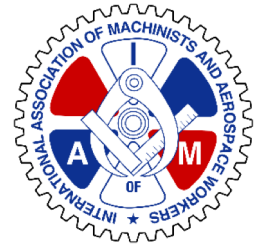


Summary of 2018 Last, Best & Final Offer



The proposed agreement would cover the period between May 20, 2018 and September 22, 2023.

Your IAM Bargaining Committee unanimously recommends ratification of this five-year and four-month agreement that delivers wage increases, HCAP improvements and a progressive benefits package.

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Johnstown
Local Lodge 2171 IAMAW

\$4,200 Ratification Bonus; GWI Increases; No Lump Sums

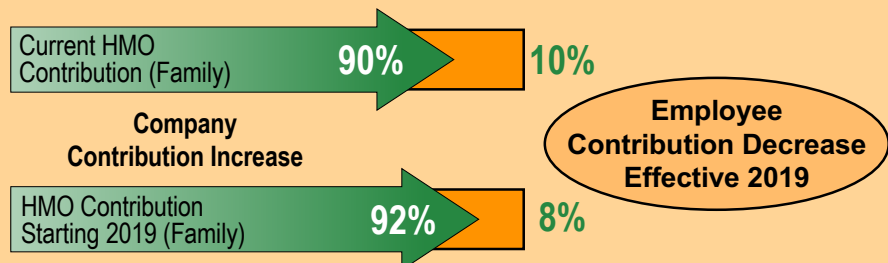
- \$4,200 Ratification Bonus in 2018.
- 3.0% General Wage Increase in 2018.
- 2.5% General Wage Increase in 2019.
- 2.5% General Wage Increase in 2020.
- 2.5% General Wage Increase in 2021.
- 3.0% General Wage Increase in 2022.
- Special wage payment in 2023

Maintained HMO Medical Plan NEW - Lower Contribution Effective January 1, 2019

- Legacy UPMC HMO plan currently offered remains an option for members hired before May 20, 2018.
- Company will pay 92% of the annual premiums beginning in 2019 for the life of the contract. This is an improvement over the 90% in the current contract.

**With Health Care Costs on the Rise,
Your Committee Secured Increased Savings
By Lowering Your Contribution Rate**

Savings of \$2,680*
Over the Life of the Contract



- Employees will pay 8% of the annual premiums beginning in 2019 for the life of the contract. This is less than the 10% in the current contract.

* Family

Pay Improvements

IAM Delivers Improved Wages, Cash Bonus and Long Term Wage Growth

Your IAM Bargaining Committee negotiated a competitive package that provides increases in wages over the next five years. This includes a ratification bonus, General Wage Increases and wage improvements for all employees.

We fought for NO LUMP SUMS to keep wages growing every year.

Contract Provides One Time Ratification Bonus

You will receive a ratification bonus of **\$4,200 pre-tax** (payable by June 22, 2018). You have the choice to receive the bonus as **CASH** or **TAX DEFERRED** when deposited to your Hourly Savings Plan Plus (HSP). **Contract must be ratified on May 18, 2018 by 6 p.m. ET.**

Yearly General Wage Increases

- 3.0% General Wage Increase in 2018.
- 2.5% General Wage Increase in 2019.
- 2.5% General Wage Increase in 2020.
- 2.5% General Wage Increase in 2021.
- 3.0% General Wage Increase in 2022.
- **Special wage payment of approximately \$400 in 2023 (3% of 2023 Base Rate x 520 hours)**

Breakdown of Wage/Bonus Increases



Wage Growth

\$46,342 Average yearly income for IAM Member

2018 **\$47,732** (3%)
Increase of \$1,390 from 2017

2019 **\$48,925** (2.5%)
Increase of \$1,193 from 2018

2020 **\$50,149** (2.5%)
Increase of \$1,224 from 2019

2021 **\$51,402** (2.5%)
Increase of \$1,253 from 2020

2022 **\$52,944** (3%)
Increase of \$1,542 from 2021

2023 **\$53,341** (3% for 4 months)
Increase of \$397 from 2022

More than
\$26,000*
in Compounded
Wage Growth over the
Agreement

*Assumes average hourly rate of \$22.28.
Excludes lump sum payments and overtime.



Cash Bonuses

2018 **\$4800** pre-tax
Supplemental Wage Payment (SWP) + Ratification Bonus

2019 **\$600** pre-tax
SWP

2020 **\$600** pre-tax
SWP

2021 **\$600** pre-tax
SWP

2022 **\$600** pre-tax
SWP

2023 **\$400** pre-tax
SWP (Approx.)

\$7,600

pre-tax

Over the life of the agreement

Additional Wage Improvements

- **Increased Automatic Rate Progressions:** Members will receive **\$0.20** per hour every four months. This is a **33% increase** from the \$0.15 per hour in the current contract.
- All **GWIs** will be applied to the **minimums and maximums** of the labor grades.
- Second Shift Premium has increased by **50% to \$0.60 per hour.**

Retirement Savings

Hourly Capital Accumulation Plan (HCAP)

\$500/quarter

Company contribution



Agreement
Total Value:

\$12,200

+

Hourly Savings Plan Plus

\$74 / week + \$37 / week

Employee contribution

Company contribution



Agreement
Total Value:

\$35,211

=

Total Value of Contributions
Over the Life of the Agreement*

\$47,411

Significant Hourly Capital Accumulation Plan Contribution Increase

The company will also make contributions to the Hourly Capital Accumulation Plan. Effective July 1, 2018, all members will receive a company contribution of **\$500 per quarter for the life of the agreement. This is a 25% increase** from the \$400 quarterly contribution and **delivered in the first quarter of the agreement** rather than stair-stepped by year in the current contract.

Hourly Savings Plan Plus Company Contribution Increases

The company will match **50% up to \$74** per week of your employee contributions. That compares to \$66 in the previous agreement—an improvement in the value of this benefit. **In addition, members may increase their unmatched contributions up to the IRS limit.**

**Value assumes an IAM Employee, working 40 hours weekly, with an average base rate of \$22.28 in 2017. Value is over the life of the contract with 5% growth. Illustration does not include contributions before May 20, 2018 and represents total value of contributions over the life of the agreement for an employee.*

Health Care Benefits – Your Medical Plan Options

IAM Delivers Quality Health Care Options With Significant Company Paid Premiums

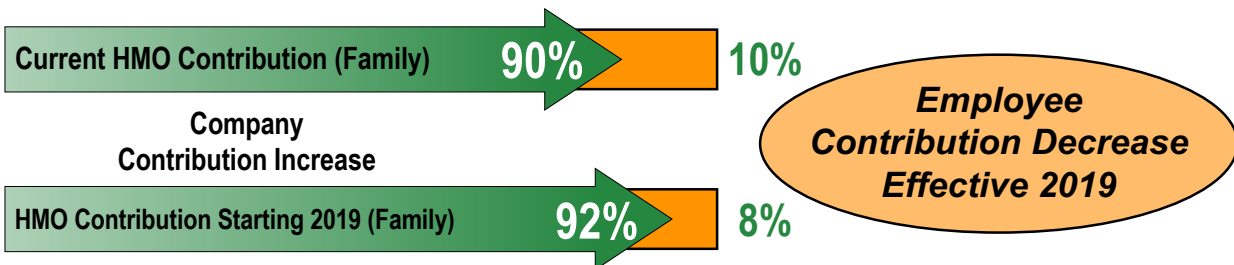
Your IAM Bargaining Committee secured quality health care options for members—the legacy UPMC HMO plan will remain available to eligible members and the company will pay 92% of the premiums beginning in 2019. LMHealthWorks is replaced by new High Deductible Health Plans (HDHP) paired with a tax free Health Savings Account (HSA).

IAM Maintains Legacy UPMC HMO Health Care Plan for Eligible Members

The legacy UPMC HMO plan, including prescription drug coverage, will remain available to eligible members hired prior to May 20, 2018. Effective January 1, 2019, the company will now pay 92% of the premium costs and the member will contribute 8% instead of the 10% in the current contract. Due to IRS regulations, members enrolled in the legacy UPMC HMO plan are not eligible for the new Health Savings Account (HSA).

With Health Care Costs on the Rise, Your Committee Secured Increased Savings By Lowering Your Contribution Rate

Savings of \$2,680*
Over the Life of the Contract



New Health Plans Provide More Choices and Ability to Pay for Medical Expenses with Tax Free Health Savings Account

In 2019, LMHealthWorks will be replaced with High Deductible Health Plans, giving you more options to better fit the needs of your life.

Health Care Options Timeline	May – December 2018	January 2019
Current Employees (Hired Before May 19, 2018)	HMO or LMHW	HMO or HDHP
New Employees (Hired on or after May 20, 2018)	LMHW	HDHP only

Health Care Benefits – HDHP Medical Plans

All members have the option to participate in the new HDHP offerings, which provide at least three different plan designs. Your geographic region determines your plan carriers. All options cover the same types of services, pay benefits after you meet the deductible and provide preventive care at no cost. As part of the HDHP offerings, you will be eligible to participate in a Health Savings Account (HSA) to help offset your medical expenses. The HSA includes many tax advantages and company contributions. Learn more about the HSA advantages below.

Three HDHP Medical Plans *Broad Access to Care & Multiple Providers*

92% Company Paid Premium **8%** Employee Paid Premium

Medical Plan Designs (single/family)	Monthly Premium	Annual Deductible
HDHP 1 Deductible: \$1,600/\$3,200 Out of Pocket: \$3,200/\$6,850	\$\$\$	\$
HDHP 2* Deductible: \$2,400/\$5,100 Out of Pocket: \$4,800/\$10,900	\$\$	\$\$
HDHP 3* Deductible: \$3,500/\$6,850 Out of Pocket: \$6,550/\$13,100	\$	\$\$\$

*Individual Cap on Out of Pocket Maximum limited to \$6,850

Out of Pocket Maximum Provides Enhanced Financial Protections

Annual Wellness Incentives

Easier to Obtain!

- Personalized Messaging - \$100
- Health Survey - \$100
- Biometrics Screenings - \$300

Up to
\$500
 Annual for Employee
 and Spouse Each



Tax Free Health Savings Account (HSA):

Fund your HSA with company paid contributions:

Avoid Taxes & Grow Your HSA with Company Provided Cash Payments



\$2,000
 One-Time Company HSA Contribution for Family Coverage On January 1, 2019

\$1,000
 Annual Wellness Incentives for employee and spouse

\$600 SWP

Additional HSA Contributions in 2020 for eligible employees (\$250 individual/\$500 family)

\$3,600

Benefits of a Health Savings Account

- **No use it or lose it** - You keep all contributions (including company contributions); even if you leave the company.
- **Tax free contributions**, earnings & withdrawals. **NO FICA**.
- Use your **HSA debit card** to conveniently pay for health care expenses.
- Potentially **grow your balance** by investing portions of your funds in investment accounts.
- Annual contribution limits are determined by the IRS.
- At **age 65**, you can make **penalty free withdrawals** for any reason and continue to receive tax-free benefits for qualified medical expenses, including Medicare premiums.
- On-site **information session** available in advance of 2019 open enrollment.

Other Benefit Offerings

New Programs and Enhanced Protections for You and Your Family

A variety of insurance plans continue to be available to you, including both company-paid and optional employee-paid programs. Improvements made to these plans are shown below, plus information on other offerings, including new voluntary benefits.

Additional Health Benefits



Improved Dental Benefit

All members will have at least two Preferred Provider Options (PPO) dental plans: a Dental Plan Core and a Dental Plan Enhanced. Depending on your home address, they will be offered through Aetna. In addition, some areas also have a Cigna Dental HMO available. **The company will pay 100% of the plan costs for HMO and Core dental plans.** You can buy-up to the Enhanced plan for an additional cost.

Improved Vision Benefit

In 2019, vision insurance will change to VSP Vision Care. During Annual Enrollment you can choose between two coverage levels, Core or Enhanced coverages. **The company will pay 100% of the plan cost for the Core vision plan.** Both plans include a \$10 copay for all visits, \$25 copay for materials and increased allowances for frames and contacts. You can buy-up to the Enhanced plan for an additional cost.

Life, Accidental Death and Dismemberment Insurance

All members actively at work as of January 1, 2019, will have their benefits **increased from \$38,000 to \$43,000** under each plan. The company pays the full cost for this coverage.

Short-Term Disability

All members actively at work as of July 1, 2018 will have their weekly maximum short-term disability benefit **improved from \$350 to \$390 weekly.** The company pays the full cost for this coverage. In addition to the company provided benefit, the \$100 employee optional benefit continues.

NEW - Employees will continue to accrue flex time while on Short Term Disability leave.

Improved Group Universal Life Insurance – No Proof of Insurability

During the 2019 Annual Enrollment Period, you will have the opportunity to purchase additional employee life insurance through the Group Universal Life Insurance plan and **no Proof of Insurability** will be required for amounts elected at 1X your current level. The plan is also being improved by increasing coverage options, from **6 times to 8 times annual base pay.**

Optional Benefits

NEW – Accident Insurance Available

Most major medical insurance plans only pay a portion of the associated expenses. With the Accident Insurance Plan, you receive additional financial support. The coverage pays a cash benefit, in addition to your medical benefits, that correspond with hospital and intensive care confinement. The cash benefit is payable directly to you and can be used to help pay for deductibles, treatment, rent and more. You can elect to enroll in the accident insurance plan Annual Enrollment.

NEW – Hospital Indemnity Insurance

Hospital Indemnity insurance provides additional financial protection for hospital stays when a sickness or injury occurs. The coverage pays a cash benefit, in addition to your medical benefits, for hospital confinement. The cash benefit is payable directly to you and can be used to help pay for deductibles, treatment, rent and more. You can elect to enroll in the hospital indemnity plan during Annual Enrollment.

NEW – Critical Illness Insurance

A critical illness can occur at anytime, and the new Critical Illness insurance provides additional financial stability, beyond your standard medical benefits, for you and your family. The insurance allows you to select the benefit coverage amount you want based on your individual need and budget. Then, if diagnosed with a covered critical illness, you will receive a cash benefit based on the percentage payable for the condition. You can elect to enroll in the critical insurance plan during Annual Enrollment.



53 Company Paid Holidays

2018 (10 days)

- Memorial Day, May 28
- Independence Day, July 4
- Labor Day, September 3
- Thanksgiving Day, November 22
*Second Shift, November 21
- Monday After Thanksgiving, November 26
- Year End Shut Down, December 24–31

2019 (11 days)

- New Year's Day, January 1
- Memorial Day, May 27
- Independence Day, July 4
- Labor Day, September 2
- Thanksgiving Day, November 28
*Second Shift, November 27
- Monday After Thanksgiving, December 2
- Year End Shut Down, December 24–31

2020 (10 days)

- New Year's Day, January 1
- Memorial Day, May 25
- Monday After Independence Day, July 6
- Labor Day, September 7
- Thanksgiving Day, November 26
*Second Shift, November 25
- Monday After Thanksgiving, November 30
- Year End Shut Down, December 28–31

2021 (9 days)

- Memorial Day, May 31
- Day After Independence Day, July 5
- Labor Day, September 6
- Thanksgiving Day, November 25
*Second Shift, November 24
- Monday after Thanksgiving, November 29
- Year End Shut Down, December 28–30

2022 (9 days)

- Memorial Day, May 30
- Independence Day, July 4
- Labor Day, September 5
- Thanksgiving Day, November 24
*Second Shift, November 23
- Monday After Thanksgiving, November 28
- Year End Shut Down, December 26–29

2023 (4 days)

- New Year's Day, January 2
- Memorial Day, May 29
- Independence Day, July 4
- Labor Day, September 4



PAID Bereavement Improvement

- **PAID BEREAVEMENT LEAVE FOR ALL MEMBERS** – All members will have up to **FOUR** days of **PAID** bereavement leave per occurrence with **ADDITIONAL FLEXIBILITY**. The leave can be used for paid time off in the event of a death of an immediate family member.

Significant Contract Changes Improve Work Environment for Members

- Secured negotiated progressive discipline process into the agreement. **No one disciplined without just cause.** Capped suspension during investigations.
- **Expanded** rewards and recognitions for employees.
- **On a one-time basis effective May 20, 2018, all attendance and discipline records currently on file with the Company will be removed.**
- Disciplines will not count against a member after 12 months if there is no recurrence; if the disciplines end in a suspension, it will not count against further discipline after 18 months if there is no recurrence. Employees do not have to request for a discipline to be removed from future consideration.
- Addition of one new large assembly department and three new production control departments.

Additional Financial Gains



Secured \$200 reimbursement for prescription glasses every other year for the life of the contract. This is an improvement over the \$150 every other year in the current contract.



Secured \$100 reimbursement for safety shoes every year. This is an improvement over the \$60 per year in the current contract.