continued refusal to perform the work in question may result in disciplinary action. No employee shall be discharged for refusing to work on a job if the refusal is based on a reasonable claim that said job is not safe or might unduly endanger health or safety. It is the Company's intent that no unreasonable risks be taken with any employee's safety.
- E.** Bargaining Unit employees will not be required to lift unsafe weights as recognized within current industry standards and the Company will make efforts to reduce the weights handled by employees.
- F.** The Company agrees to maintain the appropriate number of personnel trained in first aid and CPR procedures on each shift.
- G.** The responsibilities of the Joint Health and Safety Committee will include involvement in the establishment of appropriate training on the handling of chemicals, forklift operations and licensing, the requirements of safety shoes, safety glasses, and the appropriate safety equipment for the facility. The Company will involve a bargaining unit member of the Joint Health and Safety Committee in the initial investigation of safety incidents regarding bargaining unit employees, when practical.
- H.** The Company shall assume the cost of standard prescription safety glasses where required once annually, or as determined by the supervisor if the replacement is necessary due to work related wear and tear.
- I.** The Company shall assume the cost of safety shoes where required once annually, or as determined by the supervisor if the replacement is necessary due to work related wear and tear.

ARTICLE 34. DRUG FREE WORKPLACE

The Company may require reasonable suspicion and post accident (including any related injury/near miss) chemical (drug/alcohol) testing. The area steward will be notified when an employee is required to take a reasonable suspicion and/or post accident chemical (drug/alcohol) test.

ARTICLE 35. LEAVES OF ABSENCE

- A. The Company will grant requests from the SEIU Local 49 for leaves of absence for Union activities of up to six (6) months which are not in conflict with the business needs of the Company. Extensions of up to an additional six (6) months may be granted by mutual agreement. Employees on such leaves shall maintain coverage for purposes of benefits for a maximum of 90 days, and shall be guaranteed to return to the bargaining unit to a position of like pay and status upon the completion of their leave of absence.
- B. Bargaining Unit employees' requests for personal leaves of absence will be considered in accordance with existing Company policy for personal leaves of absence.
- C. Employees shall be granted Family and Medical Leave in accordance with federal and state laws.

ARTICLE 36. BENEFITS

A. Life Insurance, Sickness and Accident, Long-Term Disability, Medical and Dental Flexible Benefits Programs:

During the term of this Agreement, the Company shall provide for eligible employees covered by this Agreement all benefits described in Schedule C, which is attached to this Agreement and made a part thereof. The Company share of premiums for employee coverage for medical and dental will continue to be paid by the Company as described in that Schedule, provided the covered employees continue to pay their share of the contributions, if applicable.

B. Supplemental Unemployment Benefits Plan (SUB):

The Company agrees to establish and keep in full force a Supplemental Unemployment Benefits plan, a summary of which is outlined in Schedule D and attached to this Agreement and made a part thereof.

C. Severance Pay:

The Company will provide Severance Pay Benefits to eligible employees in accordance with the terms of the Severance Pay Plan described in Schedule E, which is attached to this Agreement, and made a part thereof.

D. 401(k) Company Savings Plan:

Eligibility for the 401(k) Company Savings Plan is set forth in Schedule F, which is attached to this Agreement, and made a part thereof.

E. Retirement Including Retirement Income:

Eligibility for retirement and provision of benefits for retirees are set forth in Schedules G and H which are attached to this Agreement, and made a part thereof.

F. Definition of Seniority:

For purposes of determining entitlement to benefits, where applicable, Company seniority shall be defined as in Article 14., unless otherwise modified by provisions of the Employee Retirement Income Security Act of 1974, or specific benefit plans themselves.

ARTICLE 37. TERMINATION OF BENEFITS

- A.** Except as otherwise expressly provided by law or elsewhere in this Agreement or by the terms of insurance contracts or plans in effect, eligibility for benefits will be terminated upon any of the following events:
1. After ninety (90) days for employees who are on leave of absence for more than 90 days, except that eligibility for weekly Sickness and Accident Plan benefits shall terminate with the commencement of said Leave of Absence. However, Sickness and Accident Plan benefits and Medical Plan benefits shall be paid to an employee for the duration of an expected disability that was declared by the employee at the time that the Leave of Absence was approved.
 2. After one (1) year for employees who are absent due to illness in excess of one (1) year, except insured benefits (Life Insurance, Medical, Dental, and Long-Term Disability) shall not terminate for employees who are eligible to receive benefits under the Long-Term Disability Plan.
 3. Termination of employment.
 4. At the time of layoff, except that Medical, Dental and Vision Plan benefits shall continue as follows:
 - a. For employees not entitled to Supplemental Unemployment Benefits (SUB), medical, dental and vision benefits will continue for one (1) month following the month in which the layoff occurs.
 - b. For employees entitled to Supplemental Unemployment Benefits (SUB), medical, dental and vision benefits will continue for as long as the employee is drawing Supplemental Unemployment Benefits and in no case less than one (1) month following the month in which the layoff occurred.
 - c. Employees placed on layoff will, at the conclusion of SUB, be provided the opportunity to continue their Xerox Group Medical, Dental and Vision Coverage at their own expense for a period of eighteen (18) months per COBRA regulations.
 - d. Life Insurance coverage ceases at layoff (except that Death Benefits are still payable for thirty-one (31) days after layoff) but may be converted to a Personal Life Insurance Policy directly with the carrier at employee's own expense.
- B.** Employees recalled to work from layoff, or who return to work from leaves of absence or from illness as cited above will be entitled to reinstatement of eligibility for benefits immediately upon return to active employment.
- C.** In the event that an employee on leave of absence is unable to return to work because of verified illness, their eligibility for weekly Sickness and Accident Plan Benefits shall be reinstated as of the date when they were scheduled to return from said leave of absence.

ARTICLE 38. SUCCESSORSHIP

- A.** Transfer of Business shall mean the transfer by sale, lease, or otherwise of ownership of or operational control over a significant portion of the Company's current functions or facilities in Clackamas County, Oregon to any other individual, partnership or corporation, provided, however, such term shall not include any such transfer, sale or

lease, in whole or in part, which forms part of one or more financing transactions by the Company where the Company retains operational control of the assets transferred, sold or leased.

Transferee shall mean any individual, partnership or corporation to which the Company shall make a Transfer of Business.

- B.** There shall be no Transfer of Business unless at least sixty (60) days prior to the effective date of such Transfer of Business the Company has delivered to the Union's Regional Manager a binding written agreement by the Transferee to assume all of the Company's obligations under this Agreement. In addition, the Company agrees that during said sixty (60) day period immediately preceding such a transfer, it shall meet at reasonable times for the purpose of negotiating with the Union all issues concerning the effects of the Company's decision to transfer its operations.
- C.** If on the effective date of a Transfer of Business this Agreement shall be within less than two years of its expiration date, then the expiration date of this Agreement shall be automatically extended to such a later date as shall be two years after such effective date. All dates for notice of termination or modification shall be adjusted accordingly.
- D.** The parties acknowledge that the Union's right to have this Agreement assumed by the Transferee prior to the Transfer of Business is essential to Union's responsibility to represent its members. The parties further acknowledge that the Union will suffer irreparable injury if notice is not given or if the contract is not assumed as provided in this Article.

ARTICLE 39. VALIDITY

In the event that any portion of this Agreement is invalidated by any existing or subsequently enacted legislation or by an award of a court of competent jurisdiction, such invalidation shall apply only to those portions thus invalidated, and all remaining portions of this Agreement shall remain in full force and effect.

ARTICLE 40. PRODUCTIVITY

The Parties agree that should business conditions change, resulting in a surplus of underutilized employees, the Company shall have the unrestricted right to fully utilize the skills and capabilities of its employees, as temporarily needed.

ARTICLE 41. TERM OF AGREEMENT

This Agreement shall, except as otherwise expressly stated, become effective as of November 1, 2017 and shall continue in full force and effect until and including November 1, 2021 and thereafter, from year to year, unless either party gives to the other written notice at least two (2) months prior to the expiration in 2017 or the expiration date in any year thereafter, of its intention to have same changed, altered, amended, or terminated.

Agreed:

SERVICE EMPLOYEES INTERNT'L UNION
SEIU – (LOCAL 49)

XEROX CORPORATION

s/ Maggie Long
Executive Director
SEIU Local 49

s/ Alice Schadler
Manager, Labor Relations

s/ Bryan James
s/ Loretta Johnson
s/ Art Mendez

s/ Brett Chamberlin
s/ Dave Maxfield
s/ Robert Yeager

**SCHEDULE A: JOB CLASSIFICATION STRUCTURE /
PROMOTION AND TRANSFER CHARTS**

This Schedule A consists of four pages attached hereto for:

Print-Head

Ink

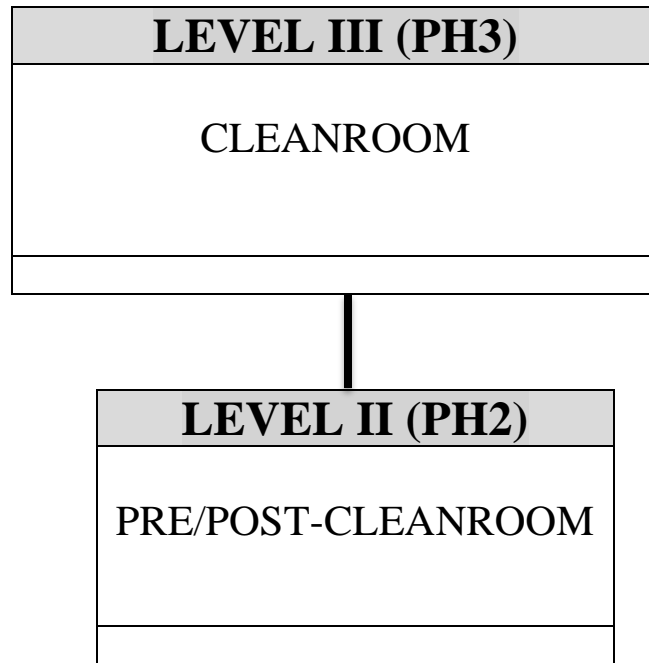
Distribution/Material Handling

Maintenance

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PRINT-HEAD SCHEDULE A

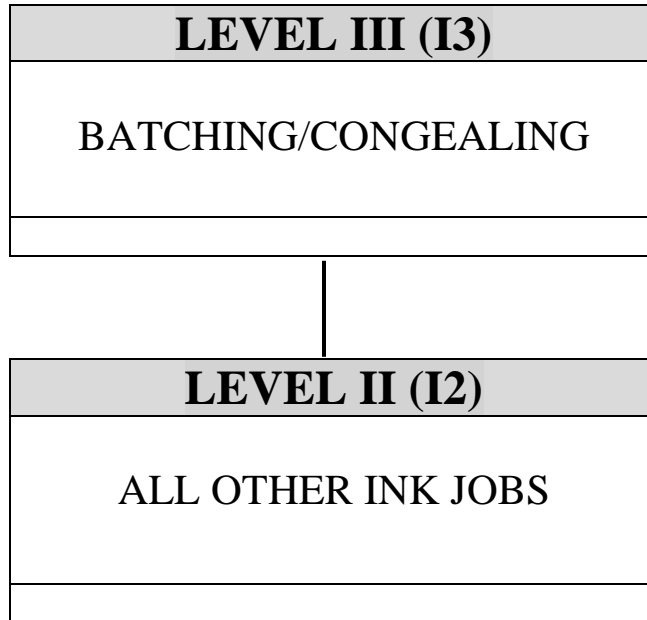
JOB CLASSIFICATION STRUCTURE / PROMOTION AND TRANSFER CHART



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INK
SCHEDULE A

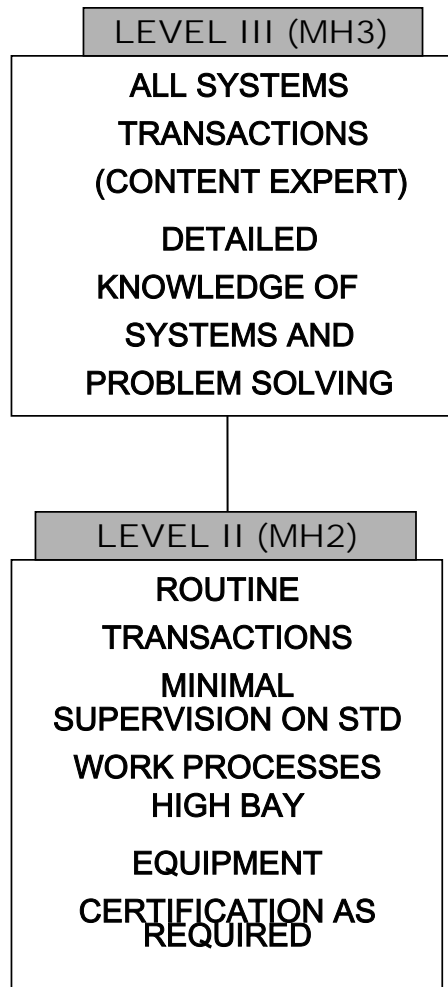
JOB CLASSIFICATION STRUCTURE / PROMOTION AND TRANSFER CHART



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DISTRIBUTION / MATERIAL HANDLING SCHEDULE A

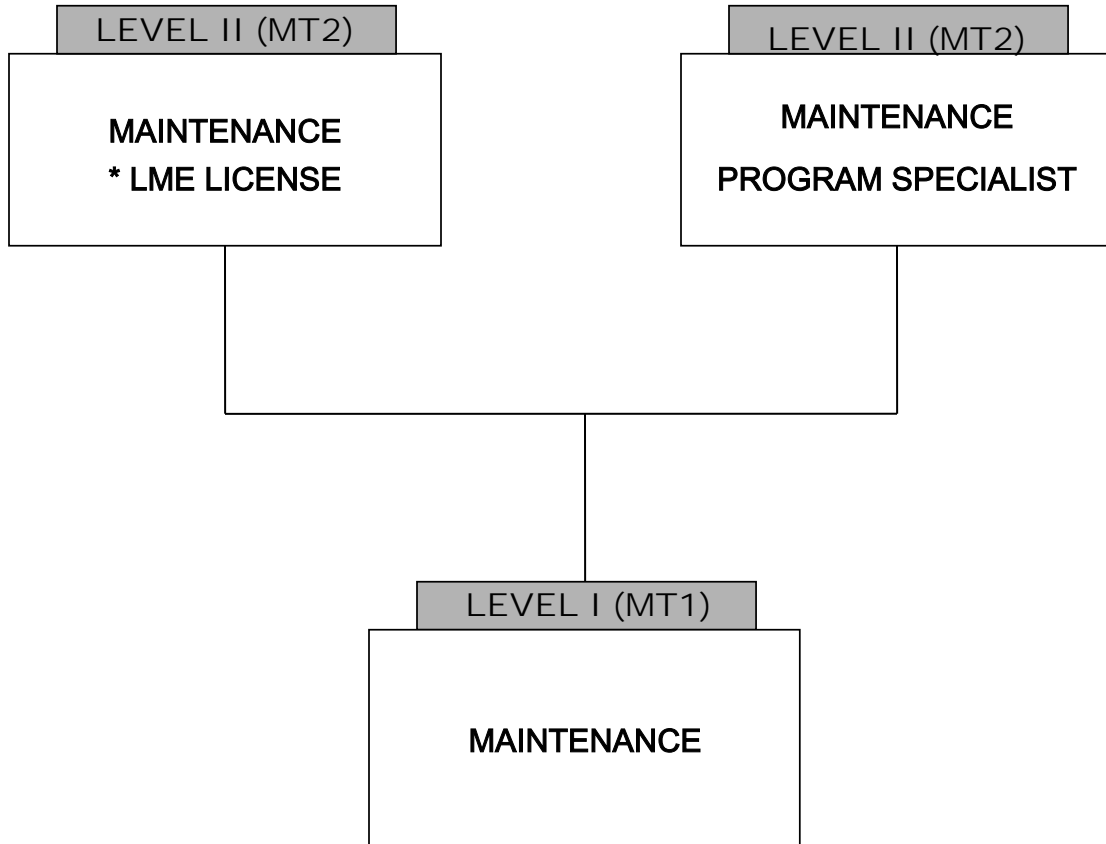
JOB CLASSIFICATION STRUCTURE /
PROMOTION AND TRANSFER CHART



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MAINTENANCE SCHEDULE A

JOB CLASSIFICATION STRUCTURE /
PROMOTION AND TRANSFER CHART



*** JOB DESIGNATED FOR AUTOMATIC PROGRESSION**

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SCHEDULE B: WAGE RATES

I. INCUMBENT/NEW HIRE ENTRY WAGE RATES

All Employees shall be paid in accordance with the following schedule:

Job Classification(s)
Hourly Rate:

Classification	Effective the first full pay period of November 2017	Effective the first full pay period of November 2018	Effective the first full pay period of November 2019	Effective the first full pay period of November 2020
Ink (I2)	\$15.00	\$15.30	\$15.60	\$15.90
Ink (I3)	\$17.00	\$17.30	\$17.60	\$17.90
Print-Head (PH2)	\$15.00	\$15.30	\$15.60	\$15.90
Print-Head (PH3)	\$17.00	\$17.30	\$17.60	\$17.90
Material Handling (MH2)	\$15.00	\$15.30	\$15.60	\$15.90
Material Handling (MH3)	\$17.00	\$17.30	\$17.60	\$17.90
Maintenance (MT1)	\$23.00	\$23.00	\$23.00	\$23.00
Maintenance (MT2)	\$28.00	\$28.00	\$28.00	\$28.00

Contingent upon ratification of the contract at the first vote, the following is applicable to only those employees who do not receive an increase as a result of the annual rate adjustments shown above:

A lump payment of \$850.00 for those not receiving in an increase at ratification and payable at the end of the first full pay period of January 2018; a lump sum payment of \$600.00 for those not receiving a pay increase in 2018 payable at the end of the first full pay period of January 2019; a lump sum payment of \$300.00 for those not receiving a pay increase in 2019 payable at the end of the first full pay period of January 2020 and a lump sum payment of \$300.00 for those not receiving a pay increase in 2020 payable at the end of the first full pay period of January 2021. All of the lump sum payments will be taxed at the employees W4 withholding rate. Employees must be in an active status (not on STD or other LOA) on the payment date to be eligible to receive the lump sum payment.

Incumbent employees, as of the 2017 date of ratification, whose current wage rate is higher than the wage rates listed above, will retain their current wage rate.

Incumbent employees in Batching Level 3, Plant 2 positions on date of ratification shall retain their \$.50 per hour pay premium provided those employees remain in Batching Level 3, Plant 2 positions.

II. PROMOTION WAGES

Employees who promote will retain their current rate or receive the rate indicated in the table above, whichever is greater.

III. Effective the first full pay period following ratification, incumbent employees will be mapped to the new Classification and Position structure according to the chart below. Employees' rates of pay will be applied according to the negotiated rates in the table above.

CURRENT POSITION (not temporary)	NEW POSITION
HI3 (Jet Stack)	PH3
HI3 (Batching and Congealing)	I3
HI2 (Jet Stack)	PH3
HI2 (Ink)	I2

For initial mapping into the new Job Classification and Position structure only, employees will retain their current wage rate or receive the table rate for their new classification, whichever is greater.

SCHEDULE C

LIFE INSURANCE, SICKNESS AND ACCIDENT, LONG-TERM DISABILITY MEDICAL AND DENTAL FLEXIBLE BENEFIT PROGRAMS

This Schedule is intended as an outline only, and the benefits described are subject to the detailed terms and conditions of the actual plans or contracts, as well as of applicable state and federal laws.

I. LIFE INSURANCE PLAN

The following is effective 01/01/03:

- A.** The Life Insurance Plan covers all full-time employees on their first day at work.
- B.** Enrollment will be through the annual Open Enrollment.
- C.** Employee costs are based on employee's age and annualized straight-time pay.
- D.** Basic Employee Life Insurance:
 - 1. Xerox pays 100% of premium cost for term coverage for 1x pay.
 - 2. Effective January 1, 2018, employees shall receive 1x base pay, up to \$500,000 at no employee cost.
 - 3. \$6,000 retiree life insurance policy for employees who were retired on 12/31/02, active current employees as of 12/31/02 and employees on layoff status 12/31/02 who were subsequently recalled within their recall period.
- E.** Optional Employee Life Insurance:
 - 1. Employees have the option of no coverage or may purchase additional 1x through 10x in 1x base pay increments (\$5,000,000 maximum coverage, salary up to \$500,000) at their own cost, subject to the carrier's underwriting requirements.
 - 2. Any increase in coverage will require evidence of insurability.
 - 3. New hires may purchase up to 3x base pay coverage without evidence of insurability.
- F.** In all cases where evidence of insurability is required, such coverage changes will not take effect until the required documents have been received and approved by the carrier.

II. SICKNESS AND ACCIDENT PLAN

- A. Effective February 1, 2006, employees become eligible for benefits on their first day at work following the date of completion of three (3) months of continuous service.
- B. For Short-Term Disability claims, where benefits are approved and disability absence commences prior to January 1, 2013, benefits shall commence on the first day of disability and shall continue for the earlier of the length of the disability or until the end of the twenty-sixth (26th) week.
- C. For Short-Term Disability claims where benefits are approved and disability absence commences on or after January 1, 2013, benefit period shall commence on the first day of disability and shall continue for the earlier of the length of the disability, or until the end of five (5) months from the first day of disability.
- D. For Short-Term Disability claims, where benefits are approved and disability absence commences prior to January 1, 2013, disability pay outlined in Schedule C.II.F will commence on the first day of disability.
- E. For Short-Term Disability claims, where benefits are approved and disability absence commences on or after January 1, 2013, disability pay outlined in Schedule C.II.G will commence on the sixth working day on or after the first day of disability (period during which benefits are not paid that ends with the sixth working day is the “unpaid waiting period”). An employee may choose to use his/her accrued vacation, sick leave, and/or personal choice holidays, if available, to cover the one (1) week unpaid waiting period, at their option. If a claim is a reoccurrence of an initial claim within ninety (90) calendar days of active work, any portion of the one (1) week unpaid waiting period already taken in prior reoccurrence claims will be waived.
- F. For Short-Term Disability claims, where benefits are approved and disability absence commences prior to August 1, 2014, the amount of weekly benefits shall be based on the schedule below and will be based on the employee’s straight-time hourly base rate in effect on the last day of work preceding the disability for which the benefits are payable.

<u>Service Requirement</u>	<u>Benefit (% of Pay)</u>
3 months but less than 1 year	50%*
1 year but less than 4 years.....	67%
4 or more years	80%

** Effective February 1, 2006*

- G. For Short-Term Disability claims where benefits are approved and disability absence commences on or after August 1, 2014, the amount of weekly disability pay shall be based on the employee's straight-time hourly rate in effect on the last day of work preceding the disability for which the benefits are payable, multiplied by forty (40) hours, pursuant to the following schedule:

<u>Service Requirement</u>	<u>Benefit (% of Pay)</u>
3 months but less than 1 year	50%
Greater than 1 year.....	60%

- H. After the one (1) week unpaid waiting period, employees can use eight (8) hours of their available sick leave, personal choice holidays, or vacation to supplement Short-Term Disability pay for each full week of Short-Term Disability absence. Employees who use more vacation than they have earned to supplement their Short-Term Disability pay will be required to reimburse the Company for such excess vacation time used. The Company will develop a form and process for requesting supplemental pay. All supplemental payments will be made only after Short-Term Disability is approved. Supplemental pay does not impact how FMLA/OFLA is applied to Short-Term Disability.
- I. No benefits shall be payable unless illness or injury is verified by a duly-licensed practicing physician. (A physician shall be defined as a duly-licensed Medical Doctor (M.D.), Doctor of Osteopathy (D.O.), Podiatrist (D.P.M.), Chiropractor, Optometrist, Physician Assistant (P.A.), or Psychologist, acting within the scope of his/her practice.) Any claim of questionable validity shall be subject to challenge by either Company or the insurance carrier providing coverage of this benefit.
- J. Employees who receive weekly income benefits for lost time accidents under the terms of the Workers' Compensation Act, or required no-fault automobile insurance, shall receive benefits in accordance with the applicable statute.
- K. If an employee's claim for Short-Term Disability is denied, the employee may appeal that denial. The time for appeal begins to run on the date of the denial letter. Denial letters will be overnighted to employees with a physical address and sent via certified mail to employees with a P.O. Box. An appeal must be filed within fifteen (15) business days after the date of the letter. If the claim is denied as a result of this appeal, the employee may file a second appeal within fifteen (15) business days after receipt of the letter denying the initial appeal. Employees may seek an extension of time in which to submit medical documentation in support of their appeals if the information is not available at the time the appeal letter is due..

III. LONG-TERM DISABILITY PLAN

- A. Effective February 1, 2006, employees are eligible for Long-Term Disability as of the first day at work. For employees on disability absence prior to January 1, 2013, benefit payments shall begin after employees have been absent from work for twenty-six (26) weeks. For disability claims, as outlined in Schedule C.II or Schedule C.III., when benefits are approved and disability absence commences on or after January 1, 2013, Xerox Basic Long-Term Disability payments shall begin after employees have been on a disability approved absence from work for five (5) months per Schedule C.II.
- B. For disabilities beginning on or after February 1, 2006, for months one through six (1-6) of Long Term Disability, Long Term Disability is the inability of an employee to be employed in any substantial and gainful work inside the Company because of personal impairment caused by injury or illness, occupational or non-occupational. For months beyond six (6) of Long Term Disability, Long-Term Disability is the inability of an employee to be employed in any substantial and gainful work either inside or outside of the Company because of personal impairment caused by injury or illness, occupational or non-occupational. No benefits shall be payable unless illness or injury is verified by a duly-licensed practicing physician and the employee makes application for Social Security and appeals any adverse decision from Social Security. Any claim of questionable validity shall be subject to challenge by the Company.

- C. For employees on disability absence prior to January 1, 2013, the amount of weekly benefits shall be equal to sixty percent (60%) of an employee's straight-time hourly base rate in effect on the last day of work preceding the disability for which the benefits are payable.
- D. For disability claims, as outlined in Schedule C.II or Schedule C.III., when benefits are approved and disability absence commences on or after January 1, 2013, the amount of weekly Xerox Basic Long-Term Disability payments shall be the following:
1. For employees with one (1) year of service or greater, payments will be equal to sixty percent (60%) of an employee's straight-time hourly earnings for a normal work week of forty (40) hours, based upon the employee's straight-time hourly rate in effect on the last day of work preceding the disability for which the benefits are payable.
 2. For employees with less than one (1) year of service, payments will be equal to forty percent (40%) of an employee's straight-time hourly earnings for a normal work week of forty (40) hours, based upon the employee's straight-time hourly rate in effect on the last day of work preceding the disability for which the benefits are payable. During the annual open enrollment in the Fall of 2012 for 2013 benefits, employees with less than one (1) year service will be able to buy-up to the sixty percent (60%) level without evidence of insurability. If an employee does not buy-up to the sixty percent (60%) level, once the employee reaches one (1) year anniversary, the employee will be moved to the 60% Xerox Basic LTD level funded by Xerox.
- E. The forty percent (40%) and sixty percent (60%) levels listed above shall be reached through a combination of the Primary Insurance Amount of Social Security disability or retirement benefits, plus Workers' Compensation benefits, required no-fault automobile insurance benefits, benefits of other government disability programs, plus benefits provided under this plan. Future cost of living increases in the level of Social Security benefits, Workers' Compensation benefits, or other benefits shall accrue to employees and shall not be used to reduce the benefit provided under this plan. The maximum benefit from all these sources cannot exceed one hundred percent (100%) of the employee's straight-time hourly earning as set forth in C. and D., above. Other offsets to the plan benefit include any non-Xerox employer provided retirement or other income benefits; any and all amounts received by the employee as compensation for non-Xerox work performed or services provided whether as an employee or in self employment (except that where the employee is engaged in Rehabilitation Employment the benefits shall be reduced by 2/3 of the amount from such employment, provided the sum of the resulting net benefit and the total income received under Rehabilitative Employment may not exceed 100% of pre-disability pay); and any other source of income or income replacement provided by the Company, another employer or the government regardless of whether or not such income or income replacement was in pay status before or after the onset of disability and regardless of whether or not the payment relates to the disability.
- F. Employees on disability absence prior to January 1, 2013, shall receive benefit payments for eighteen (18) months, or as long as they continue to receive Social Security disability benefits. Benefit payments made by the Company during the first eighteen (18) months shall be repaid by the employee to the extent that a retroactive Social Security award is received.

G. For disability claims, as outlined in Schedule C.II or Schedule C.III., when benefits are approved and disability absence commences on or after January 1, 2013, employees shall receive benefit payments for twenty-four (24) months. Benefit payments made by the Company during the first twenty-four (24) months shall be repaid by the employee to the extent that a retroactive Social Security award is received.

H. Benefits shall cease upon the occurrence of any of the following events:

1. At the end of eighteen (18) months if no Social Security award is received for disability claims, as outlined in Schedule C.II or Schedule C.III., when benefits are approved and disability absence commences prior to January 1, 2013; or
2. The employee fails to apply for a Social Security award or fails to appeal an unfavorable decision; or
3. The employee is no longer disabled; or
4. The employee reaches age sixty-five (65) for disability claims, as outlined in Schedule C.II or Schedule C.III., when benefits are approved and disability absence commences prior to January 1, 2013; or
5. Effective January 1, 2004, in cases where the employee's disability begins at age 62 or later, for disability claims, as outlined in Schedule C.II or Schedule C.III., when benefits are approved and disability absence commences prior to January 1, 2013, when the employee has reached the Maximum Duration indicated on the following sliding scale:

Age at Disability	Xerox Union LTD Plan Maximum Duration Schedule
62	42 months
63	36 months
64	30 months
65	24 months
66	21 months
67	18 months
68	15 months
69 and over	12 months

In cases where the employee's disability begins at age 65 or later, for disability claims, as outlined in Schedule C.II or Schedule C.III., when benefits are approved and disability absence commences on or after January 1, 2013, when the employee has reached the Maximum Duration indicated on the following sliding scale:

Age at Disability	Xerox Union LTD Plan Maximum Duration Schedule
65	24 months
66	21 months
67	18 months
68	15 months
69 and over	12 months

Social Security Disability Benefits (SSDI), which are offset from LTD benefits, cease at the individual retirement age as determined by the Social Security Administration. If the disability continues beyond such individual retirement age, the employee will continue to receive LTD benefits according to the sliding scale. LTD benefits are offset by any Social Security Retirement benefits received.

- I. Employees, on disability absence prior to January 1, 2013, who do not qualify for Social Security/Long-Term Disability after thirty-six (36) months and who are not seeking an appeal or who have exhausted the appeals process at that time shall no longer be employees of the Company.
- J. Employees on disability absences beginning on or after January 1, 2013 shall no longer be employees of the Company after twenty-four (24) months on Xerox Basic Long-Term Disability.
- K. On January 1, 2013, Xerox will pay the premiums for Extended Long-Term Disability Insurance for all active employees at the level stated below. The Extended Long-Term Disability Plan is a fully insured plan administered by a third party administrator which will provide income replacement only for employees who have exhausted their Xerox Basic Long-Term Disability. Prudential will determine whether or not benefits are approved under the Extended LTD Plan.
 - 1. Xerox will pay the premiums for Extended Long-Term Disability Insurance for all active employees, as follows:
 - a. The amount payable to employees with greater than one (1) year of service under the Extended Long-Term Disability Plan will be the premium to replace fifty percent (50%) of an employee's straight-time hourly earnings in effect on the last day of work preceding the disability for which the benefits are payable multiplied by forty (40) hours. This benefit is subject to the same offsets as described in paragraph E. above.
 - b. The amount payable to employees with less than one (1) year of service under the Extended Long-Term Disability Plan will be the premium to replace forty percent (40%) of an employee's straight-time hourly earnings in effect on the last day of work preceding the disability for which the benefits are payable multiplied by forty (40) hours. This benefit is subject to the same offsets as described in paragraph E. above.
 - 2. During the annual open enrollment in the Fall of 2012 for 2013 benefits, employees can buy up to 50%, 60% or 70% levels without evidence of insurability (e.g. physical exam, etc.). Future open enrollments will require evidence of insurability for all changes.
- L. Employees receiving benefit payments under the Long-Term Disability Plan for the length of such disability, but in no event beyond the time indicated in H., above, shall receive:
 - 1. If the employee is a participant in the Retirement Income Guarantee Plan, they will receive a 4% credit to the Cash Balance Retirement Account under the terms of the Retirement Income Guarantee Plans as though they were active employees; or
 - 2. For April 1, 2006, and thereafter, if the employee is not a participant in the Retirement Income Guarantee Plan, a 4% credit to the 401(k) Company Savings Plan under the terms of the 401(k) Company Savings Plan as though they were active employees.
- M. Employees who are absent due to illness or injury, but who do not qualify for Long-Term Disability coverage under this plan shall be terminated from employment after they have been absent in excess of one (1) year due to such illness or injury.

- N.** For disabilities beginning on or after February 1, 2006, employees receiving benefits under this plan are required to enroll in Medicare Part A and Part B as soon as they become eligible for Medicare benefits. As soon as the employee is eligible to enroll in Medicare Part A and Part B, Xerox medical plan coverage will become secondary, to the extent permitted by law. The employee's medical coverage will be changed to reflect supplemental coverage and will pay benefits only when services are not covered by Medicare (subject to standard coordination of benefits rules) whether or not the employee signs up for Medicare. The Xerox plan will continue to be primary for the employee's eligible dependents who are not otherwise eligible for Medicare.

IV. FLEXIBLE BENEFIT PROGRAMS

- A.** Full-time Permanent employees shall be eligible to participate in the Flexible Benefit Programs.
- B.** The Company shall provide each eligible employee with a Benefits Allowance to purchase benefits offered under the Flexible Benefit Programs. The Benefits Allowance an employee receives shall be based on the medical coverage category that the employee chooses.
1. Employees will have an opportunity to reduce employee contributions for medical costs by \$200 by voluntarily participating in and complying with requirements for the Health Risk Assessment survey (HRA). Employees will be given time at work, if desired, to complete the HRA.
 2. Employees will have an opportunity to reduce employee contributions for medical costs by \$100 with a "Tobacco-Free" Incentive. To receive the incentive, employees must certify that they do not currently use any tobacco product (including cigarettes, cigars, pipes, chewing tobacco, and snuff) or are enrolled, or plan to enroll, in a smoking cessation program during the year if currently using a tobacco product. Employees are not required to be successful in stopping use of tobacco products in order to qualify to receive the "Tobacco-Free" incentive.
- C.** New hires receive a prorated Benefits Allowance during their first year of hire. They are eligible for the full allowance amount as of January 1 of the year following their date of hire.
- D.** An employee may choose from a list of benefit options offered within the Flexible Benefit Programs which may include the following:
- Medical
 - Dental
 - Vision Care Plan
 - Salary Redirection Accounts
 - Employee Life Insurance
 - Employee Optional Life Insurance
 - Accident Insurance
 - Dependent Life Insurance

Each of the benefits listed above has its own annual cost.

- E.** If the total annual cost of all of the employee's choices is greater than the Benefits Allowance, payroll deductions will be required. Deductions for medical, dental, vision care, salary redirection, and accident insurance will be on a before-tax basis; deductions for dependent life insurance and optional employee life insurance will be on an after-tax basis. As required by law, employees will pay tax on the premiums for coverage in excess of \$50,000. In most cases, premiums paid for domestic partners will be on an after-tax basis.
- F.** If the total annual cost of all of the employee's choices is less than the Benefits Allowance, the employee may elect to salary redirect (see IX., below) the difference or, if not, the employee will receive the difference as taxable additions to pay over the course of the year. If the employee fails to remain employed for the full year, the employee shall forfeit the unpaid balance.
- G.** Subsidized vs. Non-Subsidized Legal Child Dependents:
- Subsidized and non-subsidized legal child dependents may be enrolled in any of the Flexible Benefit Program benefit plans available to eligible dependents.
 - To be considered subsidized, a legal child dependent must first qualify as a tax dependent under Internal Revenue Code Section 152 and must also meet the following criteria:
 - a. Both natural parents are deceased, or
 - b. Neither natural parent is earning income or receiving child support and therefore cannot purchase health coverage for their child(ren).

Xerox will provide a Benefits Allowance for and treat "subsidized" legal child dependents in the same manner as they would for any other eligible dependent.

Legal child dependents who qualify as tax dependents but do not meet the subsidized requirements are considered non-subsidized. Employees pay the full cost (at Xerox rate) of coverage for non-subsidized stepchildren.

- H.** Coverage for Domestic Partners:
- Coverage for most Xerox plans is available to eligible domestic partners of active Xerox employees. Certain HMO's may not cover domestic partners. To be considered eligible for benefits, the employee and the employee's domestic partner must satisfy the criteria in Article 29. Death in the Family.

V. SERVICE EMPLOYEES INTERNATIONAL UNION (SEIU), LOCAL 49 BENEFITS TRUST

- A.** For the period of this Agreement the parties agree to extend the pilot period for offering all active employees and employees on Long-Term Disability the option to become members of the SEIU, Local 49 Benefits Trust and shall be for the full-calendar year subject to the provisions of applicable laws and the Plan Document. This option is the only medical plan offered to employees under this Agreement. Employees who elect to become members of the SEIU, Local 49 Benefits Trust must do so during the appropriate annual enrollment period. Beginning January 1, 2015, the Company shall provide pre-65 retirees with medical coverage under the Company's medical offerings available to active salaried employees.
- B.** The parties agree that the Company's third party administrator, TBO, shall be the record-keeper for all enrollment activities and either the Company or TBO's system shall be used for open enrollment. The SEIU, Local 49 Benefits Trust shall accept all enrollment or other employee information via electronic file from TBO. Neither the Company nor the employees will need to complete SEIU, Local 49 Benefits Trust enrollment/change forms to add new hires, terminate employees or process annual enrollment elections or QLSC changes.
- C.** Per the Subscription Agreement, contributions will not be due to the Trust until the 20th of the month following the month in which the contributions are withheld from employee paychecks.
- D.** In 2015, the premium increases will be shared 50/50 between employees and the Company. Beginning in 2016 and thereafter, the premium increases shall be split 50/50 between the Company and the employee so long as the Company's contribution plus the administrative fee does not exceed the amount contributed for active salaried employees. The following shall constitute the comparators for determining the maximum amount of the Company contribution:

SEIU, Local 49 Benefits Trust	Employee Only	Employee and Spouse	Employee and Children	Family
Xerox RightOpt	Employee Only	Employee and Spouse	Average of contributions for Employee + 1, 2, 3 and 4 or more children	Average of contributions for Employee + spouse + 1, 2, 3 or more children

- E.** The SEIU, Local 49 Benefits Trust administration fee will remain at the current level for the Company, which is \$14.42.

Dental and vision benefits to remain the same (not SEIU, Local 49, Benefits Trust) at the same contribution levels.

VI. MEDICAL OPT-OUT

An employee may choose not to have medical coverage through the Company if the employee has medical coverage from another source, for example, through a spouse's employer. An employee choosing "no coverage" can spend the Benefits Allowance on other benefits or take the allowance dollars as taxable additions to pay over the course of the year. An employee choosing "no coverage" for the first time will have to certify that they have other coverage by identifying the source of this coverage and the name of the insurance company. Employees who make no new election during the annual enrollment period will remain in "no coverage" status until making a new election.

Effective August 1, 2013, employees who choose "no coverage" shall not receive a Benefits Allowance, nor shall they receive the allowance dollars as taxable additions to pay over the course of the year.

VII. DENTAL CARE PLAN

A. Eligibility:

1. Employees and their dependents become eligible for participation in the Plan on the employee's first day at work.
2. Dependents are defined as the employee's spouse, eligible domestic partner as defined in Article 29., and the employee's children up to age twenty-six (26), provided they are not eligible for coverage under another non-parental, employer-sponsored group health plan. Children dependent upon the employee because of a physical or mental incapacity that began twenty-six (26), may continue to be covered beyond the specified age limits provided proof of the child's disability is submitted prior to the child reaching this age.
3. The surviving spouse of a deceased employee, in addition to any dependent children, shall continue to be covered for three (3) years under COBRA from the date of the employee's death. In the event of the death of an employee, Xerox will pay part of the continuation coverage cost for the first 24 months. The spouse or dependent will need to pay only the amount an active employee would have contributed for dependent coverage. This subsidized coverage is not available to domestic partners.

B. If any family member is also covered by another employer's insurance plan, benefit payments shall be processed in accordance with the Coordination of Benefits provision of the plan.

C. Subject to a deductible of one-quarter (1/4) of 1% of an employee's straight-time hourly rate as of November 30 of previous year, which is annualized, per calendar year, for the employee and covered dependents, benefit payments are provided if the expenses are reasonable and customary. In addition, an annual maximum benefit of \$2500 will apply to each covered person, per benefit year. Benefits are paid as follows:

1. Under Basic Dental Option:
 - a. Preventive services at 100% of reasonable and customary after deductible.
 - b. Basic services at 100% of reasonable and customary after deductible.
 - c. Major services at 50% of reasonable and customary after deductible.
2. Under Dental Plus Option:
 - a. Preventive services at 100% of reasonable and customary after deductible. First preventive visit for each covered member, each year, will be covered at 100% of reasonable and customary with no deductible. Deductible will be applied to subsequent preventive visits.
 - b. Basic services at 100% of reasonable and customary after deductible.
 - c. Major services at 50% of reasonable and customary after deductible.
 - d. Orthodontia coverage at 50% up to \$1500 lifetime maximum per child under age 19.

D. Basic dental care includes:

- Cleaning and scaling
- X-rays
- Fluoride treatment under age nineteen (19)
- Fillings
- Extractions
- Root canal therapy
- Treatment of gum diseases
- Oral surgery
- Certain lab and pathology procedures
- Anesthesia
- Impactions
- Denture repairs
- Space Maintainers

E. Major dental care includes:

- Inlays
- Crowns
- Removable Bridges
- Full Dentures
- Crown and bridge repairs
- Prosthodontics
- Denture relining

A complete list of covered services can be found on the back of the Xerox Dental Plan claim form.

- F.** For either basic or major dental care, if the treatment proposed by the dentist will cost more than \$300, the dentist must submit (before treatment begins) the treatment plan to the Xerox claims agent (with supporting X-rays) for predetermination of benefits. Predetermination is not required in the case of emergency treatment.

- G.** Exclusions and limitations are as follows:
1. Orthodontic services are excluded except if covered under the Dental Plus Option at the time the appliance is installed. Orthodontia services are not eligible under Dental Plus Option if appliance is installed prior to coverage effective date under Dental Plus Option.
 2. If two (2) or more procedures are equally effective, then the benefit is based on the least costly procedure.
 3. There is no separate payment for simple oral examination or filling out claim forms.
 4. Antiplaque tooth care training is excluded.
 5. The frequency for scaling and cleaning is twice a year.
 6. For stannous fluoride treatments, frequency is once a year and only for children under eighteen (18) years of age.
 7. Sodium fluoride is limited to a single treatment and only to children under the age of four (4) years of age.
 8. Full-mouth X-rays are covered only once every three (3) years, and bitewing or partial X-rays are covered only once every six (6) months.
 9. General anesthesia is covered only in the case of oral surgery.
 10. Gold is approved only when teeth cannot be restored with a less costly filling material.
 11. Treatment is not covered if compensated by Workers' Compensation, other group insurance, no-fault automobile insurance, a government benefit, or if the need for treatment results from a war injury.
 12. Coverage for necessary replacement of dentures (including bridges and crowns) is limited to one (1) reimbursement every five (5) years. However, benefits are not payable for the replacement of lost or stolen dentures.
 13. Coverage is not provided for the replacement of teeth that were removed or lost prior to an individual's participation in the plan.
 14. Services for cosmetic purposes are not covered unless they are necessary as a result of an accident. Facings on molars are considered to be cosmetic.
 15. The correction of congenital and developmental malfunctions is not covered.
 16. Dental implants.
 17. Bonding.
 18. Dental treatment as the result of injury from war declared or undeclared.
 19. Charges in excess of reasonable and customary allowances.
- H.** If Aetna DMO is available in the local area, it will be made available to bargaining unit employees under the Aetna plan terms and conditions.
- I.** Effective April 1, 2006, employees and the Company will share equally in cost increases for the dental plan.

VIII. SALARY REDIRECTION ACCOUNTS

- A. To the extent allowed by law, employees may elect to redirect up to \$2,600.00 of pay into the Health Care Account to fund health care expenses with pre-tax dollars. Lower limits may apply to highly compensated employees to comply with IRS non-discrimination requirements.
- B. To the extent allowed by law, employees may elect to redirect up to \$5,000.00 (\$2,600.00 if the employee files his or her federal income tax return as married filing separately) of pay into a Dependent Care Account to fund dependent care expenses with pre-tax dollars. If an employee's spouse is also contributing to a Dependent Care Account on a before-tax basis, \$5,000.00 is the combined maximum contribution amount. Lower limits may apply to highly compensated employees to comply with IRS non-discrimination requirements.
- C. The employee must make the elections as provided for in IX. A., and IX. B., of this schedule during the enrollment period preceding the year in which it is to be effective.
- D. With regard to funds in the Health Care Account and the Dependent Care Account:
 - 1. They may be used throughout the year, on an income tax-free basis, for reimbursement or health care related or dependent care expenses, and
 - 2. To the extent required by law, any unused balance at the end of the year shall be forfeited and such forfeited moneys shall be applied to any health care, dependent care, or such other benefit programs that may be implemented.
- E. Health care expenses eligible for reimbursement from the Health Care Account shall be those permitted by law.
- F. Dependent Care expenses eligible for reimbursement from the Dependent Care Account include the following:
 - 1. Care for a child whom the employee can claim as a dependent on his or her federal tax return, who lives with the employee for more than half the year, and who is under age 13; or
 - 2. Care for any other dependent the employee claims as a dependent on his or her federal tax return, if all the following apply:
 - He or she lives with the employee for the entire calendar year;
 - The employee provides more than half of his or her support;
 - He or she is physically or mentally unable to care for himself or herself, regardless of age; and
 - He or she meets the income limits described in applicable federal tax law. Day care expenses for adults and dependents age 13 and over cannot be reimbursed under a Dependent Care Flexible Spending Account if the dependent has annual gross income exceeding \$4,050.00 (this number is indexed annually).
 - 3. Expenses may be incurred for services provided either inside or outside the employee's home. Expenses that qualify include cost of services for the dependent's well being and protection and household services, such as those provided by a cook or housekeeper, if the services were partly for the care of the dependent.

4. Recipients of dependent care payments cannot be a spouse or children of the employee under age nineteen (19) or any related individual claimed as a dependent of the employee.
- G.** Reimbursement for eligible tax free Health Care or Dependent Care expenses may be requested by completing a special claim form and all requests for reimbursement of costs incurred during a calendar year must be submitted before July 1 of the following year.
- H.** Annual Flexible Spending Account Contribution Program
1. For 2018 and 2019 only, the company shall make a \$300.00 contribution to a Health Care Flexible Spending Account (FSA) for each eligible employee whose base wage is less than \$80,000 as of November 30 of the prior year.
 2. If employees elect to salary-redirect additional money to the Health Care FSA through the annual open enrollment process, such amounts will be available for reimbursement in addition to the \$300 Company contribution.
 3. Employees may use the FSA for medical and dental expenses eligible for reimbursement under the Xerox Salary Redirection benefit, which is governed by Federal tax law and regulations.
 4. Employees may use the FSA for eligible dependents' expenses consistent with the rules of the Xerox Salary Redirection benefit.
 5. Administrative and processing requirements will be consistent with the rules of the Xerox Salary Redirection benefit
 6. Newly hired employees will be immediately eligible and will have their first-year annual Company contribution prorated based on their hire date.

IX. VISION CARE PLAN

- A.** An employee becomes eligible for participation in the plan on the employee's first day at work. The Plan covers eligible dependents of eligible employees. Dependents are defined as the employee's spouse, eligible domestic partner as defined in Article 29., and the employee's children/legal child dependents up to age twenty-six (26), provided they are not eligible for coverage under another non-parental, employer-sponsored group health plan, and stepchildren as defined in IV.C. of this Schedule. Children dependent on the employee because of physical or mental incapacity that began before age twenty-six (26), may continue to be covered beyond the age limit provided proof of the child's disability is submitted before the child reaches this age. Extension of coverage as a result of physical or mental incapacity is subject to annual review.
- B.** If the employee chooses vision care coverage, the employee's decision must stay in effect for two (2) plan years. The coverage category will remain the same during both plan years.
- C.** For the employee and covered dependents, the following benefit payments are provided during the two-year participation subject to dollar limitations of the plan:
1. One (1) eye exam per calendar year
 2. Either one (1) pair of frames and lenses or one (1) pair of contact lenses per calendar year.
- D.** Employees and their eligible dependents may also participate in the EyeMed Vision Discount Program, subject to the terms and limitations of the program.

X. ACCIDENT INSURANCE

- A.** An employee becomes eligible for participation in the plan on the employee's first day at work.
- B.** Accident insurance makes a payment to the employee's beneficiary if the employee should die as the result of an accident. This coverage also pays benefits to the employee in the event of certain serious accidental injuries, such as dismemberment or blindness. Accident insurance can also be purchased for the employee's eligible dependents. Accident insurance benefits are in addition to any benefits received from the employee's life insurance program.
- C.** Employee Accident Insurance is a non-subsidized employee pay-all benefit.
Coverage Options:
 - i. No coverage.
 - a. \$50,000 to \$1,000,000 in multiples of \$50,
- D.** Spouse/Domestic Partner accident insurance coverage options:
 - i. No coverage
 - ii. \$50,000 to \$500,000 in multiples of \$50,000
- E.** Child(ren) Accidental Death Insurance, all employee paid coverage options:
 - i. No coverage
 - ii. \$10,000 per child
 - iii. \$20,000 per child

XI. DEPENDENT LIFE INSURANCE

- A.** Dependent life insurance is a non-subsidized, employee pay-all benefit.
- B.** An employee becomes eligible for participation in the Plan on the employee's first day at work.
- C.** Employees can choose to cover their spouse/eligible domestic partner and their children/eligible legal child dependents, just their spouse/eligible domestic partner, or just their children/eligible legal child dependents. Employees can cover their dependent unmarried children/eligible legal child dependents under age nineteen (19), (age twenty-three (23) if full-time students).
- D.** For spousal/eligible domestic partner coverage, the employee cost is based on the employee's age and amount of coverage selected. Spousal/eligible domestic partner coverage options:
 - No Coverage
 - \$10,000 to \$250,000 in \$10,000 increments

- E.** The cost for qualifying child/eligible legal child dependents coverage is not dependent on age, but only amount of coverage selected. Child/eligible legal child dependent coverage options:
- No Coverage
 - \$2,000
 - \$4,000
 - \$6,000
 - \$8,000
 - \$10,000
- F.** The employee is automatically the beneficiary for Dependent Life Insurance.
- G.** New hires can purchase \$50,000 without Evidence of Insurability (EOI). Anything above \$50,000 will require EOI. If an employee does not enroll when first eligible, EOI will be required for any future coverage increase.
- H.** In all cases where proof of insurability is required, such coverage changes will not take effect until the required documents have been received and approved by the carrier.
- I.** If the employee chooses coverage for a dependent and that person is disabled, hospitalized, or has been hospitalized within the three (3) months prior to the employee's request for coverage, the coverage will not take effect until a statement of good health is approved by the insurance company.

SCHEDULE D: SUPPLEMENTAL UNEMPLOYMENT BENEFITS PLAN

This Schedule is intended as an outline only, and the benefits described are subject to the detailed terms and conditions of the actual plan.

- I. The purpose of this plan is to provide covered employees with supplemental income in the event of involuntary layoff.
- II. Benefits are usually paid only when State Unemployment Insurance benefits are paid.
 - A. The amount of benefits shall be ninety percent (90%) of an employee's after-tax weekly straight pay, less State Unemployment Insurance benefits, and less \$2.50 per day, or \$12.50 per week for work-related expenses.
 - B. For purposes of determining benefits under this Plan, weekly after-tax pay shall be based upon whatever marital status employees actually recorded on line item 3 on their most recently filed W-4 Employee's Withholding Allowance Certificate, as follows:

<u>Marital Status on W-4</u>	<u>Assumed Withholding Allowance</u>
Single	1
Married but withholding at the higher single rate	1
Married	4

- III. Subject to the limitations in V. below, the duration of the benefits shall be in accordance with the following table.

Maximum Number of Weeks of Supplemental Unemployment Benefits in a	
<u>Length of Service</u>	<u>Consecutive 52 Week Period</u>
Less than 1 year	0
1 year but less than 2	3
2 years but less than 4	6
4 years but less than 6	11
6 years but less than 8	16
8 years but less than 10	21
10 years or more	26

- IV. If the fund is below the maximum funding level as described in VI. below, the number of weeks specified in IV. above, shall be reduced by multiplying the applicable maximum number of weeks of benefits by the appropriate ratio as determined in the following table:

<u>Fund as a Percent of Maximum Funding Level</u>	<u>Ratio of Reduced to Maximum Weeks of Entitlement</u>
75% or more	1.0
62.5% but less than 75%	.8
50% but less than 62.5%	.6
37.5% but less than 50%	.4
25% but less than 37.5%	.2
Less than 25%	.0

Fractional weeks shall be rounded to the next higher full week.

- V.** The Company shall establish and maintain a SUB Trust Fund. For each employee in the Bargaining Unit, the Company shall contribute to the Trust Fund the amount of \$.0775 for each hour paid until the maximum funding level has been reached, after which contributions shall be suspended. The maximum funding level shall be defined as that amount necessary to pay full SUB to 8% of the eligible employees in each pay grade and each length of service category indicated in IV. above. Whenever the fund level falls below the maximum funding level, contributions by the Company shall be resumed at the established rate.
- VI.** Employees shall not be eligible for SUB if they:
- A.** Voluntarily terminate their employment.
 - B.** Are discharged for cause.
 - C.** Are subject to disciplinary layoff.
 - D.** Voluntarily go on layoff.
 - E.** Retire.
 - F.** Go on leave of absence.
 - G.** Are absent and receive any other pay replacement benefits, such as Sickness and Accident, Long-Term Disability, or Workers' Compensation.
 - H.** Die.
 - I.** Are recalled to work, but fail to return.
 - J.** Become entitled to severance pay.
- VII.** Provisions of this Plan are subject to the approval of IRS, Department of Labor, or other governmental entities having jurisdiction over such Plan.

SCHEDULE E: SEVERANCE PAY PLAN

In the event the Company terminates a major plant operation or relocates such an operation more than thirty-five (35) miles from the present location and does not offer employment within thirty-five (35) miles from the present location, employees severed as a result of such termination or relocation shall be entitled to severance pay in accordance with the following provisions:

I. ELIGIBILITY

All employees with one (1) or more years of service within the Company are eligible.

II. BENEFIT

The weekly severance pay benefit, which is calculated at forty (40) hours times an employee's straight-time hourly rate, as defined in this Agreement, will be provided in accordance with the following schedule:

Number of Weeks of Severance Pay Benefits:

<u>Length of Service</u>	<u>Weeks Paid</u>
Less than 1 year	0
1 year but less than 2	1
2 years but less than 3	2
3 years but less than 4	3
4 years but less than 5	4
5 years but less than 6	5
6 years but less than 7	6
7 years but less than 8	7
8 years but less than 9	8
9 years but less than 10	9
10 years but less than 11	10
11 years but less than 12	11
12 years but less than 13	12
13 years but less than 14	13
14 years but less than 15	14
15 years but less than 16	15
16 years but less than 17	17
17 years but less than 18	19
18 years but less than 19	21
19 years but less than 20	23
20 years but less than 21	25
21 years but less than 22	27
22 years but less than 23	29
23 years but less than 24	31
24 years but less than 25	33
25 years but less than 26	35
26 years but less than 27	37
27 years but less than 28	39
28 years but less than 29	41
29 years but less than 30	43
Greater than 30 years	45

III. PAYMENTS:

Severance pay benefits shall be paid weekly beginning with the second week following severance of employment.

IV. REHIRES WITHIN THIRTY-FIVE (35) MILES:

- A. Employees who, after the date of severance, are rehired or offered re-employment within thirty-five (35) miles from present location, shall not be entitled to any of the weekly payments falling due after the date on which they are rehired or offered re-employment. Such employees shall not be required to return payments already received, but a rehired employee's severance pay, in the event of a subsequent termination or relocation, shall be reduced by the number of payments already received.
- B. Employees severed, as described in 4. A., above, if rehired within one (1) year, shall be given full Company seniority, including the period of their severance.

V. OFFER OF EMPLOYMENT BEYOND THIRTY-FIVE (35) MILES:

- A. Employees who are about to be severed, or who are actually severed from employment under the terms of this Schedule, shall be given the choice of accepting other employment with the Company, as further provided herein, or of receiving severance pay benefits.
- B. Offer of employment shall be subject to the following conditions:
 - 1. A vacancy must exist in a facility which is either represented by the Union, or which is not represented by any Union.
 - 2. Employees must be qualified to fill the vacancy which exists.
 - 3. Employees must bear the cost of relocation or commutation.
 - 4. If relocated prior to severance, or within one (1) year from date of severance, employees shall retain their Company seniority for purposes of benefits determinations, but shall be regarded as new employees for purposes of promotion, transfer, cutback and layoff.
 - 5. Employees relocated prior to severance shall not be entitled to severance pay benefits as provided under this Schedule.
 - 6. Employees relocated after the commencement of severance pay benefits shall be eligible to receive further severance pay benefits following re-employment. Such employees shall not be required to return payments already received, but rehired employees' severance pay, in the event of a subsequent termination or relocation, shall be reduced by the number of payments already received.

VI. EMPLOYEES ON LAYOFF STATUS:

In the event that the Company terminates a major plant operation, or relocates such an operation more than thirty-five (35) miles from the present location, employees on layoff status from such major plant operation shall be deemed eligible for severance pay benefits, as provided in this Schedule, unless employed under the terms of IV. and V. of this Schedule.

VII. RETIREMENT:

Employees who are receiving severance pay benefits shall become ineligible to receive further severance pay benefits upon becoming eligible for retirement benefits. However, employees who have completed ten (10) years of service with the Company, and who attain the age of fifty-five (55) years after the commencement of severance pay benefits, or who are severed so as otherwise to be eligible for benefits as provided herein, shall have the option of receiving severance pay benefits or retirement benefits, but not both.

VIII. DEATH BENEFITS:

In the event of the death of an employee entitled to severance pay, any remaining payments shall be made in one lump sum to the employee's designated beneficiary.

IX. EXCEPTIONS:

There shall be no severance pay required of the Company if the termination of a major plant operation, or the relocation of such an operation, is directly due to riots, civil commotion or other conditions beyond the direct control of the Company, or during that period in which plant operations are temporarily interrupted due to strike, labor difficulties, or other conditions.

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SCHEDULE F: 401(k) COMPANY SAVINGS PLAN

This Schedule is intended as an outline only, with the benefits described subject to the detailed terms and conditions of the Plan document, as well as to any applicable governing law.

I. PARTICIPATION IN THE PLAN:

Employees are eligible to participate in the Plan as of their first day of active employment with Xerox.

II. VOLUNTARY SAVINGS:

- A.** Employee earnings eligible for 401(k) savings are typically considered base rate, overtime, and certain lump-sum payments as defined by the Plan.
- B.** Employees may elect to have portions of their pay deducted in increments of 1% and invested as follows: 1) up to 80% of pay in the Employee Before-Tax Savings Account, or 2) up to 18% of pay in an Employee After-Tax Savings Account, or 3) a combination of 1 and 2 above, not to exceed 80% and subject to II. E., below.
- C.** Employees who are age 50 or older are eligible to make catch-up contributions of up to the designated, government limit for that year.
- D.** Payroll deductions invested in the After-Tax Savings Account do not reduce the amount of taxes otherwise withheld from an employee's weekly pay. However, no taxes are payable on the account's earnings or gains until payment is made from that account.
- E.** Payroll deductions invested in the Before-Tax Savings Account reduce the amount of taxes otherwise withheld from an employee's weekly pay. No taxes are payable on the account's earnings or gains until payment is made from that account.
- F.** Before-tax contributions are subject to annual limits imposed by the Internal Revenue Service. Also, the before-tax savings percentage for highly compensated employees (as defined by the IRS) is limited by government rules to assure a balanced level of participation among all eligible employees.
- G.** Employees can start, stop, or change payroll deductions at any time using the appropriate channels (interactive voice response system (IVR) or web access).
- H.** Employees may invest in the available funds and change those investment options using the available channels (interactive voice response system (IVR) or web access).

III. COMPANY MATCHED SAVINGS:

- A.** Employees are eligible to receive a company contribution of \$.50 for every pre tax \$1.00 they contribute (up to 6% of their eligible annual earnings).
- B.** The matching Company contribution will be made for each calendar quarter and will be contributed on or about the end of the following month. This quarterly match will apply for the 2005 plan year but with a first quarterly match as of September 30, 2005 for the three calendar quarters in 2005 ending on this date. The second match for the 2005 plan year will be for the quarter ending as of December 31, 2005. After the 2005 plan year, the allocation will take place each quarter. Prior to the 2005 plan year, the contribution was made in the middle of March of the calendar year following the plan year based on eligible employee contributions in the plan year.
- C.** The matching Company contribution will be distributed to the investment funds the employee has designated their regular savings to at the time of Company contribution.
- D.** To be eligible to receive the matching Company contribution, the employee must complete six months of service, and be actively employed on the last business day of the calendar quarter for which the allocation occurs, or have retired, died, began an approved leave, became disabled, or was laid off during the calendar quarter. Effective April 1, 2006, all employees who would be eligible but have not yet satisfied the six months service requirement would become eligible.
- E.** New hires and rehires after 8/1/2014 will get the same 401(k) match as the union members who participate in RIGP of 50 cents on the dollar up to 6%. For employees with an employment start date between January 1, 2006 and August 1, 2014 who cannot become participants in the Retirement Income Guarantee Plan, Sections III.A., III.C and III.D do not apply.

IV. ADDITIONAL 401(k) SAVINGS PLAN HIGHLIGHTS

- A.** A range of investment choices including Broad Strategy Funds (Balanced Fund - More Bonds, Balanced Fund - Fifty/Fifty, and Balanced Fund - More Stocks), Focused Strategy Funds (Income Fund, Enhanced Bond Fund, U.S. Stock Fund, International Stock Fund, Small Company Stock Fund and Xerox Stock Fund), and a Marketplace Window that provides access to a variety of mutual funds outside of Xerox.
- B.** Accounts are valued daily.

V. TRANSFERS AMONG THE FUNDS:

- A.** Savings Account Transfers:
 - 1. Employees may transfer amounts credited to their Profit Sharing Savings Account, Employee After-Tax Savings Account, Employee Before-Tax Savings Account, Company-Matched Savings Account, and Rollover Account among the Funds whenever they wish using the available channels (interactive voice response system (IVR) or web access).
 - 2. Employees may transfer all or part of the amounts credited to them in a Fund. Partial transfers must be in multiples of 1%.
 - 3. When employees have amounts credited in both the Profit Sharing Savings Account and the Employee Before-Tax Savings Account, and desire to transfer all or any part of such credited amount among the Funds, such transfers must be in the same proportion for both Accounts.

VI. LOANS

To the extent permitted by law and subject to the following limitations, employees may take loans from the following accounts: Profit Sharing Savings Account, Employee After-Tax Savings Account, Rollover, and Employee Before-Tax Savings Account.

- A.** Loans may be requested for any reason.
- B.** The minimum loan amount is \$500.
- C.** The maximum loan amount is the lesser of:
 - 1. \$50,000;
 - 2. \$50,000 less the highest outstanding loan balance during the last 12 months;
 - 3. 50 percent of the vested account balance in the profit sharing, before-tax, rollover, and after-tax less outstanding loans.
- D.** Loans may be requested daily, but no more than 5 loans may be outstanding at any one time. The total amount of all outstanding loans during any consecutive 12 month period is capped at \$50,000 reduced by the highest loan balance during the past year minus the loan balance on the date the new loan is to be made.
- E.** Loans shall be repaid to the employee's account(s), in accordance with their current investment elections, through payroll deductions for which employees shall be required to sign necessary forms, and shall be for the following terms:
 - 1. Home Purchase Loan – Maximum 14-1/2 years
 - 2. All other Loans – Maximum 4-1/2 years.
- F.** The effective loan interest rate shall be the published commercial prime interest rate (Citibank) plus one percent (1%) as of the end of the calendar quarter preceding the date of the loan, rounded upwards to the nearest tenth of one percent, if necessary. Once established, the loan interest rate shall apply for the entire term of the loan.
- G.** Employees utilizing this loan provision shall have an automatic loan initiation fee of \$45.00 for each loan deducted from their accounts when the loan is processed.
- H.** Loan Default Provisions: The federal government passed new regulations in 2002 affecting 401(k) plan loan defaults. Loans taken on or after January 1, 2002, will follow the new federal regulations. Below is a summary of the loan default provisions:

For Loans Taken Before January 1, 2002

If you fail to make loan repayments for six (6) months (the six (6) months don't have to be consecutive), regardless of the reason, your loan is considered a "deemed distribution."

If you default on a loan taken before January 1, 2002, you'll be suspended from making contributions, taking a withdrawal, or taking another loan for 12 months.

If you haven't repaid the defaulted amount after the 12 months, you will not be able to take another loan from the plan.

For Loans Taken on or After January 1, 2002

If you fail to make one month's or more worth of loan repayments, your loan is considered a "deemed distribution" at the end of the quarter following the quarter in which you missed the loan repayments.

Your loan will continue to accrue interest on the missed principal and interest until you repay the amount in default or you leave the Company, whichever is sooner.

You will not be suspended from making contributions, taking a withdrawal, or taking a loan from the plan if you default.

Because the defaulted loan remains outstanding, the loan counts toward:

1. The maximum number of loans a participant can have that are outstanding;
2. The maximum amount available for a new loan.

VII. WITHDRAWALS

A. Hardship Withdrawals:

Participants must first apply for and take all available loans before a hardship withdrawal can be taken. If additional funds are still needed after exhausting all loan opportunities and funds from all other sources, employees may make hardship withdrawals from their Savings Accounts (earnings on post 12/31/88 contributions are not available for withdrawal) in the following sequence:

1. Employee After-Tax Account
2. Rollover Account
3. Profit Sharing Savings Account, if necessary
4. Employee Before-Tax Savings Account

Hardship withdrawals can be taken only for the four reasons listed below:

<u>DESCRIPTION</u>	<u>DOCUMENTATION</u>
1. Medical care not reimbursed by insurance for self or a family member, including dependent parents.	Explanation of Benefits from insurance company; denial of claim; statement by participant that family member has no insurance; medical bill; pre-determination of Benefits
2. Down payment on a dwelling to serve as principal residence for participant.	Copy of signed Purchase Contract
3. Tuition expenses of a family member at an educational institution beyond the secondary level for the coming year.	Evidence of enrollment and tuition invoice for the coming year.
4. Foreclosure on, or eviction from primary residence	Statement/evidence from foreclosing or evicting party or court proceedings demonstrating need of withdrawal to prevent eviction.

Participants may also request that a hardship withdrawal include amounts necessary for the participant to pay federal and state income taxes and penalties reasonably anticipated to result from the distribution.

Participants whose hardship request is approved are suspended from making contributions for 6 months.

B. Discretionary Withdrawals:

Employees may make a withdrawal from their Employee After-Tax Savings Accounts and Rollover Account for any purpose.

NOTE: The Internal Revenue Code requires pro-ration of taxable earnings with discretionary withdrawals.

VIII. MISCELLANEOUS PROVISIONS

- A.** Employees remain eligible to participate in the Plan when they are on layoff status as provided in Article 15 of the Collective Bargaining Agreement. Distributions from the Plan will not be made for a period of two (2) years after layoff, but balances in Employee Accounts will continue to reflect gains or losses incurred during that period. However, if employees elect to forfeit recall rights by terminating their employment, they shall become eligible for earlier distributions.
- B.** Married employees may designate a person other than their spouse as their beneficiary provided they obtain their spouse's written and notarized consent to do so.
- C.** Employees may not assign or transfer their rights under the Plan, nor may they obligate or create a lien on any of the funds or securities of the Plan.
- D.** When an employee retires as provided in Schedule H.I., the employee's Savings Accounts may be distributed as follows:
 - 1. In a lump sum payment of all monies vested in such accounts; or
 - 2. In the form of a direct rollover to another qualified plan or an IRA; or
 - 3. As a series of fixed installments or partial distributions – for retirees only; or
 - 4. The employee may also elect to leave this money in the Plan.

IX. ADDITIONAL PLAN DETAIL

Detailed Plan information, including the investment funds, loans and withdrawal provisions, and other detail is available in the Plan document. In the event of a discrepancy between the information provided in this Schedule and the Plan document, the Plan document controls.

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SCHEDULE G: RETIREMENT INCOME GUARANTEE PLAN

This Schedule is intended as an outline only, and the benefits described are subject to the detailed terms and conditions of the Plan document, as well as to the provisions of applicable state and federal laws. This Schedule only applies to those employees with employment start dates before April 1, 2006. Additionally, any employee hired after March 31, 2006, but with prior service credit under the Retirement Income Guarantee Plan that would count towards benefits upon his or her rehire, will also be eligible for benefits as described in this Schedule. However, any employee with an employment start date of April 1, 2006 or later who is not rehired with prior service credit under this Plan, will not become a participant of the Retirement Income Guarantee Plan.

I. PURPOSE

The purpose of this Plan is to provide specific amounts of total retirement and survivor income for eligible employees as described in Section IV.

II. PAY

Pay is defined as the average of the employee's highest five (5) complete calendar years of eligible earnings at Xerox after 1974. It consists of the same elements as provided in the 401(k) Company Savings Plan.

III. CASH BALANCE RETIREMENT ACCOUNT (CBRA)

- A.** Prior to April 1, 2006, the CBRA credit is 5% of an employee's eligible earnings for the prior year. Beginning on April 1, 2006, with the credit for 2006 that is generally added to the CBRA in 2007, the CBRA credit is 4% of an employee's reported eligible earnings for the prior year.
- B.** CBRA balances shall be credited at an interest rate equal to the 12-month average yield for the prior calendar year on the Treasury one year Constant Maturity (CMT) plus 1%. Prior to 2006, the crediting rate had a two percentage point floor – it could not be more than two percentage points lower than the prior's year's crediting rate. Beginning in 2006, no limit is placed on the change in this rate from one year to the next.

IV. NORMAL RETIREMENT GUARANTEE

For an employee who retires on or before December 31, 2012 at or after age sixty-five (65) the retirement income guarantee shall be the greatest of A., B., or C. below:

- A.** 1.4% x the average of the employee's highest five (5) years of pay x the employee's years of benefit service (to 30 years). The table below provides the percentage of the average of the employee's highest 5 years of pay that would correspond to different years of benefit service:

Years of Benefit Service	Percentage of Pay
30 or more	42.0
29	40.6
28	39.2
27	37.8
26	36.4
25	35.0
24	33.6
23	32.2
22	30.8
21	29.4
20	28.0
19	26.6
18	25.2
17	23.8
16	22.4
15	21.0
14	19.6
13	18.2
12	16.8
11	15.4
10	14.0

- B.** The employee's CBRA.
- C.** 1% of the average of the employee's highest 5 years of pay times the employee's years of benefit service. This is an alternative method which takes exceptionally long service into consideration. It does not limit an employee's years of benefit service to 30. For participants with less than forty-two (42) years of benefit service as of January 1, 2009, no benefits will be earned under the 1% formula after November 30, 2009.

For an employee who retires after December 31, 2012 at or after age sixty-five (65) the retirement income guarantee shall be the greater of A. or B. below:

- A.** 1.4% x the average of the employee's highest 5 years of pay, as of December 31, 2012, x the employee's years of benefit service (to 30 Years), as of December 31, 2012. The table below provides the percentage of the average of the employee's highest 5 years of pay that would correspond to different years of benefit service:

Years of Benefit Service	Percentage of Pay
30 or more	42.0
29	40.6
28	39.2
27	37.8
26	36.4
25	35.0
24	33.6
23	32.2
22	30.8
21	29.4
20	28.0
19	26.6
18	25.2
17	23.8
16	22.4
15	21.0
14	19.6
13	18.2
12	16.8
11	15.4
10	14.0

- B.** The employee's CBRA, which will be frozen on December 31, 2012 (no new pay credits other than the 2012 pay credit in February 2013, but will continue to earn interest);
- C.** Employees who retires after December 31, 2012, regardless of which of the defined benefits listed above provides the greatest benefit, will also receive a Post-2012 CBRA Account that will begin at \$0 and receive 4% pay credits, based on eligible earnings from January 1, 2013, plus interest credits through the employee's settlement date
- D.** The retirement income is payable as a joint and survivor annuity for married participants, or as a life annuity for single participants, for the lifetime of the employee unless the employee elects another form of payment (subject to written notarized spousal consent), elects to leave the benefits in the plan, or elects to take distributions as provided in IX. and X. below.

V. EARLY RETIREMENT GUARANTEE

- A.** For employees who retire between the ages of fifty-five (55) and sixty-five (65) with at least 10 years of service and who elect to have their benefit commence prior to age 65, the benefit at early retirement is the amount determined in Section IV. above with the amounts under Section IV.A. and Section IV.C., multiplied by the percentage listed below which corresponds to the employee's age at commencement of benefits. An employee who retires early may defer the commencement of benefits up to an age not to exceed 70 and 1/2, provided that the calculation of the benefit shall be determined as of the date of commencement of benefits.

Under 30 Years of Service		30 or More Years of Service	
Age at Commencement of Benefits	% Of Benefit	Age at Commencement of Benefits	% Of Benefit
65	100	65	100
64	95	64	100
63	90	63	100
62	85	62	100
61	80	61	95
60	75	60	90
59	70	59	85
58	65	58	80
57	60	57	75
56	55	56	70
55	50	55	65

- B.** The retirement income is payable as a joint and survivor annuity for married participants, or as a life annuity for single participants, for the lifetime of the employee unless the employee elects another form of payment (subject to written notarized spousal consent), elects to leave the benefit in the plan, or elects to take distributions as provided in IX. and X. below.

VI. VESTING

- A.** All employees in this plan are vested.
- B.** Employees who terminate their employment prior to retirement shall be eligible for payments under Section IV. A. at the age of sixty-five (65). If payments begin earlier, they shall be made on an actuarially reduced basis using the methodology, but not the early retirement factors, provided in V.A. above.

VII. PRE-RETIREMENT SURVIVOR INCOME

- A.** When an employee dies prior to the commencement of retirement benefits, the employee's spouse is eligible for survivor income if the employee was eligible for a benefit under Sections IV. or V. above.
- B.** The survivor income shall be the CBRA and fifty percent (50%) of the excess of the benefit provided by the guarantee (benefit in Sections IV.A or IV.C adjusted for early commencement under Section V.A) over the CBRA.
- C.** The survivor income is payable for the lifetime of the spouse.
- D.** When a vested employee dies before the employee was eligible for a benefit under Section IV. or V., the employee's spouse is eligible for survivor income equal to the greater of the benefits provided by the CBRA plus fifty (50) percent of the excess of the benefit provided by the guarantee as calculated under VI.B, over the CBRA

VIII. POST-RETIREMENT SURVIVOR INCOME (Except for those employees who elect a lump sum equivalent payment.)

When an employee dies after the employee retires, the employee's spouse is eligible for survivor income based on the employee's beneficiary designation at retirement. A married employee's designation is automatically the surviving spouse, unless the surviving spouse has consented, in writing, to the designation of another beneficiary. This benefit will not apply if the participant has commenced benefits and with the written notarized consent of the spouse, elects an optional form of benefit which does not include a survivor annuity.

IX. OPTIONAL FORMS OF BENEFITS

Subject to the available optional forms and spousal consent requirements, employees may reduce their total retirement income in order, at equal cost, to increase the percentage of survivor income, or to provide other forms of installment or lump-sum death benefits which best suit their needs.

X. LUMP SUM EQUIVALENT PAYMENT

- A.** In lieu of payment of retirement income benefits to the employee and the employee's spouse as provided in this Schedule, the employee, with the written notarized consent of the employee's spouse, may upon retirement, take the equivalent value of the employee's retirement income as a lump sum payment as determined by the plan document.
- B.** Employees who are vested, as provided in Section VI., above, and who terminate their employment with the Company prior to retirement, may, upon termination of employment, take the equivalent value of their total retirement income as a lump-sum payment subject to written and notarized consent by the employee's spouse, or may defer making an election.

XI. PRIOR SERVICE CREDIT FOR EMPLOYEES WHO SEPARATE AND ARE LATER REEMPLOYED BY XEROX

- A.** Under certain circumstances, employees who were participants in the Retirement Income Guarantee Plan (RIGP) at the time they separated from the Company, and who are subsequently rehired by the Company on or after April 1, 2006, will retain prior service credit and will resume participation in this plan.
- B.** Plan participants who are vested at the time of their separation and are subsequently rehired will retain prior service credit and will resume participation in RIGP. If such employees previously received a distribution from the plan, the prior distribution will affect future benefits payable to the employee under the plan. The impact of the prior distribution on future benefits applies to everyone under the Plan who was rehired with a prior distribution.
- C.** Plan participants who separate before becoming vested will forfeit any RIGP benefit and any service credit for vesting and benefit service that the employee may have had from the employee's prior period of service. However, if the employee returns to Xerox prior to having a five-year break in service, the employee's forfeiture will be reinstated to the employee's RIGP accounts and the employee's service credit for RIGP vesting and benefit service will be restored and the employee will resume participation in the plan. The employee who separated before becoming vested, and who returns to Xerox after having incurred a five or more year break in service, will be treated as a new hire, and will not be eligible to participate in the RIGP Plan.
- D.** Regardless of whether participants were vested at the time of separation from the Company, plan participants who separate and are subsequently rehired before a "one-year break in service" occurs will resume participation in the plan and the time the employee did not work at Xerox will be counted as vesting service but not benefit service. If an employee separates from Xerox and a one-year break in service occurs, the time the employee did not work for Xerox will not be counted for vesting service or benefit service. The employee will begin to earn vesting service and benefit service again when the employee returns to work and the employee's prior service will be restored.
- E.** If an employee is on a maternity/paternity leave or layoff, up to the first 12 months of leave or layoff will not be regarded in determining if the employee has a one-year break in service.
- F.** If an employee is reemployed following an approved military leave within the protected reemployment period under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), the employee will receive benefit service and vesting service for the entire period of the leave. When the employee is reinstated in accordance with USERRA, the employee's benefit value will be adjusted to reflect pay and additional benefit service as required by USERRA.

XII. MISCELLANEOUS

- A.** Employees on layoff or leave of absence shall continue to receive credit for service for one (1) year in order to meet the eligibility requirements under VI. above.

SCHEDULE H: BENEFITS FOR RETIREES AND THEIR DEPENDENTS

This Schedule is intended as an outline only, and the benefits described are subject to the detailed terms and conditions of the actual plans or contracts, as well as to the provisions of applicable state and federal laws.

I. ELIGIBILITY FOR RETIREMENT

A. Early Retirees:

Employees are eligible for early retirement when they are at least fifty-five (55) years of age and have a minimum of ten (10) years of service with the Company.

B. Normal Retirees:

Employees are eligible for normal retirement when:

1. They are sixty-five (65) years of age or older, and
2. They have a minimum of ten (10) years of service with the Company, and
3. Employees with ten (10) years of service who become ineligible for Long-Term Disability benefits at the age of sixty-five (65) years shall be regarded as eligible for normal retirement.

II. PROVISIONS OF BENEFITS FOR RETIREES AND THEIR DEPENDENTS

A. Early and normal retirees shall receive the following benefits:

1. \$6,000 retiree life insurance policy for employees who are retired on 12/31/02, active current employees as of 12/31/02 and employees on layoff status 12/31/02 who are subsequently recalled within their recall period.

2. The Medical Care Plan:

Employees who retire after 1-1-00 will receive coverage based on the Retiree Flexible Benefits Program. Under the Retiree Flex Program, the employee will have a Benefits Allowance to spend, and each of the available options will have a price.

- a. The Pre-65 Benefits Allowance will be the total of three components: The Basic Allowance based on the premium for the most efficient HMO's, this amount will be capped at two (2) times the 1995 amount; the Service Component, an amount equal to \$20 times total years of service with the Company up to a maximum of 30 years; and the Life Cycle Assistance Component based on the employee's forfeited balance in the Life Cycle Assistance Program spread over the retiree's expected lifetime using accepted actuarial assumptions (this amount will be included in the retiree's Benefits Allowance each year).
- b. At age sixty-five (65) Medicare will be the employee's primary source of health care coverage. The Company will no longer provide secondary coverage, but will provide a Post-65 Benefits Allowance that the retiree can use to purchase supplementary coverage from an outside source. Supplementary coverage plans make payments for eligible expenses that are not paid by Medicare.

- c. Employees who were not retiree eligible prior to 1/1/89 and who retire after 12/31/95 will receive a Benefits Allowance to allow the retiree to purchase health insurance through a RightOpt private exchange or a public exchange. Certification of coverage will be required to receive the Benefits Allowance.
 - d. For post-65 retirees Medicare will continue to be the employee's primary source of healthcare coverage. The Company will no longer provide secondary coverage but will provide a post-65 Benefits Allowance that the retiree can use to purchase supplementary coverage from an outside source. Supplementary coverage plans make payments for eligible expenses that are not paid by Medicare. Post-65 retirees can continue to use these benefits on the same basis as prior to ratification of this Agreement.
 - e. No other coverage or payments for health insurance will be provided to post December 31, 1995 retirees.
 - (1) For Pre-65 retirees, the Benefits allowance will be \$2,636 for single coverage; \$4,886 for two party coverage; and, \$7,010 for family coverage. To the Basic Allowance will be added a Service Component in an amount equal to \$20 times total years of service with the Company up to a maximum of 30 years and a LifeCycle Assistance Program Component based on the employee's forfeited balance in the LifeCycle Assistance Program spread over the retiree's expected lifetime using accepted actuarial assumptions (this amount will be included in the retiree's Benefits Allowance each year).
 - (2) For Post-65 retirees, the Benefits Allowance will be \$1,341 for single coverage; \$2,685 for two party coverage; and, \$3,798 for family coverage.
 - (3) Retirees who choose to elect a governmental subsidy under a public insurance exchange are not eligible for the Benefits Allowance. It is the retiree's responsibility to determine whether to accept the Benefits Allowance or not.
3. The Dental Plan:
- a. Employees reaching eligibility for retirement (age 55 or older with 10 or more years of service) prior to 1/1/89 will receive coverage as described in Schedule C., IV. of the 1980-1983 Labor Agreement.
 - b. Employees who were not eligible to retire prior to 1/1/89 and who retire between 1/1/89 and 12/31/95 will receive coverage as described in Schedule C., IV of the 1986 - 1989 Labor Agreement with the following modifications:
 - (1) Pre-65 premium contributions will either remain the same or be less than the contributions for active employees.
 - (2) At age 65 contributions will be waived.
 - c. Employees who were not eligible to retire prior to 1/1/89 and who retire after 12/31/95 will receive the same Dental Benefits provided to active salaried retirees.
 - (1) At age 65, dental coverage will no longer be available through the Xerox Dental Plan.

4. Medical Benefit Account:
- a. Employees who were not eligible to retire prior to 1/1/89 and who retire between 1/1/89 and 12/31/95 will be credited with a \$400 individual Medical Benefit Account.
 - b. With regard to funds in the Account, they may be used throughout the year, on an income tax-free basis (to the extent permitted by law), for reimbursement of health care related expenses.
 - c. Health care related expenses include the following: Medical and Dental Plan deductibles; Medicare Premiums; Medical/Dental expenses which are not fully reimbursed; other health care related expenses not covered by the Medical or Dental Plans, such as: routine medical check-ups, eyeglasses, hearing aids, orthodontia.
 - d. Retirees may not elect to take any part of the account in cash.
- B.** Dependents of early and normal retirees shall be entitled to the benefits described in II., A., 2. and 3., above depending on the coverage category selected by the retiree. Such entitlement shall continue after the death of the retired employee according to the terms of the applicable plan.
- C.** If an active, retirement-eligible employee (age 55 with at least 10 years of service) dies, the surviving spouse (or domestic partner, if the domestic partner was enrolled as a dependent on the employee's medical plan at the time of the employee's death), will be allowed to enroll in the Retiree Flex Program as if the employee had been retired at the time of death. If the surviving spouse or domestic partner is also eligible for subsidized COBRA coverage, he or she must choose between subsidized COBRA coverage and enrollment in the Retiree Flex Program, and the election is irrevocable (i.e., if the surviving spouse or domestic partner elects COBRA coverage, the election shall prohibit him or her from later enrolling in the Retiree Flex plan as a dependent of the deceased employee).

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ADDENDUM 1: UNION REPRESENTATION GUIDELINES FOR EMPLOYEES, STEWARD, SHOP CHAIRPERSON & SUPERVISORS

- When an employee needs to see their steward during work time, the employee or steward will advise their supervisor of such a need. The supervisor will then contact the steward and arrange an appropriate time that fits the scheduling needs of the department.
- The steward and the employee will **not** be required to meet during their lunch or break time.
- Once the time has been arranged for the employee and the steward to meet, the employee and the steward will be paid.
- The supervisor will arrange a meeting on the same day as the request for Union representation is made. Should the issue contain facts that would disappear by delaying the request for Union representation, the supervisor will set up the meeting immediately.
- The request for Union representation and the success of the department should be given equal consideration by the employee, the steward, and the supervisor.
- The Shop Chairperson and Area Stewards will be compensated by the Company at their hourly rate, including the appropriate shift premium, when performing their responsibilities as defined by this contract.
- The Shop Chairperson will be allotted and compensated five (5) hours a week, if necessary, during regular work hours, to conduct Union-related business pertaining to Xerox. During these five (5) hours, the Shop Chairperson is to remain on Company property and must receive permission to leave during this time. Grievance proceedings and Company requested Union meetings shall be excluded from the five (5) hour allotment. It is further agreed that the Company has the right to re-open discussions on reduction of hours in the second year of the Collective Bargaining Agreement.
- Office space will be assigned to the Union. The Company will provide necessary equipment in order for the office to be fully functional.
- This agreement may be modified from time to time, by mutual agreement.

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THE DOCUMENT COMPANY
XEROX

James R. Cole
Vice President of Operations
Office Printing Business

October 4, 2000

Ms. Barbara Mejia
Assistant Regional Manager
California District Manager
Western States Regional Joint Board
1165 19th Street
San Diego California

VIA FAX

Re: Memo of Understanding

Expeditor's International Warehousing

On July 19, 2000, the Company contracted with Expeditor's International to warehouse and distribute printer supplies and assemblies beginning September 5, 2000 through September 5, 2003. This decision is a result of the Company's need to free up manufacturing space for new work.

As soon as appropriate space becomes available, the work will be returned to the Wilsonville location, or should the Company determine to use an alternative warehousing operation located in the Portland area or surrounding counties, it shall be staffed by UNITE members.

The Company acknowledges that this work continues to be within the jurisdiction of the bargaining unit and periodically the Company and the Union will meet to discuss the impact on the bargaining unit in accordance with Article V of the Labor Agreement.

Regards,

/s/ James R. Cole

James R. Cole
Vice President of Operations
Office Printing Business (OPB)

JRC:jck

PLEASE NOTE: This is to replace the letter of August 17th which was done in error —naming the wrong article in the labor agreement.

Xerox Corporation
Office Printing Business
P.O. Box 1000, M/S 7060-150
Wilsonville, OR 97070-1000
Telephone 503.685.2055
Facsimile 503.582.6299

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WESTERN STATES REGIONAL JOINT BOARD
UNITE

UNION OF NEEDLETRADERS, INDUSTRIAL AND TEXTILE EMPLOYEES, AFL-CIO/CLU

1165 19th Street, SAN DIEGO, CA 92102
TEL: 619-702-0150, FAX 619-239-7060

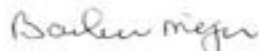
October 24, 2002

James Cole
Vice President, Operations, OPBU
26600 SW Parkway Avenue
Wilsonville, OR 97070

Dear Mr. Cole,

During our recent negotiations, the Company and the Union reached a new agreement on Promotion and Transfer. However, we further agree that should Step 1 of the Promotion and Transfer provision not satisfy the Company's current movement issues, that we would agree to canvassing at the first step, verses posting, upon thirty days written notice to the Union requesting the change.

Sincerely,



Barbara Mejia,
Secretary Treasurer
Western States Regional Joint Board, UNITE

CC: Rick Wilson
Chris Singrey, President, Local 14Z
Members of the Negotiating Committee

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GLOSSARY

1. AUTO-PROGRESSION: Promotional opportunity afforded newly hired employees in specific entry level job classifications, as defined in Schedule A. and B. of the Agreement, to the next higher advanced level after achieving predetermined time in current entry level job classification.
2. BARGAINING UNIT SENIORITY: The most recent date of continuous service in the bargaining unit in Local 49. Used for the purpose of promotion, transfer, cutback, layoff and recall, and vacation scheduling.
3. BUSINESS DAY: A day during the normal business work week, Monday through Friday.
4. COMPANY SENIORITY: Length of continuous service from most recent date of hire as a Xerox employee except as modified for those former Tektronix employees by the Asset Purchase Agreement. Used to determine benefits eligibility and Preferential Hiring Rights only.
5. CERTIFICATION: A Company record that indicates an employee is certified in specific processes, operations, work areas, and/or equipment.
6. CERTIFIED: Completing the required training and associated evaluations as determined by the Company in specific processes, operations, work areas, and/or equipment, and receiving the appropriate documentation.
7. DEPARTMENT: A major division of the business responsible for a particular element of the business.
8. JOB CLASSIFICATION: Group of Positions or a single Position within a Line of Progression.
9. JOB FAMILY: Group of jobs or a single job within a Position.
10. LINE OF PROGRESSION: A group of Job Classifications separated by level within a specific promotion and transfer chart as detailed in Schedule A.
11. POSITION: A primary job within a Job Classification.
12. QUALIFIED: An employee is qualified if he/she possesses qualifications as referenced in Article 19.A.1.
13. REDUCTION IN FORCE: Occurs when there is a reduction in the number of heads either within a specific job classification or across the Bargaining Unit.
14. SHIFT CHANGE MOVES: Like-for-like transfers into the same job between shifts.
15. WORK AREA: An area where an employee or groups of employees are assigned to perform specific tasks and generally all report through the same management chain.
16. WORKING DAY: A day during an employee's normal work week.
17. WORK GROUP: A compilation of jobs generally focused around a specific product, function, and/or activity. Employees assigned to a work group generally all perform the same work tasks on a regular basis, are the same level and for overtime purposes would all be considered as normally performing the work required.

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