

ARTICLE I
AGREEMENT

1. This full and complete Agreement is made and entered into this _____ day of _____, 200__ , by and between Covanta SEMASS LLC, located at 141 Cranberry Highway, West Wareham, Massachusetts , hereinafter called the “Company” and the Utility Workers Union of America, Local 369, AFL-CIO, hereinafter called the “Union”.

ARTICLE II

RECOGNITION

1. As and to the extent required and permitted by, and only for the purposes of Section 9 of the National Labor Relations Act as amended, the Company recognizes the Union as the exclusive representative for the purpose of collective bargaining with respect to rates of pay, hours of employment, and other conditions of employment for its hourly paid production and maintenance employees, excluding all office and clerical employees, guards, professional employees, confidential employees, and supervisors as defined in the Act, the foregoing being the unit covered by the certification in NLBR Case No. 1-RC-22198
2. This Article is for the sole purpose of granting the Union statutory recognition as required by law and contract. This Recognition Agreement shall be intended to establish that the Union represents employees not titles, job classifications or work.
3. The employees represented by the Union and covered by this Agreement are sometimes here and after collectively referred to as employees and/or individually as the employee.

ARTICLE III

MANAGEMENT RIGHTS

1. (1) Except as herein clearly and explicitly limited by the express terms of this Agreement, the right of the Company in all respects to manage its business, operations and affairs; to establish wages, hours and other terms and conditions of employment, and to plan, establish, combine and abolish jobs, operations or to subcontract the same shall be unimpaired. The Company's not exercising any rights in a particular way, shall not be deemed a waiver of any such right or preclude the Company from exercising the same in some other way not in conflict with the express terms of this Agreement.

(2) The Company retains the sole right to discipline, suspend and discharge employees for cause, including violation of any of the terms of this Agreement.

(3) The above rights of management are not all inclusive, but indicate the type of matters or rights which belong to and are inherent to management. Any of the rights, powers, and authority the Company had prior to entering this collective bargaining agreement are retained by the Company exclusively, except as expressly applied, abridged, delegated, granted or modified by this Agreement.
2. (1) Except to the extent expressly abridged by a specific provision of this Agreement, the Company reserves and retains, solely and exclusively, all of its inherent rights to manage the business, as such rights existed prior to the execution of this Agreement with the Union.

(2) The sole and exclusive rights of management which are not abridged by this Agreement, shall include but are not limited to its right to establish or continue policies. Practices and procedures for the conduct of the business and, from time to time, to change or abolish such policies, practices, or procedures; to

determine and from time to time redetermine the number, location and types of its operations, and the methods, processes and materials to be employed; to discontinue processes or operations in whole or in part, or to discontinue their performance by employees of the Company, and to contract out any or all such processes or operations; to transfer, sell or otherwise dispose of its business in whole or in part; to determine and from time to time redetermine the number of hours per day or per week operations shall be carried on; to select and to determine and from time to time redetermine the number and types of employees required; to assign work to such employees in accordance with the requirements determined by management; to establish and change work schedules and assignments; to transfer, promote, or demote employees, or to lay off, terminate, or otherwise relieve employees from duty for lack of work or other legitimate reasons, to make and enforce (reasonable) rules for the maintenance of discipline and protection of life and property; to suspend, discharge, or otherwise discipline employees (for cause); and otherwise to take such measures as management may determine to be necessary or desirable for the orderly, efficient, or economical operation of the business.

3. Except as abridged by specific provisions of this Agreement, the Company shall retain all customary rights of management, including, but not limited to the right to select, assign, and direct the working forces; the right to determine job content; the responsibility to establish job qualifications and to determine qualifications of employees; the right to adopt and enforce reasonable rules and regulations for efficient operations; the right to discipline or discharge employees for reasonable and just cause, the right to establish, modify, change, or abandon operating methods to assure efficient and economical operations or to subcontract same, provided that the union rights set forth in this Agreement, including the use of the Grievance Procedure and Arbitration, shall not be abridged, curtailed, or modified by this clause.

ARTICLE III
NO STRIKE – NO LOCK OUT

1. (1) During the life of this Agreement, the Union shall not authorize, and the employee shall not participate in a strike of any kind, or any boycott, picketing, work stoppage, slow-down, or any other type of organized interference, coercive or otherwise, with the Company's business. During the life of this Agreement, the Company shall not lock out the employees.

- (2) The Union shall not question the unqualified right of the Company to discipline or discharge employees engaging in, participating in, or encouraging such action. It is understood that such action on the part of the Company shall be final and binding upon the Union and its members and in no case shall be construed as a violation by the Company of any provision of this contract.

- (3) Where the Company has discharged or disciplined an employee under this provision, a claim that the employee did not participate in the strike or other interference with production, or encourage such action, may be submitted as a grievance. However, on the question of participation, non-participation, or encouragement of such action can be determined by arbitration.

ARTICLE IV

WAGES

Wages Article

1. The minimum hiring rates and maximum rates for existing job classifications are set forth in Appendix "A" annexed hereto and made a part hereof.

Report-In Pay

(1.) Employees who report for work on their regular shift, without being notified not to report, will be given 8hrs or 12hrs, as applicable, of work and hours pay at the applicable rate. This provision does not apply in case of a shutdown beyond the control of the Company. Failure on the part of an employee to keep the company informed of his current address and telephone number will relieve the Company of its responsibilities under this Section of the Agreement. Employees who report change of address, telephone number, car license or registration, shall be given a written acknowledgment of the Company's receipt of this information.

(2) Employees who are scheduled and report for work outside their regular shift will be guaranteed a minimum of ____ hours work and/or _ hours pay at the applicable rate. This provision does not apply if an employee is scheduled for and works overtime prior to or following (in conjunction with) his regular shift.

Report-in Pay

2. (1). An employee reporting for work at his scheduled starting time, without having been notified not to report for work by his supervisor or other authorized Company representative, shall be guaranteed at least 2 hours of work, or pay therefore, at his straight time hourly rate, unless he requests and is permitted to leave work sooner. This section shall not apply where a lack of work is caused by conditions beyond the control of the Company.

(2) It shall be the responsibility of each employee to notify the Company, in writing, of any change of mailing address or telephone number.

(3). Except as otherwise provided in this Article, if any employee shall be required by the Company to report for work on any day and he shall report at the time and place at which he was required so to report, and shall not be put to work or shall be laid off before completing 2 hours of work, he shall receive a minimum of 2 hours pay at his regular hourly base rate.

(4) The provisions of the foregoing paragraph (1) shall not apply: a) in any case in which any employee, at his own request or because of his own fault, shall not be able to work or shall be laid off after having been put to work, or be in any case in which any employee shall be laid off after having been put to work by reason of any strike, slow-down, or other stoppages of work in connection with any labor dispute or any breakdown of equipment, lack of supplies, act of God, or conditions beyond the control of the Company.

“CALL-IN” PAY

3. (1) An employee may be “called-in” **without advance notice** to work during unscheduled time off. **employees** who are “called-in” to work shall receive two (1 1/2) times their base hourly rate for all hours worked outside their normal schedule, or a minimum of two (2) hours paid at time and one half. **Without advance notice** is defined as eight (8) hours or less prior to the start of the scheduled shift; eight (8) hours or less since the employee departed the plant; or the employee is “called-in” on a non-scheduled work day (his/her day off.)

(2) “Call-in” pay only applies when the employee is not at the facility (or other Company location or work assignment) when notified to report to work. Coming in on a scheduled day off to attend training or a safety meeting does not constitute

“call-in”. “Call in” pay begins when the employee arrives at the facility, except as otherwise required by applicable state law.

(3)“Call-in” time is discontinued when the on-duty supervisor releases the employee to leave the facility or once the regular schedule for the employee begins. If the “call-in” time worked carries over into the employee’s regularly scheduled work shift, the payment of the time and one half rate will only apply to the hours worked *prior* to the start of the employee’s scheduled shift. If there is an overlap where the employee is called-in to work and his/her regular schedule begins in less than two (2) hours after the start of the “call-in”, then the employee will receive the minimum two (2) hours at the “call-in” time of time and one half rate of pay, and the remaining hours of the regular shift will be paid at the employee’s normal rate of pay

(4) If an employee is called in on a non-scheduled day, all hours worked are paid at the time and one half rate of pay. Only the hours worked and not paid at time and one half during the employee’s *normal scheduled shift* count toward the calculation of overtime. Any hours paid at the time and one half rate *do not* count toward the calculation of overtime.

ARTICLE V

SENIORITY

Definitions

1. (1) Company service as used herein shall mean the length of time measured in years, months, and days that an employee has been continuously employed by the Company and shall date from the employee's last date of hire. Periods of layoff of less than thirty (30) calendar days shall not require adjustment of Company service; however, when a layoff exceeds thirty (30) calendar days, the period of layoff in excess of thirty (30) calendar days shall not accrue as credited time towards Company service. Company service shall prevail in the administration of vacations, benefits, and related items. Company service shall be cancelled after 3 months of absence for any reason.

(2) Plant seniority shall be defined as the period of time measured in years, months and days that an employee has been on the active or inactive payroll of the Company and shall date from the last date of hire. Plant seniority shall be cancelled after 3 months of absence for any reason.

Probationary Period

- 2 (1) A probationary period of 6 months on the job shall be completed before an employee's seniority becomes effective. At the expiration of this period, his name will be entered on the seniority list in the order of his original date of hire, or adjusted date of hire, whichever is appropriate. The Company may terminate the employment of a probationary employee during this period and such action shall not be subject to recourse through the grievance procedure or arbitration.

Promotions

3. (1) Promotions to higher rated job classifications shall be made on the basis of qualifications. When the qualifications of eligible employees are relatively equal, seniority shall prevail. It is understood that a vacancy, as determined by the Company, must exist before any promotion is made.

(2) When vacancies cannot be filled by the application of the preceding paragraph, the vacancies shall be posted for 10 work days for plant-wide bidding. The selection of employees to fill the vacancies shall be made on the basis of qualifications, but if qualifications are relatively equal, seniority shall prevail.

4. When vacancies exist, as determined by the Company, the following factors shall be considered in determining the promotability of employees:
 - A. Ability to perform the work
 - B. Physical fitness
 - C. Seniority

It is understood that seniority shall only be a determining factor if factors A and B above are relatively equal

Reduction of Force

5. (1) In the layoff and recall to work of employees for an indefinite period, plant seniority shall prevail as provided below:
 - A. Employees having the lowest plant seniority within the department will be the first employees to be laid off, except in those cases where there are no other qualified employees in the plant to perform the work to be done.

B. In the reassignment of an employee as a result of the above application, he may exercise his seniority only to the extent of filling jobs vacated by laid off employees, provided he is capable of performing the work to be done.

The Company may, in the case of a temporary shutdown of a department or apportion thereof, or in the case of emergency conditions, make a temporary layoff of 30 work days duration, or less, without regard to the provisions of this article.

(2) The Company will notify the Union of layoffs and recalls to work and, when possible, in advance of such layoffs and recalls.

For the purpose of administering this article, departments shall be Operations, and Maintenance. The Company reserves the sole right to establish, abolish or change departments, provided that this provision shall not be used by the Company for the purpose of discriminating against the Union or any of its members.

Recall

6. (1) The recall of employees affected by a force reduction shall be in reverse order of their layoff, lateral displacement or demotion. The Company may temporarily assign employees to fill vacancies while the recall procedure is being carried out.

(2) The recall of employees laid off or demoted due to a reduction in force shall be in reverse order of the layoffs or demotions. An employee who is reduced to a lower job classification and refuses recall to any job classification in reverse order of reduction, shall lose all recall rights. An employee who is laid off and refuses such recall shall forfeit his rights to continued employment and shall be removed from the payroll.

Loss of Seniority

7. Seniority will terminate and an employee will lose all right to accumulated employee benefits and continued employment when he:
 - A. Quits
 - B. Is discharged
 - C. Overstays an approved leave of absence.
 - D. Is absent 2 consecutive work days without notice to the Company, unless an excuse is given which is acceptable to the Company within 1 day thereafter.
 - E. Fails to return to work within 1 work day after receipt of a telegram, certified or registered letter or recall to work from the Company.
 - F. Has been laid off for a period exceeding 3 months without being recalled to work.
 - G. Takes other employment while on leave of absence, unless the leave of absence specifically permits the taking of other employment.

None of the foregoing reasons for termination shall prevent the Company from rehiring the employee.

Seniority List

8. (1) The Company will furnish the Union annually a seniority list showing the seniority of each employee in the bargaining unit. This list shall be posted for a two-week period after each publication on the bulletin board. Any typographical error or disagreement with the published list shall be brought to the Company's attention for appropriate correction as soon as practicable. Failure to advise the Company within 10 calendar days or errors on the posting will relieve the company of any retroactive liability.

(2) The Company agrees to furnish the Union copies of the seniority list of all employees covered by this agreement on a semi-annual basis.

Union Officers' Seniority

9. (1) It is agreed that those employees of the Company who shall be elected as Officers and Stewards of the union shall be the last men laid off in their respective departments during their term of office, unless the Officer or Steward is not qualified to perform the remaining job in question in which case the officer or Steward would be laid off in accordance with the layoff procedure.

(2) Upon termination of any such term of office such employees shall return to the standing on the seniority list they had prior to assuming the Union office.

Transfer Out of the Unit

10 (1) An employee who is permanently transferred to a job outside the bargaining unit shall cease to accumulate seniority. Upon returning to the bargaining unit, he shall be credited with the seniority accumulated before he was transferred from the bargaining unit.

(2) An employee transferred to a position excluded from this bargaining unit shall retain his seniority as of the date of transfer for a period of 3 months. In the event the employee is transferred back to the bargaining unit, he may be assigned to his former job classification provided that he has sufficient seniority, or to other lateral or lower job classifications in accordance with his seniority status.

(3) Any employee promoted or transferred to a position outside of the bargaining unit shall accrue plant seniority for a period of 3 months from date of such promotion or transfer, and he may return voluntarily, or at the request of the Company to the bargaining unit to exercise his seniority in accordance with the

provisions of this article. In the event he does not return to a position within the bargaining unit within the 3 month period, his seniority as applied to a position within the bargaining unit shall end.

ARTICLE VI

LEAVE OF ABSENCE

1. For the purpose of this Agreement, a Leave of Absence shall be defined as a period of approved absence of five (5) or more consecutive work days without pay.

ARTICLE VII

MISCELLANEOUS

Bulletin Boards

1. The Company agrees to provide bulletin boards for posting notices of Union meetings, social events, and educational programs. No notice of any type may be posted without prior Company approval.

ARTICLE VII A

Work Performed by Non-bargaining Unit Employees

2. (1) The company's non-bargaining unit employees shall not perform work which is normally performed by the bargaining unit and which would result in the displacement of employees within the bargaining unit. It shall not be a violation of this agreement for non-bargaining unit employees to:
 - A. Instruct an employee in the performance of his assignment or to provide assistance to an employee.
 - B. Perform whatever duties are necessary to meet an emergency situation.
 - C. Provide a "helping hand" to correct safety violations or eliminate hazards.
 - D. Perform research and development work of an experimental or technical nature, including the startup of production of new products and/or processes.
 - E. Perform necessary functions for determining the operating characteristics of new or revised equipment or processes.
 - F. Replace an absentee if no suitable bargaining unit employee is immediately available.

- (2) Supervisory or technical personnel shall not normally do non-supervisory work which is normally performed by employees in the bargaining unit. This does not prevent supervisory or technical personnel from performing necessary functions of instruction or assistance to employees, or from temporarily operating for the purpose of determining the operating characteristics of new or revised equipment or processes, in any emergency, for experimental purposes, or minor jobs needed for the efficient operation of the plant when no appropriate bargaining unit employee is available at the site.

It is recognized that scientific, research, and development personnel may perform manual work when such is essential to effective completion of the job.

Union Representatives Access

3. (1) The Business Agent of the Union may be permitted to visit the plant at reasonable times for the sole purpose of investigating grievances, provided he first notifies and receives permission from the Plant Manager or his designee. Any abuse of this privilege shall be deemed as proper basis for revocation by the Company.

(2) The Company will furnish a guide for reasons of personal safety, if the Union Representative requires reasonable access to locations of the facility other than the administrative office.

Funeral Pay

4. An employee will be granted an excused absence for such times as may reasonably be needed for the purpose of attending the funeral of a member of his immediate family and will be paid his normal straight time hourly rate for any or all of 3 consecutive scheduled working days during the period, beginning with the day of death and ending with the day of the funeral (after such funeral). To be eligible for payment, an employee must produce some evidence of said death in the form of public notice or its equivalent. "Immediate family" shall be construed to mean husband, wife, child, mother, father, brother, sister, and mother or father of wife or husband.

ARTICLE VIII

HEALTH AND SAFETY

1. (1) The Company and the Union shall cooperate to promote employee safety and accident prevention within the plant. The Company shall provide medical services and employees shall be required to observe safety rules and regulations established by the Company, including the use of prescribed safety equipment or clothing.

(2) It shall also be the responsibility of each employee to maintain his place of work in a clean and orderly condition.

(3) Safety Committee meetings shall be held monthly.

(4) The Company agrees that the chairman of the Safety Committee, which shall not exceed 10 employees in total, may, from time to time, bring to the attention of the Safety Supervisor questions or problems of safety in the plant. Prompt investigation shall be made and the chairman of the Safety Committee shall be promptly advised of the action taken.

2. (1) As a condition of continued employment, all employees shall be required to conform to all reasonable rules and regulations that may be issued by the Company from time to time pertaining to health and safety.

(2) Time spent by employees during their normal working hours in safety Committee activities shall be considered as time worked.

ARTICLE IX

GRIEVANCE PROCEDURE

Steps

1. If a dispute arises over the interpretation, application or alleged violation of any specific provisions of this agreement, it shall be defined as a grievance and handled as follows:

Step 1 – An employee having a grievance will initially discuss the matter with his immediate supervisor within 2 work days of occurrence, or non-occurrence of the event giving rise to the dispute. He may, at this time, request the presence of his steward. The supervisor will provide the employee or his steward a verbal reply within 5 working days.

Step 2 – If the grievance is not resolved in the first step, it shall be reduced to writing by the aggrieved employee on a form provided for that purpose, signed by the employee and the steward, and given to the supervisor within 3 additional work days. The supervisor and/or the department had shall arrange a meeting with the aggrieved employee and his steward within 5 working days. A written answer will be given to the steward within 5 working days following this meeting.

Step 3 – If a satisfactory settlement is not reached in Step 2, it may be appealed within 3 working days of the receipt of the Company's written answer mentioned in Step 2. A meeting shall be arranged between the plant manager and/or his designated representatives and the Union Representative (Business Agent) of the Union., the aggrieved employee, and the steward within 5 additional days. The Company will provide a reply within 5 additional days. The Union's final position, including the article and section alleged to have been violated, must be made known by this Step. (A grievance involving the discharge of an employee

will be processed at the third step of the grievance procedure without the necessity of involving the preceding steps.)

ARTICLE X

ARBITRATION

1. (1) If agreement is not reached through use of the Grievance Procedure, the grievance may be submitted to the arbitrator within ten (10) days for settlement. If the parties are unable to agree upon the selection of an arbitrator, the Director of the Federal mediation and Conciliation Service shall be requested to submit a panel of five 5 names of suggested arbitrators. The Union and the Company shall alternately strike from this list until only one name remains, and he shall be designated as the arbitrator. Either party may request a replacement panel if the initial panel is unsatisfactory.

(2) The expense and fee of the impartial arbitrator shall be borne equally by the Company and the Union. Each party shall bear the expense of its respective participants at the arbitration hearing.

(3) The decision of the arbitrator shall be final and binding upon both parties. The arbitrator shall not have the power to add to nor subtract from any of the terms of this Agreement, and he may consider and decide only the particular grievance presented. The arbitrator shall not have the right to amend, take away, modify, add to, change, or disregard any of the provisions of this agreement, and he shall not have any power to settle disputes between the Company and the Union in regard to wages, sub-contracting, methods of production, or production quotas, except as a matter of interpretation of this Agreement.

ARTICLE XI

MODIFICATION

1. (1) It is the intent of the parties hereto that the provisions of this Agreement, which supersedes all prior agreements and understandings, oral or written, express or implied, between such parties, shall govern their entire relationship and shall be the sole source of any and all rights or claims which may be asserted in arbitration hereunder, or otherwise.

(2) The provisions of this Agreement can be amended, supplemented, rescinded or otherwise altered only by mutual agreement in writing hereafter signed by the parties hereto.

(3) The parties hereto mutually agree not to seek, during the term of this Agreement, to negotiate or bargain with respect to any matters pertaining to rates of pay, wages, hours of employment, or other conditions of employment, whether or not covered by this Agreement or in the negotiations leading thereto, and any rights in that respect are hereby expressly waived.

(4) The provisions of this Agreement shall be conclusive as to all bargainable matters relating to wages, hours of work, and working conditions, except that rates of pay for new classifications are bargainable. Therefore, the Company and the Union, for the lifetime of the Agreement each agree that the other shall not be obligated to bargain collectively with respect to any subject matter referred to or governed by this Agreement, unless the Company and the Union mutually agree to alter, amend, supplement, enlarge or modify any of its provisions.

(5) In the event any of the conditions of this Agreement shall be or become invalid or unenforceable by reason of any federal or state law, now existing or

hereinafter enacted, or by reason of any court decision, such invalidity or unenforceability shall not effect the remainder of the provisions hereof.

ARTICLE XIII

AMERICANS WITH DISABILITIES ACT (ADA)

1. (1) The Company is committed to complying with all applicable provisions of the ADA and applicable state law. It is the Company's policy to offer equal employment opportunities to any qualified employee or applicant who may have a physical or mental disability as long as the employee can perform the essential functions of the job with or without reasonable accommodation.

(2) The Company will provide reasonable accommodation to a qualified individual with a disability in accordance with the ADA or relevant state law, whichever is more favorable to the employee, who has made the Company aware of any need for accommodation due to disability as defined *by* applicable law.

(3) Any applicant or employee who requires an accommodation in order to perform the essential functions of the job should contact the Facility Manager or the Human Resources Department, and request such an accommodation. The individual with the disability should specify what accommodation he or she needs to perform the job.

(4) The Company will discuss the request with the employee to ascertain whether the requested or any other accommodation is needed. The Company will determine what, if any, accommodation is reasonable in consultation with the employee. If the employee's disability can be reasonably accommodated, the Company will make the accommodation.

ARTICLE XIV

HARASSMENT /DISCRIMINATION

1. (1) The Company is committed to a work environment and climate in which relationships are characterized by dignity, respect, courtesy and equitable treatment. **Each employee, including management and all non-employees involved in the operations of the Company, is responsible for creating an atmosphere free of discrimination and harassment.**
 - (2) Discrimination and harassment of any kind on the basis of race, color, creed, religion, gender, national origin or ancestry, age, marital status, sexual orientation, physical or mental disability, pregnancy, childbirth, medical condition, military status, citizenship, or other basis protected by federal, state, or local laws, or ordinances or regulations is strictly forbidden and will not be tolerated by the Company.
 - (3) This policy also prohibits discrimination or harassment based on the perception that someone has any of the above listed characteristics, or is associated with a person who has or is perceived as having any of those characteristics.
 - (4) Prohibited unlawful harassment includes, but is not limited to, the following behavior:
 - Verbal conduct that is offensive or intimidating, such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations or comments;
 - Visual conduct such as derogatory and/or sexually-oriented posters, photography, cartoons, drawings or gestures; and
 - Physical conduct such as assault, unwanted touching, blocking normal movement or interfering with work because of sex, race or any other protected basis.

(5) Sexual harassment is further defined as “unwelcome” sexual advances, requests for sexual favors, other verbal or physical conduct of a sexual or otherwise offensive nature, the display of sexually suggestive objects or pictures, offensive comments, jokes, innuendo, and other sexually oriented statements, when the conduct is because of the employee’s gender, and where:

- Submission to such conduct is made either explicitly or implicitly a term or condition of employment;
- Submission to or rejection of such conduct is used as the basis for a decision affecting an individual’s employment; or
- Such conduct has the purpose or effect of unreasonably interfering with an individual’s job performance, or creating an intimidating, hostile, or offensive work environment.

(6) If an employee believes he/she or someone else within the Company has been subjected to harassment and/or discrimination, that person must report the concern to his/her supervisor, higher management, or Human Resources immediately so that the issue can be quickly addressed and fairly resolved.

(7) The following is the procedure for handling harassment/discrimination complaints:

- Human Resources will conduct an immediate, thorough and objective investigation of the allegations.
- To the extent practical, the investigation will be conducted confidentially but some disclosure may be necessary to conduct the investigation, to advise concerned parties, and/or may be required by law.
- If the Company determines that unlawful harassment and/or discrimination has occurred, effective remedial action will be taken in accordance with the circumstances involved.
- Any employee determined by the Company to be responsible for unlawful harassment will be subject to appropriate disciplinary action, up to and including termination.

- A Company representative will advise all parties concerned when the investigation is complete. Details of disciplinary or corrective action taken against any employee will not be shared with the complainant; however, the complainant will be notified about the results of the investigation and any remedies implemented.

(8) The Company will not retaliate against an employee for filing a complaint or participating in an investigation, and will not tolerate or permit retaliation by management, employees or co-workers.

ARTICLE XV

DRUG AND ALCOHOL ABUSE PREVENTION

1. The Company is committed to provide a safe work environment and to promoting and protecting the health, safety, and well being of our employees. This commitment is jeopardized when any employee engages in the use, possession, sale, conveyance, distribution or manufacture of illegal drugs, intoxicants or controlled substances, or abuses prescription drugs or alcohol.

2. Substance abuse is a significant public health problem, which has detrimental effects on the business environment in terms of productivity, absenteeism, accidents, medical costs, and Workers' Compensation costs. Therefore, the Company has proclaimed:
 - It is a violation of Company policy for any employee, while on Company property or on Company business, to use, possess, sell, or convey illegal drugs, intoxicants, or controlled substances, or to misuse prescribed or over-the-counter drugs, or to attempt to do the same.
 - It is a violation of Company policy to be under the influence of alcohol, illegal drugs, or to abuse the use of prescribed or over-the-counter drugs at any time while on or using Company property, conducting Company business or otherwise representing the Company.
 - There may be limited circumstances in which limited consumption of alcoholic beverages is permissible. These include: official receptions and other events on Company premises at which alcohol is served. All other aspects of the policy still apply, however. If an employee becomes impaired in one of these situations, the employee will be subject to discipline for failure to exercise good judgment.
 - It is a violation of Company policy for anyone to use prescription drugs illegally while on or using Company property, conducting Company business, or otherwise representing the Company. However, nothing in this policy precludes the appropriate use of legally prescribed medications. Such drugs may be used only in the manner, combination and quantity prescribed by the employee's physician.

- Employees must promptly notify their supervisor when the use of any prescribed medications may impact or impair job performance or safety. This information will be held in strict confidence and only those who have a need to know will be notified. In the event a prescribed medication may impact or impair job performance or safety, the Company reserves the right to reassign the employee to another position or to change the employee's duties until there is no longer a risk of impact or impairment of job performance or safety.
 - Violations of this policy are subject to disciplinary action, up to and including termination of employment.
3. The Company is balancing its respect for individuals with the need to maintain a safe, productive, drug and alcohol-free environment. However, employees should understand that the use of illegal drugs, misuse of prescription or over-the-counter drugs, and the abuse of alcohol are incompatible with employment at Covanta.
4. To achieve a drug-free workplace, Covanta has in place a comprehensive program that includes the following:
- (1) Drug and Alcohol Testing** – The purpose of drug and alcohol testing is to:
- Prevent the hiring of applicants who illegally use drugs or controlled (without medically acceptable prescriptions);
 - Deter employees from using drugs or alcohol in the workplace; and/or
 - Provide early identification and referral to treatment, when necessary, for employees with drug or alcohol-abuse problems.

(2) Reasons for Testing – The following types of drug and alcohol testing are included in the drug and alcohol-testing program:

Passing a drug test is a condition of employment.

Reasonable Suspicion Testing – administered to employees when observed behavior, conduct, performance or other evidence suggests that the employee may be under the influence of drugs or alcohol, or has otherwise violated the

Company's drug and alcohol-abuse prevention policy. Evidence of reasonable suspicion will be documented by a supervisor or manager in charge.

(3) Random Testing – administered in accordance with Department of Transportation regulations, unannounced throughout the year to employees responsible for operating over the road vehicles. The Company also reserves the right to require controlled substance screening for employees at varied intervals, as the Company may deem necessary.

(4) When there is reasonable suspicion, Covanta reserves the right to search any company area/property including, but not limited to, lockers and desks, as well as personal items such as lunch boxes, purses, tool boxes, and personal vehicles, while on Company property.

(5) Any employee who is tested under 'reasonable suspicion' will be placed on Company suspension immediately following the testing and will not be permitted to return to work until the test results are obtained.

- ✓ If the test results are negative, the employee will be paid for the time missed and may return to work immediately, unless other conduct otherwise justifies corrective action and/or termination.
- ✓ If the test results are positive, the employee will not be paid for the time missed and will be ineligible for continued employment with the Company. The Company reserves the right, at its sole discretion, to waive such employment ineligibility under "return to work" conditions, defined at the sole discretion of the Company.

(6) Post-Accident Testing – administered to employees who are involved in on-the-job accidents.

(7) Unsafe Job-Related Activities – Post-Accident testing is administered when an employee engages in unsafe job-related activities that pose a

significant danger to themselves, Company property, or any other individuals (employees, members of the public, etc.).

ARTICLE XVI

CODE OF CONDUCT

1. Employees who violate any of the Company's policies and procedures, fail to perform duties of their position satisfactorily, violate safety or security policies, or act in a manner that causes harm to another person, the Company's interests, reputation, or operations may be subject to actions to address the performance problem, up to and including termination. Following is a list of conduct that is not acceptable and/or is prohibited and will not be tolerated by the Company. This list is illustrative only and is not intended to be all-inclusive.
 - Unsatisfactory job performance; failure to meet reasonable expectations of job requirements.
 - Falsification of employment records, employment information or other Company records and giving false statements or information during the course of a Company initiated investigation.
 - Recording the work time of another employee or the falsification of any timecard/timesheet.
 - Theft, deliberate or careless damage or destruction of any Company property or the property of any employee or customer or other person.
 - Unauthorized removal of Company property or borrowing Company property.
 - Unauthorized personal use of a Company vehicle, equipment, tools, time, materials, or facilities.
 - Provoking a fight, fighting or engaging in any form of workplace violence, discrimination, harassment or retaliation during working hours and/or on Company property or while engaged in Company business off premises.
 - Carrying firearms or any other dangerous weapons while at work and/or on Company premises at any time or while engaged in Company business off premises.
 - Distribution, sale, use, and being under the influence of alcohol, illegal drugs and other intoxicants, and abuse of prescription drugs, while (It) Company premises and/or during working hours or while on Company business.

- Distribution, sale, use, and being under the influence of alcohol, illegal drugs and other intoxicants, and abuse of prescription drugs, while (It) Company premises and/or during working hours or while on Company business.
- Engaging in and/or being convicted of a criminal act or illegal conduct, whether or not related to job duties.
- Disruptive behavior, including causing, creating or participating in a disruption of any kind during working hours.
- Insubordination, including but not limited to failure or refusal to obey the direction or instructions of a supervisor or member of management, or the use of abusive or threatening language toward a supervisor or member of management.
- Inappropriate behavior, to include threatening another and/or using abusive language at any time while at work and/or on Company premises, or when conducting Company business off premises.
- Failure to notify a supervisor when unable to report to work.
- Excessive absenteeism or tardiness.
- Sleeping while on duty
- Unreported absence of two (2) consecutive scheduled workdays.
- Failure to obtain permission to leave work for any reason during normal working hours.
- Working overtime without authorization or refusing to work assigned overtime.
- Wearing extreme, unprofessional, inappropriate or unsafe clothing or wearing hair in an unsafe manner, while working.
- Violation of any safety, health, environmental compliance, security or other Company policies, rules or procedures.
- Unauthorized solicitations or distribution of unauthorized materials in work areas or while on Company time.
- Committing a fraudulent act or a breach of trust, under any circumstances
- Dishonesty
- Breach of Confidentiality
- Harassment of any kind, including sexual harassment

- Discrimination of any kind, including racial, gender, sexual orientation, and religious discrimination
 - Intimidating or interfering with the rights of any employee or guest.
 - Any gross misconduct that has an adverse effect on production or the work environment or the reputation of the Company.
 - Smoking where prohibited.
2. The Company has sole discretion to determine whether the acts and omissions of an employee violate this code of Conduct, and to determine the appropriate discipline. In rare situations where the Company has reasonable suspicion of unauthorized possession of Company property, drugs or alcohol, or weapons of any kind, the Company reserves the right to search employee's personal property that is on Company premises, including but not limited to packages, purses, briefcases, backpacks, in lockers, cars, etc.

ARTICLE XVII

ADDRESSING PERFORMANCE PROBLEMS

1. In order to be successful, the Company expects all employees to meet the standards of work performance set by the Company, including performance, cooperation, punctuality, attendance, professional conduct, and to follow the policies and procedures of the Company.
2. Sometimes recognition and coaching an employee fail to produce the desired change, or the problem is too serious for an informal approach. In these circumstances, the Company may apply the formal discipline process which is outlined below.
3. There **are three (3) levels of formal discipline**, as follows;

3.1 Level one (1) Reminder – This is a formal disciplinary discussion between the employee and supervisor, which will be documented.

In this meeting, the supervisor discusses the difference between the desired performance and actual performance and the consequences to the department, the Company and the employee if changes are not made. Various ways to solve the problem are also discussed and the employee and supervisor should agree on an action plan to correct/improve the performance issue. The supervisor then documents the meeting and follows up on the employee's progress.

3.2. Level Two (2) Reminder – This is a documented meeting between the employee and the immediate supervisor a level Two Reminder is initiated if an employee has not corrected the performance problem discussed in the level One (1) Reminder, or when an infraction occurs that is serious enough to require this level of discipline without any previous coaching or reminders. This level

reminder may include up to two days of unpaid leave from scheduled work, issued at the sole discretion of the Company.

3.3 Level Three – This is documented meeting which may include up to 3 (three) day, unpaid leave from scheduled work, issued at the sole discretion of the Company. A Level Three is implemented if previous levels of discipline have not solved the performance problem or when an infraction occurs that is serious enough that it warrants immediate discipline at this level without any previous discussions.

An employee may only have two (2) active disciplines at any time. More than two warrant termination at the sole discretion of the Company.

4. Termination: Termination of employment will occur when an employee fails to improve conduct or performance after previous progressive corrective action, or a single serious rule and/or policy violation.

- The employee must return all Company property to his/her supervisor or payroll administrator) upon termination. This would include all tools, equipment, manuals, uniforms, pagers/cell phones, supplies, keys, badge, etc. If the employee does not comply, the Company may seek recovery of the property or damages, and the employee will be responsible for the Company's costs in securing the recovery.
- **Exit Medical Examination** – Employees in the medical Surveillance Program who have not had an exam within six (6) months of their termination date will be asked to take an Exit medical examination. The Exit medical examination will be arranged by the Facility Manager.
- **All company benefits stop on the day of termination.**

ARTICLE XVIII

REST-TIME PAY

1. In the event of an emergency or unusual circumstance, hourly employees may be required to work in excess of sixteen (16) consecutive hours. This requirement must be approved by the Facility Manager, Regional Manager or Department Head.
2. Employees who are required to work sixteen (16) or more consecutive hours shall be granted a “rest time” for at least eight (8) hours, prior to the employee’s next scheduled work shift. In the event that the eight (8) hour “rest time” or any other benefit required by applicable state or local law, extends past the start of the employee’s next normally scheduled shift, the employee shall be paid his/her straight time rate for those overlapping hours. Payment shall not be made for scheduled overtime not worked due to “rest time’.
3. Rest time counts toward the calculation of overtime. Rest time does not count against the attendance bonus.

ARTICLE XIX

BEEPER PAY

1. Non-exempt employees who are assigned to carry a beeper during their “off” hours will be paid the following beeper pay rates in accordance with the established facility procedure: \$10 per day Monday through Friday, \$25 per weekend (\$12.50 for one (1) day of weekend), and \$25 for holidays.

ARTICLE XX

WORKWEEK, PAYDAYS & RECORDING TIME

1. The workweek begins on (0001) Sunday and ends on (2400) Saturday.
2. Employees are paid on Fridays weekly. The Company encourages all employees to take advantage of direct deposit options available to them. For those employees who do not choose direct deposit, pay checks will be mailed to their address on file with the Human Resources Department.
3. Employees are required to record work hours regularly and prepare time keeping records for their supervisor's approval and processing at the end of each pay period. Falsification of time keeping records will be subject to disciplinary action, up to and including termination.
4. The Company does not provide salary advances under any circumstances.

ARTICLE XXI

OVERTIME

- 1 Employees will be assigned to perform overtime assignments on the basis of production or maintenance needs, utilizing available employees within the respective classifications, or
2. The Company adheres to all federal and state laws concerning overtime pay. There may be instances when employees are required to work additional hours beyond their normal work schedule. Non-exempt employees required to work overtime are eligible for additional pay beyond their weekly salary. The amount of additional pay received will vary depending on the number of hours worked beyond the employee's normally scheduled hours.
3. The law in some states varies with regard to overtime pay, so employees should contact their supervisor or human Resources for information about specific overtime rates.
4. The supervisor of the employee eligible for overtime pay must authorize all additional work hours above the normal work schedule in advance of the time worked. Should an employee, who is eligible for overtime pay, work overtime without the prior approval of his/her supervisor, he/she will be paid for the overtime worked. However, working overtime without approval will be considered an action subject to discipline and will be addressed as such.
- 5 Except as otherwise required by applicable state law, overtime for non-exempt employees will be paid according to the following provisions:
 - One and a half (1 ½) times straight time rate for all hours worked in excess of forty (40) hours in a workweek (exception – for holiday pay rules, please see HOLIDAY PAY section)

ARTICLE XXII

TIME OFF/LEAVES

VACATION

1. Vacation provides time off with pay and is available to regular full-time and part-time employees of the Company. During vacation, employees will be compensated at their base rate of pay.

2. Vacation Eligibility – Upon hire, regular full-time employees begin to accrue vacation. New hires are subject to a 90-day initial employment period and must complete 90 days of service before they are eligible to use vacation. Vacation time is accrued as follows:

Vacation Entitlement			
Calendar Year of Service	Work Schedule - Hours Worked per Week	Maximum Annual Vacation Accrual*	Monthly Vacation Accrual Rate (Hours per Month)
*Less than 1 year of service	37.5	62.50 hours- if hired on 1/1	6.25
	40	67 hours - if hired on 1/1	6.70
1-4 years of service, up to, but not including, the calendar year in which the employee reaches his/her 5th anniversary	37.5	75 hours (2 weeks)	6.25
	40	80 hours (2 weeks)	6.70
Calendar year in which employee reaches 5th anniversary through 9 years of service up to, but not including the calendar year in which employee reaches his/her 10th anniversary	37.5	112.50 hours (3 weeks)	9.40
	40	120 hours (3 weeks)	10.00
Calendar year in which employee reaches 10 th anniversary, and thereafter.	37.5	150 hours (4 weeks)	12.50
	40	160 hours (4 weeks)	13.35

* During the first calendar year of service (new-hire year), vacation hours do not accrue during the months of November and December.

3. **Vacations only accrued at the end of each full month worked.** Partial months are not included in the calculation of accrued time for new hires or upon termination, except as otherwise required by applicable state law.
4. Vacation time does not count toward the calculation of overtime and it does not count against the attendance bonus.
5. All **vacation requests must be approved in advance** by management. When conflicts arise in scheduling vacations, managers will give preference to employees with greater seniority.
6. The vacation year is based on the calendar year and is defined as the period starting January 1 and ending December 31. employees are credited with vacation hours for any year of service on January 1 of each year. Vacation is to be used in the calendar year in which it is accrued.
7. Vacation hours are to be used to replace hours that represent the employee's regularly scheduled work time, hour for hour. For example, if the employee's regularly scheduled workday is ten (10) hours, then ten (10) hours of vacation must be used if taking a vacation day. If taking a week of vacation, the number of hours of vacation time used should equal the employee's normally scheduled hours in his/her workweek, i.e. 36, 40, 42, 48 hours, etc. The employee's vacation accrual will be reduced by the number of vacation hours taken.
8. Personal hours and/or floating holidays can be used to supplement vacation hours to make up a full vacation week or vacation day.
9. Any Company holiday that occurs during an employee's vacation will be counted as a holiday, not a vacation day, and should be so recorded on the employee's time and attendance record.

10. When an employee is on an unpaid leave of absence, i.e., FMLO, personal leave of absence, etc., vacation time stops accruing (unless required by law) and will resume when the employee returns to work.

11. Upon termination, any unused, accrued vacation, including banked vacation time, will be paid out. If there are vacation hours that have been taken in excess of the vacation time accrued, the excess vacation time will be deducted from the employee's final paycheck.

12. If an employee leaves the Company and is rehired within one (1) year of the termination date, the original hire date is used to calculate vacation hours upon rehire. Employees who are re-hired within one (1) year do not have to wait 90 days to take vacation time.

13. **Vacation Sell-Back – Facilities Only** – At the end of each calendar year, non-exempt employees in the Maintenance and Operations Departments, excluding administrative staff, are eligible to sell back accrued, unused vacation, as shown in the following chart.

Vacation Entitlement

80 or 120 hours
 160 hours

Sell-Back

Up to 40 hours
 Up to 80 hours

ARTICLE XXIV

FAMILY/MEDICAL LEAVE (FMLA)

1. The Company complies with federal and applicable state requirements for providing eligible employees with leave from work for family or medical-related reasons. In order to be eligible for FMLA under federal law, the following conditions must be met:
 - The employee must be employed by the Company for at least twelve (12) months prior to the commencement of leave.
 - The employee must have worked at least 1,250 hours for the Company during the twelve (12) months preceding the request for FMLA.
2. **Eligible employees will be granted a leave of absence for their own serious health condition, or to care for a qualifying family member , for the birth or adoption of a child, or for the placement of a child for foster care. The maximum amount of leave available for FMLA is twelve (12) weeks of leave in a twelve (12) month period, or in accordance with applicable state legislation that results in a more generous benefit to the employee.**
3. FMLA leave typically is unpaid. However, if the employee is eligible for paid leave under other leave policies, you must use it concurrently with FMLA leave until it is exhausted. Employees must first use any unused accrued paid time (vacation time, personal hours, and any unused available accrued floating holidays) for FMLA leave taken for the employee's or a dependent's serious health condition, as well as other types of FMLA leaves. Time off for any of these purposes while on FMLA leave will count toward your maximum 12 week FMLA leave. Use of paid leave will not increase the amount of FMLA granted.
4. In general, the procedure to apply for a Family/Medical Leave of Absence is:
 - The employee should make a request for leave, in writing, to Human Resources, explaining the reasons for the request. When the need for a leave is foreseeable, employees are required to give at least thirty (30) days notice, or, if not foreseeable, as soon as possible.
 - If the employee makes a request for FMLA leave because of the employee's or qualifying family member's serious health condition, the employee must provide certification of the need for leave issued by a health care provider of the eligible employee or dependent within 15 days of the request for FMLA leave. Failure to timely submit certification will result in delay or denial of the FMLA request.
 - The Company reserves the right to require periodic medical recertification of the need for leave as permitted by law.

- During FMLA leave, the employee must provide periodic reports as reasonably requested by the Company of his/her status and intention to return to work. The employee must notify his/her supervisor at least seven (7) days prior to returning to work.
- If the FMLA leave is taken for a personal serious medical condition, before returning to work the employee must provide a certification from a health care provider indicating that he/she is able to resume work.
- Upon returning to work, unless there is an exception authorized under the FMLA, the Company will restore the employee to the same position held before the FMLA leave, or another position equivalent in pay, benefits, and other terms and conditions of employment. If an employee takes more time off than the FMLA allows, the Company will use reasonable efforts to place the employee but cannot guarantee such reinstatement.
- When the reason for which an FMLA leave was granted no longer exists, the employee is required to return to work. Failure to return to work in this circumstance will result in termination.

FMLA leave is not considered a break in service for determining the amount of vacation eligibility or length of continuous service with the Company.

ARTICLE XXV

INTERMITTENT FMLA

1. FMLA allows leaves when it is medically necessary for an employee's own serious health condition or to care for a qualifying family member, to be taken intermittently or on a reduced work schedule. In such situations, however, the Company may require the employee to transfer temporarily to an available alternative position that has equivalent pay and benefits and better accommodates recurring periods of leave than the employee's regular position.
2. This option is to be used for a serious health condition only (not for "call-in's" because a person feels ill on a particular day), unless seeking medical attention for an already authorized serious health condition.
3. If an employee takes intermittent FMLA leave for his/her own or a family member's serious health condition and he/she has paid time off available (personal days or vacation time), the paid time off must be used concurrently with the intermittent leave until it is exhausted. This time off, even if paid, will be counted against the employee's maximum 12 week FMLA leave.

ARTICLE XVI

JURY DUTY LEAVE

1. The Company recognizes that jury duty is a civic obligation and therefore provides continued salary to regular full-time employees for the duration of the jury service. Except as otherwise required by applicable state or local law, employees will be compensated during such leave at their base rate of pay after completing three (3) months of employment with the Company, except as otherwise required by applicable state law.
2. Regular part-time employees are eligible for pay when jury duty falls on their regularly scheduled workdays. Pay will be prorated based upon their normal hours scheduled on the day(s) taken for jury duty.
3. Jury duty time does not count toward the calculation of overtime and it does not count against the attendance bonus.

ARTICLE XXVII

MILITARY LEAVE

1. The Company provides military leaves of absence to employees in accordance with applicable legislation. The leaves are granted to employees who perform annual or other military service obligations.
2. An employee who is required to perform military training shall be granted leave in accordance with applicable law. However, an employee who has completed at least one (1) year of service and who is required to perform annual military training will be granted paid leave for a period not to exceed the eighty (80) hours or ten (10) working days per year. During leave for military training, employees will be compensated at their base salary, less the amount of military pay received. Employees will be required to provide Payroll with documentation reflecting the amount of pay received while on military reserve duty.
3. An employee who enlists in or is required to serve on a tour of duty with the military services will be granted an unpaid military leave of absence. These leaves may last up to five (5) years if the government requests. Employees returning from such leaves will return to their former position or a position with similar responsibilities and rate of pay unless changed circumstances make reemployment unreasonable. In addition, employees applying for reinstatement must have satisfactorily completed military service (honorable discharge), and apply for re-employment within time periods designated by applicable law. Employees are also required to submit the appropriate documentation (discharge papers) to the Company. The Company will comply with all legal obligations with respect to restoring the employment and benefits to one who has left the Company to perform military duty or training.
4. Employees may use any earned, unused personal or vacation days to compensate for unpaid military leaves.
5. Employees are required to submit a copy of the military order to their supervisor and the Human Resources Department to substantiate a request for a military leave.
6. Military leave does not count toward the calculation of overtime and it does not count against the attendance bonus.

ARTICLE XXVIII

ENVIRONMENTAL, HEALTH & SAFETY POLICY

1. We will operate in an environmentally sound manner protective of employee health and safety. We will comply with our own environmental, health and safety policies and standards and all applicable environmental, health and safety laws and regulations governing the Company's business.
2. Management will establish appropriate standards for environmental protection, health and safety. In the absence of clearly defined environmental, health and safety laws, regulations or standards, employees should seek guidance from their immediate supervisor or the Company's General Counsel.
3. We will keep accurate records pertaining to environmental, health and safety matters as required by law or regulation and our own policies.
4. Employees must promptly report breaches of this policy to their immediate supervisor, to the Environmental Specialist for that facility or to the Department Head for Environmental Compliance or the Health and Safety Coordinator. If an employee fears this would compromise him/her, or where the persons named above fail to act, the employee should report the matter to the Company's General Counsel.
5. Our environmental, health and safety policy is embodied in five principles:
 - **Protection** - We are committed to conducting our business in an environmentally sound manner that is protective of human health and the environment of our employees.
 - **Compliance** - We will work continuously to foster a corporate culture, at all levels of the organization that is open and sensitive to environmental, health and safety matters and complies with all applicable regulations and requirements.
 - **Conservation** - We will maximize the efficient use of natural resources, while simultaneously minimizing impact to the environment. This includes pollution prevention at the source, waste minimization, facilitating use of recycling opportunities and responsible disposal of any production by-products and minimization of all uncontrolled releases.
 - **Qualification** - We will ensure that all employees with duties affecting management and operation of our facilities have the necessary information, resources and training for informed environmental, health and safety decision-making.

- **Commitment** - We will assign oversight duty to senior Company executives whose function is to independently ensure that periodic audits of our environmental, health and safety management systems and operating facilities are conducted to verify that Company business practices are cost-effective and consistent with the other four principles.

SAFETY

- 6 The Company has established a comprehensive safety program that addresses the specific safety requirements of the Company’s facilities as well as the various federal, state, and local laws and regulations related to safety. It also relies heavily on the actions and cooperation of all employees.
- 7 **Each employee must:**
- **Accept responsibility for his/her own actions,**
 - **Strictly adhere to the rules and procedures provided in the safety program,**
 - **Be responsible for working in a safe manner,**
 - **Inform others of proper safety precautions, and,**
 - **Report safety violations or hazards to management immediately.**
- 8 In addition to the basic safety responsibilities noted above, each and every employee within the Company is expected to follow all the safety rules and procedures outlined in the Covanta Safety Manual, which can be found on the Company Intranet.
- 9 Violation of safety rules and procedures, as well as failure to attend safety meetings and training sessions, are considered to be serious infractions and may result in disciplinary action, up to and including termination.

SECURITY OF PERSONS & PROPERTY

- 10 Employees will exercise reasonable care to assure the safety and security of employees, business guests and other visitors of the Company to protect them from injury or harm and to ensure Company property is not damaged, lost, stolen or misused.
11. e safety and security of the employees of the Company, business guests, and others while at any place of business of the Company, as well as the security of the property of the Company, is of importance to the continuing success of the Company. This safety and security may be threatened by intentional acts, such as the theft of employees’ valuables or office equipment, vandalism, personal attacks, arson, terrorism and industrial espionage, by carelessness, or by “acts of God”, such as fire or other natural disasters.

FACIAL HAIR

12. revent exposure to various elements that may cause potential health risks, some employees are required to wear respirators or self-contained breathing apparatus (SCBA) when working in certain areas of the facility or under emergency conditions. Federal regulations require those individuals be trained in the use of the equipment and fit-tested annually to ensure acceptable protection. **The Regulation OSHA 29 CFR 1910.134 further requires that no fit-testing can be performed on individuals with facial hair that interferes with the inner seal of the respirator.**
13. In the interest of protecting the health of our employees, as well as complying with federal regulations, all employees shall be clean-shaven at all times in the areas where the respirator seals against the face. Specifically, full beards, goatees and bushy side burns are prohibited. Mustaches that do not interfere with the respirators sealing points are permitted.

MEDICAL SURVEILLANCE & HEALTHCARE PROGRAM - FACILITY PERSONNEL

14. Because the health of Company employees is important, a medical surveillance and healthcare program is provided for all designated non-administrative employees. This program includes bi-annual and/or periodic examinations, based on job function, that are designed to identify health issues that impede employee fitness for duty as early as possible, thereby reducing the likelihood of more serious problems later. The Company medical surveillance program also complies with the variety of Occupational Safety and Health Act (OSHA) regulations relevant to Company facility operations.
15. The Company medical surveillance and healthcare program is administered by Board Certified Occupational Health physicians. This occupational health organization holds all medical records in strictest confidence - no confidential medical records are maintained by the facility. Examination results are mailed to each employee's home.

ARTICLE XXIX

VIOLENCE IN THE WORKPLACE

1. The Company strongly believes that all employees should be treated with dignity and respect and therefore does not tolerate threats or acts of workplace violence committed by or against employees. In addition to Company employees, this policy applies to vendors, independent contractors, leased employees and temporary employees, clients and business visitors on Company premises.
2. Prohibited conduct includes but is not limited to:
 - Intentionally or recklessly injuring another person physically;
 - Engaging in intentional or reckless behavior that creates a reasonable fear of injury in another person;
 - Engaging in intentional or reckless behavior that subjects another individual to extreme emotional distress;
 - Possessing, brandishing, or using a weapon while on Company premises or engaged in Company business;
 - Damaging property intentionally or recklessly; or
 - Threatening to injure an individual or damage property.
3. Any instances of violence or threats of violence must be reported to the employee's supervisor or the Human Resources Department immediately. The Company will promptly respond to any incident or threat of violence and all complaints will be investigated. Violations of this policy may result in disciplinary action, up to and including termination.

ARTICLE XXXI

PERSONAL PROTECTIVE EQUIPMENT – FACILITY PERSONNEL

1. In the interest of protecting the health of employees and preventing injuries, the Company will provide employees with the personal protective equipment where necessary and, if needed, uniforms required to safely perform their jobs. The following are examples.
 - **Uniforms** - Uniforms, including long sleeved shirts (sleeves must be rolled down and no short-sleeved uniform shirts are to be provided), trousers, jackets and coveralls, are provided. The Company provides laundering for all uniforms, at no cost to the employee. Dirty uniforms must be left at the facility and cannot be worn, taken home or laundered at home. Only Company issued labels or patches may be worn on the uniform.
 - **Safety Glasses** - The Company requires eye protection in most areas of the facility and provides approved safety glasses to each employee. It is the responsibility of the employee to request replacement when glasses are damaged or broken. Only Company-approved safety glasses may be used.
 - **Foot Protection** - Proper foot protection is essential. The Company provides a \$125 subsidy annually for employee purchase of ANSI-approved leather upper, steel-toed, protective work boots with puncture resistant or high-density medium-lug soles. Receipt/proof of purchase of Company-specified vendor styles must be provided to obtain reimbursement. Refer to S.P. No. 43 for details on the program. Union facility subsidies are as specified in the labor agreement.
2. All personnel entering operating areas of Company facilities (other than administrative areas) must wear protective work boots purchased through the Covanta Protective Work Boot Program. Under no circumstances are sneakers, open-toed shoes, or high heels permitted in the operating areas of Company facilities.
 - **Hard Hats** - Only Company provided hard hats may be worn. The hard hat must be worn at all times within the facility boundaries in accordance with safety policies. To ensure maximum protection, the hard hats must be worn as intended by the manufacturer, with the bill forward. Only Company issued labels or stickers may be attached to the hard hat in limited quantities, so as not to interfere with the ability to inspect the hat for defects.
 - **Gloves** - Company issued work gloves must be worn as appropriate to the work being performed, in accordance with safety procedures. Damaged or worn out gloves must not be used and replacements should be obtained through the supervisor.
 - **Other** - Earplugs, respirators, and other personal protective equipment are available at the facility, as determined by the employee's supervisor.

3. When an employee leaves the Company, he/she must return all Company-owned and supplied clothing, equipment, tools, and materials to his/her immediate supervisor.

4. The following types of information are not confidential:
 - Information that is public knowledge at the time it is disclosed to the employee, or becomes public knowledge after it is disclosed to the employee but before the employee discloses it to anyone else; and
 - Information the employee legally obtains from another source or created before the employee became employed by the Company.

5. The requirements of this policy shall be in addition to, and not in the place of, any agreement on confidentiality, which the employee has with the Company.

ARTICLE XXXII

PATENTS & TRADE SECRETS

1. All discoveries, inventions, improvements, trade secrets, works, patents and the copyright therein which are applicable in any way to the Company's business shall be the sole and exclusive property of the Company.
2. Employees are required to abide by the following rules regarding such properties:
 - Disclose to the Company all inventions, discoveries, improvements, trade secrets, and works of whatever nature conceived that he/she has made or may hereafter make or conceive during his/her past, current or future employment with the Company.
 - Maintain complete and current records of such inventions, discoveries, and improvements, whether patentable or not.
 - Make, at the Company's expense, such applications for United States and foreign patents covering said inventions as the Company may request.
 - Assign to the Company, without further compensation, all rights to all said inventions, discoveries, and improvements.
 - Execute, acknowledge, and deliver, at the request of the Company, all papers including patent applications for reissue, and do all other rightful acts, which the Company may consider necessary to secure to the Company the fullest rights to said inventions, discoveries, and improvements and to patents in the United States and foreign countries covering the same.
 - Use his/her best efforts and utmost diligence to guard and protect any trade secrets or confidential information that is the property of Covanta that may have been developed, obtained, or learned about during or after employment with the Company.
 - Agree that he/she will not during or after the period of his/her employment with Covanta, use for himself/herself or others, or divulge to others any of said trade secrets or confidential information which he/she may develop, obtain, or learn about during or as a result of his/her employment by the Company, unless authorized to do so by Covanta, in writing.
3. Inventions, discoveries, and improvements include all those made by the employee either solely or jointly with others, whether or not the same are made during business hours, to include those made:
 - in the performance of the employee's duties while employed with Covanta; or

- with the use of the time, materials or facilities of the Company; or
 - which at the time of conception or reduction to practice, relate to any apparatus, method, substance, or article of manufacture within the scope of the Company's field of activity, including any manufacturing, selling, testing, research, or experimental activity.
4. Employees are not to assert any rights to any inventions, discoveries, concepts, or ideas, or improvements thereof, that they initiated and/or took part in during their employment with the Company.
 5. Upon termination of employment with the Company, all documents, records, papers, notebooks, and similar repositories of or containing trade secrets, or any other confidential information, including copies thereof, then in possession of the employee, whether prepared by himself/herself or others, will be left with the Company.

ARTICLE XXXIII

CONTACTS WITH OUTSIDE REPRESENTATIVES

1. The public image of the Company and of the businesses in which it engages is very important to its success. Before information is provided to media representatives, governmental officials or other person (e.g., external attorney, investigator, competitor), the employee must immediately notify the employee's supervisor, manager, or department head and must not provide any information or conduct any discussions unless specifically authorized to do so.

ARTICLE XXXIV

TELEPHONE CALLS/VOICE MAIL SYSTEM

1. The Company telephones and voice mail systems are the property of the Company and have been provided by the Company for conducting Company business. All communications and information transmitted by, received from, or stored in this system are Company records and property of the Company.

ARTICLE XXXV

USE OF COMPANY PROPERTY

1. All Company property is to be properly used, maintained in proper working condition, utilized as intended by the manufacturer and in accordance with Company standards, and not misused or abused. Property shall be defined as any equipment, tools, furnishings (including desks, filing cabinets, lockers, computers, telephones), and their contents (including electronic or recorded messages), vehicles, building or supplies, etc., leased, owned, donated or otherwise in the custodial care of the Company or any person acting as its agent. Employees are expected to adhere to the following conditions:
 - The Company provides such property to enable employees to perform their duties. Use of Company property should be limited to the conduct of Company business.
 - It is the responsibility of each employee to maintain the work environment in an orderly fashion and follow all Company policies and guidelines with regard to the workspace.
 - Should any employee have knowledge of any misuse of Company property, the employee must notify a supervisor immediately.
 - Any employee found to neglect, misuse, misappropriate, damage and/or destroy Company property will be disciplined in accordance with Company policy. Such discipline may include immediate termination and possible criminal action. If the conduct involved is deemed by the Company to be intentional, reckless or grossly negligent, the responsible employee shall be required to reimburse the Company for any costs incurred to repair or replace the property. The Company will initiate legal action, if necessary, to enforce this policy and its right to obtain reimbursement.
 - No employee shall use Company property for personal purposes nor may they provide Company property to another person for their use. This includes, but is not limited to Company vehicles, computers, equipment, tools, snow removal equipment, etc. Prior written approval of the Company.
 - The Company reserves the right to monitor and to inspect the contents of any of its property at any time, and to conduct surveillance of Company facilities, without advance notice.

ARTICLE XXXVI

HOUSEKEEPING

1. Good housekeeping plays an important role in the efficient and safe functioning of any organization. All employees are expected to keep their work areas neat, clean and organized. Litter/debris, unnecessary postings, and excessive clutter should be removed and put in the proper place or discarded, as appropriate. Walkways should be kept clear and work surfaces orderly.
 1. When practical and possible, work papers, tools, and other materials should be stored out of sight when not in use.
3. When using common areas such as lunchrooms, locker rooms and rest rooms, employees are expected to do their part in keeping those facilities as neat and clean as when they walked into those areas.
4. In maintaining your work area, safety procedures must be followed at all times, as detailed in the Company's Safety Manual, to prevent accidents and/or injury. If there is a spill, repair, hazardous situation, or maintenance is required, report it immediately to your supervisor or other appropriate person for corrective action.

ARTICLE XXXVII

USE OF PERSONAL COMPUTERS & NETWORK RESOURCES

1. The Company's computer hardware, software, e-mail system and all information contained therein are the sole property of the Company, and access to them is provided for business purposes only. Employees have no individual privacy rights with regard to any information resident on Company computers and/or computer networks. The Company reserves the right, without further notice, to access, intercept, review and disclose the contents of all computer files, e-mail messages and Internet usage on the Company's computers and/or computer networks.
2. Electronic communication systems may not be used to access or transmit messages or material that contain content that management considers offensive or disruptive to any employee. Offensive content would include, but would not be limited to, sexual comments, or images, racial slurs, gender-specific comments or any comments that might offend someone on the basis of his or her age, sexual orientation, religious or political beliefs, national origin, or disability. Additionally, electronic communications should not be used to solicit or convert others for commercial ventures, religious or political causes, outside organizations, or other non-job related solicitations.
3. Employees have the responsibility to safeguard passwords and codes in order to protect proprietary or confidential business information. Employees must also take adequate measures to ensure that the Company Internet account is not used by any other individual including other members of their household. No employee shall use the passwords or codes of another employee in order to gain access to that employee's voice mail, electronic mail or Internet communications unless first authorized to do so by that employee.
5. Only software purchased by the Company for its use may be installed on the Company's computers. The Company may, at any time, conduct an audit of computers for installed software. All unauthorized software will be removed and destroyed. In addition, employees may not post, download or otherwise misuse any copyright-protected material without the prior permission of the copyright owner.
6. The policies and procedures regarding the "Use of Personal Computers and Network Resources" are designed to protect the Company and its employees as well as ensure professional, consistent, proper, secure and legal use of our systems and software. Any employee who violates these policies and procedures will be subject to disciplinary action, up to and including termination.
7. Information regarding Information Technology (I.T.) standards and practices, passwords, signatures, procedures, guidelines, etc. is available on the I.T. website, located on the Company Intranet.

ARTICLE XXXVIII

SCAVENGING

1. It is an established policy of the Company that scavenging of any material from a waste disposal facility is strictly forbidden. Unauthorized rummaging through waste and/or retrieving or removing materials from the tipping floor, refuse pit, charging deck or hoppers, conveyor systems, holding containers, ash building and/or facility maintenance scrap storage areas is prohibited.
2. All employees are expected to support the Company's obligations to our clients by maintaining in strictest confidence the identity of waste and/or the waste generator unless required to disclose by the Company or applicable federal, state or local regulations, and to promptly report all cases of unauthorized scavenging or removal of materials by other employees as well as outside personnel.
3. Employees who violate this policy will be subject to disciplinary action, up to and including termination of employment.

ARTICLE XXXIX

NO SOLICITATION/NO DISTRIBUTION

1. The solicitation of memberships or pledges, collections of funds, circulation of petitions, distribution of any printed materials, trespass, and any other similar types of activities by employees, on behalf of any organization, group, society, or individual, is not permitted at any time on Company property nor on Company time outside the property.
2. Distribution of non-Company authorized material, handbills, printed or written literature of any kind is prohibited.

ARTICLE XL

EMPLOYEE ACCESS TO PERSONNEL RECORDS

1. Personnel files are Company property. The information contained in them is confidential and access to the information they contain is restricted. Employees have the right to review the contents of their own personnel files. Employees also have the right to authorize the release of personnel information to external sources.
2. Requests to review the contents of an employee's personnel file should be made in advance to the employee's manager or Human Resources Representative, who will schedule an appropriate time. The Company may require a representative to be present while the employee reviews the personnel file.
3. Employee records may not be removed from the file, nor may documents be added, except by authorized personnel.

ARTICLE XII

DURATION

1. (1) This Agreement shall become effective at 12:01 a.m. on the ____ day of _____ and remain in full force and effect except as otherwise provided herein until 12:00 midnight on the ____ day of _____ and shall automatically renew itself from year to year thereafter unless written notice to terminate the Agreement is given by either party not less than sixty (60) days prior to the expiration date or annual renewal thereof.

(2) If notice to amend is given, such notice shall set forth the proposed amendments and the parties shall promptly meet to negotiate with respect to the proposed amendments. In the event that negotiations for an emended Agreement shall continue beyond the expiration of the term of this Agreement, this Agreement shall continue in full force and effect, provided, however, that either party may then terminate this Agreement upon sixty (60) days written notice to the other party.