APPENDIX H

MEMORANDUMS OF UNDERSTANDING

No. 5

ATTENDANCE CONTROL PROGRAM

Regular and punctual attendance are essential to successful business operations, therefore employees are expected to fulfill their obligation of being on time and present for work. The attendance control program should be flexible enough to afford leadership discretion in the application of this program for employees who have maintained a satisfactory attendance record. Therefore, to the fullest extent possible, unpaid, unexcused full or partial-day absences should be avoided and ~~such~~ **these** absences should not be viewed as an entitlement or employee award. The following shall apply:

To the extent possible, the Company and the Union aspire to the consistent application of this attendance control program, treating similar situations within a team number in the same manner.

2. Employees are expected to maintain satisfactory attendance. Employee’s attendance will be routinely monitored, and appropriate action will be administered to those who exceed the program guidelines.

3. “Proper Notice” in reporting an absence shall mean a phone call to the Absence Reporting System (1-866-371-1323) **or another system or phone number as may be designated by the Company,** at least one (1) hour prior to the beginning of the employee’s scheduled start time. The recording service will be available twenty-four (24) hours a day. The time and date of a recorded phone call shall be used to determine time limits. An employee shall access the Absence Reporting System with their LM People number.

4. The following absences are excused and will not be counted as discrepancies: paid vacation, paid personal business, an approved medical leave of absence, an approved family medical leave of absence, paid bereavement leave, jury duty, unpaid military leave, Company-initiated unpaid leave, and unpaid authorized Union business.

5. Attendance discrepancies, which may trigger corrective actions are as follows:

Step 1: Employees incurring ~~six (6)~~ ~~hours and one (1) minute or more or three (3) part-day absences or more~~ **any** attendance ~~discrepancies~~ **discrepancy** in a review period are subject to being placed in Step 1 of the program. They shall be counseled by their first line leader and issued a written warning.

Step 2: Employees incurring ~~six (6) hours and one (1) minute or more or three (3) part day absences or more~~ **any** attendance ~~discrepancies~~ **discrepancy** in a review period while in Step 1 of the program shall be placed in Step 2. They shall be counseled by their second line leader and issued a written warning.

Step 3: Employees incurring ~~six (6) hours and one (1) minute or more or three (3) part day absences or more~~ **any** attendance ~~discrepancies~~ **discrepancy** in a review period while in Step 2 of the program shall be placed in Step 3. They shall be counseled by Labor **and Employee** Relations and issued a last and final written warning.

Step 4: Employees incurring ~~six (6) hours and one (1) minute or more or three (3) part day absences or more~~ **any** attendance ~~discrepancies~~ **discrepancy** in a review period while in Step 3 of the program shall be placed in Step 4. The employee is discharged.

Review periods are standardized based on accounting months as identified in the manufacturing day calendar. In those cases where an employee is placed in a step and subsequently incurs any attendance discrepancy within the same standardized review period, the employee will be placed in the next appropriate step.

6. Back-Up Steps: Employees that make a good effort toward correcting their attendance are provided a method to back out of the steps of the Attendance Control Program.

a. An employee in Step 1 of the program and that has not incurred any discrepancies for ~~one~~ **two** review period**s** will back up one step.

b. An employee in Steps 2 or 3 of the program and that has not incurred any discrepancies for ~~two~~ **three** consecutive review periods will back up one step.

1. Perfect attendance occurs when an employee has completed an entire standardized review period without incurring any attendance discrepancies.

~~d. On a one-time basis, effective October 3, 2016, all employees will back out of the Attendance Control Program.~~

7. When an employee's overall attendance record is unsatisfactory, the employee essentially becomes a part time employee and the reasons for their absences may no longer be excused. Each case will be evaluated on an individual basis.

8. Holidays when scheduled~~,~~ and accepted**,** or scheduled overtime when not worked**,** will be treated like any other day in the application of this program.

9. Employees who are in any step of this Attendance Control Program must utilize available paid personal business in one-hour increments prior to incurring any unpaid unexcused time during an employee’s scheduled shift, resulting in an employee’s personal business balance being applied until exhausted. Employees may not use vacation or combine vacation with personal business to circumvent the application of this provision.