



CONSTRUCTION COMPANY, INC. / ENGINEERS & CONSTRUCTORS
POST OFFICE BOX 369 • MIDDLETOWN, OHIO 45042 • TELEPHONE 513 / 422-4521

PLAINTIFF'S
EXHIBIT

MGC-63

January 15, 1974

Armco Steel Corporation
703 Curtis Street
Middletown, Ohio - 45042

Attention: Mr. Thomas R. Foley, Chief Engineer
Steel Group - East

Gentlemen

We submit for your approval the following in connection with the contract between McGraw Construction Company, Inc. and Armco Steel Corporation, dated January 2, 1963, covering Engineering Services:

DEFINITION OF POLICY

1. The Canal Street Engineering Office will work the same hours as Corporate Offices of Armco Steel Corporation.
2. Any individual assigned to the Armco offices will work the same days and hours as that Armco office.
3. Vacations at the rate of two weeks per year up to ten years; from ten to twenty years - three weeks; after twenty years - 4 weeks and accrued at the rate of 4% for two weeks of regular straight time earnings; 6% for three weeks of straight time earnings and 8% for four weeks of straight time earnings. All in accordance with McGraw Policy Memorandum.
4. Sick leave is accrued at the rate of 1.5% of regular straight time earnings. Sick leave actually granted shall be according to McGraw Policy.
5. Mileage for use of personal automobiles shall be at the rate of 11¢ per mile and shall be in accordance with McGraw Policy Memorandum and is contingent upon having prescribed insurance coverage.
6. Armco's share of distribution of salary indirects (including authorized absence) for engineering shall be on the basis of the Armco percent of wage distribution on previous quarters and approved by the Chief Engineer, Eastern Plants, and Works Engineer of Middletown Armco.

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7. Holiday pay is accrued on the basis of 0.4% of regular straight time earnings for each Holiday. They are currently the following:

January 1, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving, Christmas, and one extra day to be designated either before or after Christmas.

These days, as listed, shall be accrued at the total rate of 3.2% of regular straight time earnings.

8. Overtime is defined in McGraw Policy Memorandum.

9. Other expenses such as utilities, heat, rent, janitorial services, engineering and office supplies and office equipment shall be pro-rated as part of overhead and on the same percentage of distribution referred to in Item 6 above.

10. Budget amount for wage increases for personnel of McGraw Engineering Department shall be reviewed by the Chief Engineer, Eastern Plants, of Armco and the Middletown Works Engineer of Armco.

11. Recruitment expenses will be pro-rated as per agreement between McGraw and the Chief Engineer, Eastern Plants, and Works Engineer of Middletown Armco.

The above definition of policy is submitted for your consideration and approval. We would appreciate your returning the original copy to us and this will form the basis of our charges to you in connection with the above-referenced contract, effective January 1, 1974.

Yours very truly

McGRAW CONSTRUCTION COMPANY, INC.

Q. R. Reeder
Administrative Vice President

QRR/hc

APPROVED:
ARMCO STEEL CORPORATION

BY:
BY:

McGCon 2961