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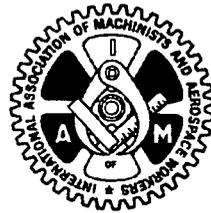
**AGREEMENT
BETWEEN**

BOMBARDIER
LEARJET

AND

**THE INTERNATIONAL ASSOCIATION
OF MACHINISTS AND AEROSPACE WORKERS**

**AND ITS
DISTRICT LODGE NO 70
LOCAL LODGE NO. 639
AFL-CIO**



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AGREEMENT

This Agreement is made and entered into by and between Learjet Inc., herein referred to as the Company and District Lodge Number 70 of the International Association of Machinists and Aerospace Workers, AFL-CIO and its Local Number 639, herein referred to as the Union and applies only to the facility of said Company located at One Learjet Way and its supporting facilities within Sedgwick County

ARTICLE 1 RECOGNITION

The Company recognizes the Union as the sole collective bargaining agent for those employees included in the bargaining unit as certified by the National Labor Relations Board in Case No. 17-RC-4441 for the purpose of collective bargaining with respect to rates of pay, hours of work and other conditions of employment.

ARTICLE 2 COVERAGE

The provisions of this Agreement shall be binding upon the Company and its successors and assigns, and none of the conditions herein shall be affected or changed in any effect by the consolidation, merger, sale, transfer or assignment of the Company of any or all of its properties, or affected or changed in any respect by any change in the regular status, ownership or management of the Company.

ARTICLE 3 DISCRIMINATION AND COERCION

- A. There shall be no discrimination by supervisors, managers or other agents of the Company against any employee because of the employee's membership in the Union or because the employee is acting as a representative of the Union.
- B. The Union agrees that neither its officers, committee persons, stewards, or other members or persons employed directly or indirectly by the Union will intimidate or coerce employees nor will it solicit members on Company time.
- C. Neither the Company nor the Union shall discriminate in the application of the provisions of this Agreement against any employee because of age, sex, race, religion, national origin, ancestry, or disability, nor shall the Company discriminate in the hiring of new employees because of age, sex, race, color, religion, national origin, ancestry, or disability.
- D. All references in this contract to the male gender shall apply equally to both sexes.

ARTICLE 4 RESPONSIBILITIES OF THE PARTIES

- A. The parties recognize that under this Agreement both of them have responsibility for the welfare and security of the employees.
- B. The Company recognizes that it is the responsibility of the Union to represent the employees fairly and efficiently.
- C. The Union recognizes that it is the Company's responsibility and right to manage and direct the work force. This includes, subject only to the limitations stated in this Agreement, the right to

hire, assign work, reclassify, discipline, suspend, discharge for just cause, transfer employees, layoff employees, establish the number of shifts, control and regulate the use of all equipment and other property of the Company including the right to decide the number and locations of its plants, the products to be manufactured, the subcontracting of work, the methods and schedule of production, the means and process of manufacturing and by whom its products shall be sold and delivered.

D. It is agreed that the Company has the right to determine subcontracting needs whereby subcontractors are brought into the plant to perform work. No individual working at the facility in a subcontracting capacity fulfilling a temporary labor need for tasks normally performed by bargaining unit personnel shall be maintained for more than nine (9) consecutive months unless one or more of the following conditions apply:

1. Production schedules cannot be met utilizing employees currently on the active payroll on a straight time basis.
2. The work being performed requires specialized knowledge, skills, equipment, or training not immediately available within the facility.
3. The Company is actively recruiting for the classification, which normally performs the work.
4. The work being performed is the responsibility of a Company supplier, partner or vendor.

In those classifications where there are employees on layoff, individual subcontractors shall not be brought in until all laid off employees in that classification are recalled. In those cases where the Company intends to utilize a significant number of individual subcontract employees, the Company will notify the Union within a reasonable time frame of the decision to utilize these contract employees and will consider any suggestions the Union may have regarding these contractors performing work done at the Company facilities. It must be recognized that, except as set forth above in 1 through 4, nothing herein shall prevent the Company from engaging independent or outside contractors to do work when necessary.

E. Prior to layoffs, the Company will meet with the Union to examine subcontracted work to determine whether the specific work covered by any subcontract had been previously performed in the Company's Wichita, Kansas facility. Work performed or to be performed within other Bombardier divisions is not subject to the provisions of this paragraph. Other factors to be considered are: the capabilities of the plant; the terms of the subcontract; the financial aspects; and any other relevant factors that may be involved. Following careful examination, if it is feasible, the previously subcontracted work will be returned.

It is further agreed that employees will not be laid off as a direct result of subcontracting or offloading of existing work performed at the Wichita facility unless, prior to the layoff, the Company considers the employee for open bargaining unit positions for which the Company deems the employee is qualified or may be reasonably trained. Employees due to be laid off will be given first opportunity to fill these open bargaining unit positions.

If an employee is laid off as a direct result of subcontracting or offloading, the Company shall provide four (4) weeks of Income Protection Payments in addition to those listed in Article 18 paragraph F section 3. All of the terms and conditions of Article 18 paragraph F shall apply to this provision.

Only those employees who have been covered by this agreement for one year or more and have been in the continuous employment of the Company at the time of layoff shall be eligible for payments.

ARTICLE 5 COMPANY RULES AND REGULATIONS

It is mutually agreed that Company rules and regulations, as set forth by the Company are necessary for the efficient operation of the plant. Infractions of these rules constitute just cause for disciplinary action. The Company agrees that the rules and regulations will be posted prominently on the bulletin boards throughout the plant and that new employees will receive a copy of these Company rules at the time of hire. The Company will notify the Union before announcing additions or changes in the operating rules and regulations. It is agreed that a representative of the Union shall be present at the issuance of all disciplinary actions unless the employee chooses not to have a steward present. If the employee does refuse the presence of a steward, the employee shall sign an appropriate notation to this effect. It is the intention of both the Company and the Union that these rules and regulations be applied uniformly to all employees. The Union recognizes that the Company has the right to drug test and alcohol test employees for cause and in accordance with the Company's past practice. The Company does not have the right to conduct random drug and alcohol testing except as required by law.

ARTICLE 6 SENIORITY

A. Definitions.

1. An Employee's **Seniority Date** shall be the first day of work within the bargaining unit after the last date of hire; provided the probationary period was successfully completed. For purposes of this provision Orientation will be considered work.

The lowest badge number breaks ties in seniority.

2. An Employee's **Seniority** is the length of his continuous, unbroken service within the bargaining unit including the probationary period; provided the probationary period was successfully completed. Department and classification seniority will be established seventy-five (75) calendar days after the last date of hire.

Once established, seniority is broken by:

- a. Discharge/Termination.
- b. Resignation/Voluntary Quit.
- c. Layoff equal to seniority at time of layoff, not to exceed forty-eight (48) months.
- d. Retirement.
- e. Failure of an Employee to notify the Company within three days after receipt of certified recall notice that they will report for work within at least fifteen (15) calendar days of the postmarked date of the recall notice. Notice must be given to a member of the Employee's management team or HR. Notice can be given in-person, by telephone, voice-mail, e-mail or in writing.
- f. Failure to report from a leave of absence.

2. **Disabled Employees.** Disabled Employees (blind, those who are hearing impaired or have similar disabilities) may be retained or reinstated regardless of the seniority principles stated in this article in accordance with such mutual agreement as hereafter may be entered into between the Company and the Union.

D. Layoff Procedures.

1. **Layoff.** In the event a reduction in force is required employees will be laid off by seniority within their classification.
2. **Limited Seniority Accrual While On Layoff.** Laid off Employees shall retain the seniority earned prior to their layoff. In order to protect their relative seniority standing, laid off employees will continue to accrue seniority for a period of time equal to the lesser of:
 - a. Forty-eight months; or,
 - b. The Employee's seniority at the time of layoff.
3. **Notice to the Plant Chair.** The number of Employees to be laid off and their Department, Classification and Seniority Date will be provided to the Union at least five (5) days prior to the effective date of the layoff. This provision is satisfied if the Plant Chair is notified no later than the regularly scheduled lunch period on Monday and the last work day for the Employee(s) to be laid off is Friday.
4. **Standard Recall Form.** Within five (5) calendar days after being laid off, the laid off Employee may file a Standard Recall Form and submit it to HR. On this form, the laid off Employee shall list their: (1) Name (2) Seniority Date; (3) Badge Number; (4) Mailing Address; (5) Phone Number; (6) the Department from which he was laid off; (7) the job classification and grade from which he was laid off; (8) up to three (3) additional job classifications that he has the current ability to perform AND for which he wishes to be recalled; and, (9) the laid off Employee's signature. Failure to complete and return a Standard Recall Form within five (5) calendar days after being laid off negates the company's obligation to recall that Employee to a classification other than the one from which they were laid off.

A laid off Employee shall be considered for every job that he has listed on their Standard Recall Form as one to which he wishes to be recalled. Each laid off Employee may revise their Standard Recall Form once per calendar year.
5. **Prior Contract.** Employees laid off as of the effective date of this Agreement will be mailed, return receipt requested, a Standard Recall Form to their last known address. They will have 30 calendar days from the date of receipt to complete, sign and return their Standard Recall Form. Failure to timely complete and return a Standard Recall Form negates the company's obligation to recall that Employee to a classification other than the one from which they were laid off.
6. **Temporary Reduction in Force.** In the event of a temporary reduction in workload within a department, the Company may place on temporary layoff any individual for a period not to exceed one week. If the Employee has not returned to work by the end of the one-week period, the Employee either will be returned to work or regular layoff papers will be processed.

The intent of this provision is to preserve jobs for the long term. Temporary layoffs, as provided therein, allow the Company to temporarily adjust labor capacity to meet short-term fluctuations in demand, thereby avoiding a permanent reduction in force. The Company hereby agrees to notify the union in advance of its intent to conduct multiple or consecutive temporary layoffs within a single dept. It is further agreed that preserving jobs for the long term is in the best interest of both parties and that multiple and/or consecutive temporary layoffs within the dept are a means for doing so. The Company commits to communicate to the Union the reason for multiple or consecutive temporary layoffs within a dept and the anticipated duration of such reductions.

7. **Voluntary Layoff.** Employees who are senior to Employees that have been given notice that they will be laid off may volunteer to be included in the lay off in lieu of Employees with less seniority. Voluntary inclusion in a reduction in force (lay off) is limited to Employees within the job classifications that are being reduced.

Income Security Protection Payments ("Payments") paid as a result of this agreement are subject to all of the terms and conditions under Article 18 of the Collective Bargaining Agreement except as provided below.

When volunteering, an Employee may elect one of the following two options:

Option 1. An Employee volunteering and selecting Option 1 is eligible to receive Income Security Protection Payments per the schedule identified under Article 18 of the Collective Bargaining Agreement. By electing Option 1, the Employee forfeits all recall rights back to the unit as provided under Article 6 of the Collective Bargaining Agreement.

OR

Option 2. An Employee volunteering and selecting Option 2 maintains all recall rights as provided under Article 6 of the Collective Bargaining Agreement. By electing Option 2, the Employee qualifies for reduced benefits under the Income Security Protection Payment schedule in Article 18 of the Collective Bargaining Agreement. Payments will be reduced in terms of the number of weeks and dollar value of the payments to equal to that of the most senior Employee in the volunteer's classification being involuntarily laid off.

In situations of multiple volunteers, participation in this process will be based on seniority, with the most senior volunteer replacing the most senior of the Employees otherwise due to be laid off and likewise for all volunteers until the list of volunteers is exhausted. The payments paid to the volunteer will be equal to the Payments that would have been paid respectively to the Employee who has retained his position as a result of this process.

The number of volunteers considered within a given classification for participation shall not exceed the number of Employees due to be laid off in that respective classification.

The Company reserves the right to exclude specific individuals in key positions from participating in this program. The Union reserves the right to challenge any exclusion of such key Employees.

Employees wishing to volunteer must irrevocably elect Option 1 or Option 2 and notify the Company prior to the effective date of the reduction in force.

E. Recall Process

1. Recall Rights.

- a. Notice to the last known address of the laid-off Employee by certified mail shall be sufficient notice of any recall.
- b. An Employee given notice of recall to the classification from which he was laid off may either accept or reject the available job. However, if the Employee:
 - (1) Rejects recall to the classification from which he was laid off; or,
 - (2) Fails to respond with in three (3) calendar days after receipt of a recall notice; or,
 - (3) Accepts recall but fails to report for work fifteen (15) calendar days after receipt of the recall notice,Terminates his seniority and forfeits recall rights.
- c. An Employee given notice of recall to a classification other than the one from which he was laid off may either accept or reject the available job. However, if the Employee:
 - (1) Rejects a job that is listed on his Standard Recall Form; or,
 - (2) Fails to respond with in three (3) calendar days after receipt of a notice of recall; or,
 - (3) Accepts recall but fails to report for work fifteen (15) calendar days of accepting recall,He shall sacrifice recall rights to that job.
- d. A laid off Employee who accepts a position in a classification other than the one from which he was laid off retains recall rights to the classification from which he was laid off during his qualification period for the new classification.

2. Eliminated & New Job Classifications. The following shall apply to Employees on layoff status in job classifications, which are the result of job combinations and the implementation of new job classifications:

- a. Recall rights for individuals on layoff status at the time job classifications and combinations are implemented shall extend to the newly created classification in which their classification was amalgamated provided, however, that individual on layoff status may not bump out Employees on the active payroll.
- b. Seniority in the new classification will be established upon successful completion of the seventy-five (75) day qualification period following recall and reclassification.
- c. Seniority will be utilized for determining recall priority among laid off individuals.

3. Standard Recall Form Custodians. The HR Director and the Plant Chair, or their designees, shall be joint custodians of the Standard Recall Forms. It shall be the obligation of the laid-off Employee to keep the custodians informed of any changes of address and/or telephone number where he may be regularly reached.

F. Permanent Vacancies

All permanent vacancies created during the term of this Agreement will be filled in the following manner:

1. **Job Posting.** A notice of job vacancy will be posted on Employee Information Centers throughout the facilities for a period of fourteen (14) calendar days for all permanent vacancies not filled by an in-classification recall. The notice will identify the Job Classification, Cost Center, Department, and Requisition Number. The Plant Chair will also be given a copy of all job postings.
2. **Filling Permanent Vacancies.** Any Employee who believes he has the ability to perform the duties of a posted job shall be entitled to apply for such vacancy during the posting period; however, only qualified applicants will be awarded jobs. In making promotion and transfer decisions length of service will govern if ability is equal.
 - a. **Active & Laid Off Employees.** First consideration for permanent vacancies within the bargaining unit shall be given to active and laid off employees who have submitted Career Opportunity Requests for the open vacancy. It is the Employee's responsibility to apply for a vacancy by filing a written Career Opportunities Request for that vacancy. It will indicate the desired classification, corresponding requisition number, and other information requested on the form. Career Opportunity Requests are only accepted for posted vacancies and are only accepted during the posting period.
 - (1) **Freeze Period.** An Employee who has accepted a promotion or a transfer shall not be awarded another vacancy for a period of 12 months following his job award. The freeze period will not apply to employees involuntarily transferred to a new classification and lower pay or grade.
 - (2) **Downward Moves.** An Employee with fifteen (15) or more years' seniority may apply for and be awarded a job with a lower pay grade once during the term of this Agreement. Being recalled shall not constitute a job application for purposes of this paragraph, but shall be considered the job from which the Employee is applying for purposes of determining whether the job application is downward. An Employee cannot apply for a position within the same classification.
 - b. **Laid Off Employees.** In addition to the right to file a Career Opportunity Request, qualified Employees on layoff status will also be considered for vacancies in up to three (3) classifications that they list on their Standard Recall Form. For purposes of this section, an Employee on layoff status shall be presumed to have applied for each job they listed on their Standard Recall Form as one for which they wished to be recalled.
3. **Selection Process.** The following selection process will be used:
 - a. The senior bargaining unit member who was laid off from the classification to be filled and who has subsequently not established seniority within a different classification can be returned to employment within their original classification if they elect to do so.

Exceptions. The following exceptions apply: Where business need dictates, Employees in Production Flight, Sheet Metal (fuel cell and leading edge) and Final Assembly Functional Test with specialized skills can be temporarily recalled out of the line of seniority for a period not to exceed 30 days. The Company agrees to notify the Union prior to temporarily recalling an Employee out of line of seniority. It is expected that the Company will cross train senior Employees to minimize the need for recalling Employees out of line of seniority. Upon mutual agreement, additional areas and/or classifications may be included, recall purposes as justified.

b. The senior, qualified Employee who is either active or laid off will be given first consideration for permanent vacancies within the bargaining unit provided that:

- (1) The active or laid off Employee that filed a Career Opportunities Request during the posting period; or,
- (2) The laid off Employee that filed a Standard Recall Form within five (5) days of his layoff listing the three (3) classifications he wishes to be recalled.
- (3) If the vacancy continues to exist after completing steps a and b, Management is free to hire from outside the bargaining unit.

4. **Qualification Period.** A successful applicant to a new classification will be subject to a 75 calendar day qualification period. It will begin on the date the Employee first performs work within the new classification and ends 75 calendar days later. In the event the company deems the Employee's performance in the new classification to be below expectations, supported by thirty (30) and sixty (60) day performance appraisals, the Employee can be returned to his old classification and/or the qualification period may be extended with the concurrence of the Plant Chair for a period not to exceed an additional forty-five (45) days. After successful completion of the 75 calendar day qualification period, the Employee's seniority will be effective in the new classification and/or Department.

5. The Parties agree to work together to resolve disputes involving the recall process.

G. Shift Preference

It is the desire of the Company to consider seniority in giving shift preference. A senior Employee involuntarily transferred temporarily from their preferred shift will be returned to that shift within seventy-five (75) days; limited to one time per year, except in cases of specialized skill requirements. However, the Union understands that in certain cases it may be necessary to extend this period until a replacement is trained and/or a special assignment is completed. Employees may request a transfer provided that another Employee holds the same grade and classification in the same department.

1. Except in emergencies, Employees exercising voluntary shift preference privilege must remain on the shift of their choice a minimum of six (6) months before another shift change request will be honored.
2. For purposes of shift transfers between classifications and grade, sealers and utility workers will be treated as within a common department.

3. Five (5) days notice must be received before an employee can be moved to a new shift. When unique circumstances arise less than five (5) days notice can be given with the consent of the Plant Chair.

H. Supervisors/Team Leaders

Any employee in the bargaining unit who is promoted to a supervisory job with the Company outside the bargaining unit shall retain plant seniority in the last job classification held at the time of promotion.

This provision shall also apply to all employees who were transferred to these positions prior to the effective date of this agreement from jobs within the bargaining unit. If an employee is returned to the bargaining unit, they shall return to the last bargaining unit classification held, provided it is held by an employee with less bargaining unit seniority. If the employee cannot be so placed, the Company will follow the reduction in force procedures.

During the seventy-five (75) working days immediately following any such promotions, the employee may return to the bargaining unit with no loss of plant seniority.

The Company may return any such employee to the bargaining unit at any time at its discretion. If such employee returns to the bargaining unit, seniority shall be recalculated and a new seniority date established, giving credit for seniority up to the time they left the bargaining unit and recognizing all plant seniority up to November 4, 1984. Upon return, their bargaining unit seniority will again accrue.

**ARTICLE 7
HOURS OF WORK**

- A. The hours of work shall be as arranged by agreement between the Company and the Union with a view toward producing maximum efficiency of production without creating undue inconvenience to employees.
- B. The normal workweek for the traditional schedule will be Monday through Friday.
- C. The normal starting and ending times are as follows:

<u>Department</u>	<u>First Shift</u>	<u>Second Shift</u>	<u>Third Shift</u>
Learjet Product Line	7:00 a.m.-3:30 p.m.	3:30 p.m.-12:00 a.m.	12:00 a.m.-7:00 a.m.
Facilities	6:30 a.m.-3:00 p.m.	3:00 p.m.-11:30 p.m.	11:30 p.m.-6:30 a.m.
R & D	8:00 a.m.-4:30 p.m.	4:30 p.m.- 1:00 a.m.	1:00 a.m.-8:00 a.m.
Aircraft Services	6:42 a.m.-3:12 p.m.	3:12 p.m.-11:42 p.m.	11:42 p.m.-6:42 a.m.
Flight Test Center	6:30 a.m.-3:00 p.m.	3:00 p.m.-11:30 p.m.	11:30 p.m.-6:30 a.m.

- (1) The Company and the Union agree that there are times when it is mutually beneficial to alter the start and stop times as above. Changes to start and stop times may be made by the Company at the cost center level and may include all or a percentage of the employees therein. If the change does not include all employees in the cost center, employees will be placed on the non-regular hours via the following sequence:
 - a. Volunteers
 - b. Reverse seniority, whereby the junior qualified employee is required to work the non-regular hours.

- (2) The regular starting time for shift schedules may not be moved by more than two (2) hours in either direction, unless changed by mutual agreement of the parties.
 - (3) Changes in start times shall be limited to two (2) times in any calendar year per cost center.
 - (4) The Plant Chair and the employees will be provided at least five (5) business days advance notice prior to implementation of any changes to shift start and stop times. Upon mutual agreement of the parties, the five (5) business day advance notice requirement may be waived.
- D. There shall be two (2), ten minute rest periods for first and second shift employees. Third shift employees will receive one (1), ten minute rest period. Employees required to work at least two (2) hours overtime shall receive one (1), ten minute rest period between the overtime and the beginning or end of the normal work shift. In addition, normal rest periods will be given during the overtime period.
- E. The Company may transition a work area from the traditional eight-hour five day schedule to either a ten hour-four day (4x10) or twelve hour-three day (3x12) special workweek subject to the following provisions:
1. Prior to transitioning an area to a Special Workweek the Company agrees to consult with the Plant Chair and consider his input and guidance.
 2. All Special Workweeks will first be staffed via volunteers and then by reverse seniority. Once an employee volunteers for a special workweek assignment, that employee may not opt off the shift for a period of 90 days.
 3. Areas transitioning to the ten hour-four day (4x10) special workweek will be scheduled Monday thru Thursday, Tuesday thru Friday or Friday thru Monday.
 4. Areas transitioning to the twelve hour-three day (3x12) special workweek will be scheduled Friday thru Sunday or Saturday thru Monday.
 - a. Employees working the special workweeks may take vacation in full or half shift increments.
 5. Employees on layoff who refuse recall to one of the Special Workweeks will forfeit their recall rights.
- F. Additional Special Workweeks may be established by mutual agreement between the Company and the Union.

ARTICLE 8 OVERTIME

A. Traditional Workweek Schedule.

1. **Normal Workweek.** For the purpose of computing overtime pay, the workweek shall commence at 12:00 a.m. Monday for first shift employees, at 12:00 noon Monday for second shift employees, and at 12:00 noon Sunday for third shift employees. The workday shall consist of a twenty four (24) hour period thereafter and shall be the beginning of the seven day period making up the week.

2. **Daily:**
 - a. Overtime may be scheduled on either end of the employee's normal shift times.
 - b. Eight (8) hours of work must be performed before overtime is paid
 - c. All hours worked in excess of eight (8) hours in a day shall be paid for at a rate of time and one-half.
 - d. All hours worked in excess of eleven (11) hours in a day shall be paid for at a double time rate.
3. **Weekly:**
 - a. All hours worked on the sixth day of the individual's normal work week shall be considered overtime and paid for at a rate of time and one-half.
 - b. All hours worked on the seventh day of the individual's normal work week shall be considered overtime and paid for at a double time rate.

B. Special Workweek Schedules.

1. **Ten hour - four day (4x10) Schedule.**
 - a. **Normal Workweek.** For the purpose of computing overtime pay, the normal workweek for the ten hour-four day (4x10) Schedule will be either Monday thru Thursday, Tuesday thru Friday or Friday thru Monday.
 - b. **Daily Overtime.** All hours worked in excess of ten (10) hours in a day shall be paid for at time and one-half rates.
 - c. **Weekly Overtime.**
 - (1) **Fifth Day.** All hours worked on the fifth day of the individual's normal workweek shall be considered overtime and paid for at time and one-half rates.
 - (2) **Sixth & Seventh Day.** All hours worked on the sixth and seventh day of the individual's normal workweek shall be considered overtime and paid for at double time rates.
2. **Twelve hour - three day (3x12) Schedule** - Employees working the twelve hour-three day (3x12) special workweek will be paid forty (40) hours for thirty-four and a half (34.5) hours worked.
 - a. **Normal Workweek.** For the purpose of computing overtime pay, the normal workweek for the twelve hour-three day (3x12) schedule normal workweek will be either Friday thru Sunday or Saturday thru Monday.
 - b. **Daily Overtime.** All hours worked in excess of eleven and one half (11.5) hours in a day shall be paid for at double time rates.

c. Weekly Overtime.

- (1) **Fourth & Fifth Day.** All hours worked on the fourth and fifth day of the individual's normal workweek shall be considered overtime and paid for at time and one-half rates.
- (2) **Sixth & Seventh Day.** All hours worked on the sixth and seventh day of the individual's normal workweek shall be considered overtime and paid for at double time rates.

C. When two or more types of overtime or premium pay are applicable to the same hours of work, only the higher rate of pay shall be paid. In no case shall overtime or premium pay be duplicated or pyramided.

D. The following procedures shall apply for the distribution of overtime.

1. The Company will maintain and distribute overtime within crew and shift. Crew is defined as the employees who have regularly performed the work during the major portion of the week. Each Crew shall have more than one Employee.
2. Overtime shall first be distributed via soliciting volunteers. Volunteers shall be asked to work on a rotating basis with the senior most employee starting the rotation.
3. When employees refuse to work, those with the least seniority will be required to work unless there is an imbalance of 40 hours or more of overtime worked. Then, the employee with the least amount of overtime worked will be required to work.
4. Individuals in the same classification and department may be asked to volunteer in lieu of requiring employees who did not volunteer to work. It is further agreed that those employees within the same classification within a department or cost center shall be cross trained to the extent possible thereby enabling all employees within that department to share in the distribution of overtime.
5. Qualified employees on any shift may be asked to volunteer for weekend overtime on any shift, if overtime is not available on their assigned shift. When assigning overtime, preference will be given to those employees normally assigned to the shift.
6. Employees required to work overtime shall not be laid off during regularly assigned hours to equalize time. However, this shall not apply where it would prevent employees from securing rest or otherwise destroy their capability to do their work.
7. Each supervisor will maintain a record of every employee's overtime on a weekly basis. A representative of the Union will review the overtime records weekly. The Union representative will bring any equalization problems to the attention of management for resolution. The parties agree that the target goal for maintaining equalization shall be 24 hours and that when a disparity of 40 hours exists between employees in the same classification in the same work area, management shall take action to resolve the problem, should one exist.

8. An Employee with approved vacation or a personal holiday scheduled for Friday afternoon cannot be mandated to work on the following weekend. An Employee with approved vacation or a personal holiday scheduled on a Monday morning cannot be mandated to work on the preceding weekend.
 9. Sundays in the Traditional Workweek Schedule and the 7th day of any Special Workweek Schedule will be voluntary; except:
 - a. The last two (2) Sundays of the Company's fiscal quarters; and,
 - b. See the Memorandum of Understanding Concerning Voluntary Sundays / Seventh Day and Emergencies.
 10. For purposes of weekend overtime notification, when there is a holiday surrounding the weekend, the holiday shall be considered part of the weekend. The notification shall be given no later than the regularly scheduled lunch period two days prior to the overtime period.
 11. Weekend overtime will not be blocked together.
 12. Contract employees shall not be utilized to displace regular employees from overtime they would have otherwise worked.
 13. Employees moving from one overtime group to another shall be assigned the average number of overtime hours worked.
- E. Second and third shifts will be given overtime opportunities in relative proportion to first shift, operational requirements permitting. These provisions only apply for pre-identified blocks of mandatory, scheduled overtime where all shifts perform the same work. A block is defined as 14 consecutive days or more of mandatory, scheduled overtime.

ARTICLE 9 CALL BACK TIME

- A. Any employee reporting for work at the beginning of their regular shift without having been previously notified that there will be no work, shall receive four (4) hours work or four (4) hours pay at the applicable hourly rate.
- B. In the event an employee is required to report for work earlier than their regularly scheduled starting time, they shall be permitted to work their regular shift.
- C. In the event an employee is required to report back to work after having left the Company premises at the end of their regular shift, the individual will be guaranteed at least two hours and forty minutes work at the applicable overtime rate or four hours pay, whichever is greater.
- D. In the event that normal work schedules are interrupted or stopped by events beyond the control of the Company, such as acts of God, abnormal weather, utility failure, fire or acts of war, the above provisions shall not apply. Announcements will be released whenever possible to commercial radio and television stations at least one hour before the start of the shift in question. If one hour notice is not provided, then Article 9A will apply.

**ARTICLE 10
WORK AWAY FROM PLANT**

An Employee working outside Wichita, KS, will be paid as follows:

Travel Pay & Wages. On the dates of departure and return, the Employee will be paid for the time actually spent traveling, up to a maximum of eight (8) hours per day. Reasonable travel preparation time is included in travel time.

When an Employee is working at the Wichita Facility and is asked to depart that day, he will be paid the balance of his normal shift. Any travel time in excess of his normal shift will be subject to the overtime provisions of this agreement.

While performing work away from the plant the Employee shall be governed by the hours of work and overtime as stated in this agreement, but shall not engage in overtime work unless at the specific direction of the Employee's Supervisor.

Per Diem. Per Diem will be paid for each day the Employee is working outside of Wichita, KS.

**ARTICLE 11
RATE RANGES**

A. Shown below are the minimums and maximums of the various labor grades and their effective dates.

GWI	4.00%		3.50%		3.50%	
	Oct. 23, 2006		Oct. 1, 2007		Sept. 29, 2008	
Grade	Min	Max	Min	Max	Min	Max
1	\$ 15.29	\$ 25.47	\$ 15.82	\$ 26.36	\$ 16.38	\$ 27.28
2	\$ 14.73	\$ 24.53	\$ 15.24	\$ 25.39	\$ 15.78	\$ 26.28
3	\$ 14.15	\$ 23.59	\$ 14.65	\$ 24.41	\$ 15.16	\$ 25.27
4	\$ 13.58	\$ 22.63	\$ 14.06	\$ 23.42	\$ 14.55	\$ 24.24
5	\$ 13.17	\$ 21.94	\$ 13.63	\$ 22.71	\$ 14.10	\$ 23.51
6	\$ 12.71	\$ 21.17	\$ 13.15	\$ 21.92	\$ 13.61	\$ 22.68
7	\$ 12.41	\$ 20.68	\$ 12.84	\$ 21.40	\$ 13.29	\$ 22.15
8	\$ 11.94	\$ 19.90	\$ 12.36	\$ 20.59	\$ 12.79	\$ 21.31
9	\$ 11.68	\$ 19.47	\$ 12.09	\$ 20.15	\$ 12.51	\$ 20.86
10	\$ 11.50	\$ 19.19	\$ 11.90	\$ 19.86	\$ 12.32	\$ 20.55
12	\$ 6.94	\$ 11.53	\$ 7.18	\$ 11.94	\$ 7.43	\$ 12.36
A		\$ 16.64		\$ 17.22		\$ 17.83
B		\$ 12.48		\$ 12.92		\$ 13.37

- Grades A and B are limited to the following departments (1-110, 1-140, 1-150, 1-240, 1-250, 1-260, 1-270, 1-280, 1-290).
- The grade minimums for grades 7-10 shall become null and void, at such time as all qualified employees on layoff have been recalled or offered the open position.

- B. Employees reclassified to a lower grade because of work-related medical limitations will be allowed to retain their former pay rate for no longer than sixty (60) days. If the employee is unable to resume the higher graded job, they will receive the same rate of pay or the maximum rate of the new classification, whichever is lower.
- C. Each employee who has completed five (5) years current continuous service shall receive five (5) cents per hour longevity pay. Longevity pay shall be increased to ten cents (10) cents per hour after completion of ten (10) years of current continuous service; fifteen cents (15) cents per hour after completion of fifteen (15) years of current continuous service and to twenty cents (20) cents per hour after twenty (20) years of current continuous service, and twenty-five (25) cents per hour after twenty-five (25) years of current continuous service, thirty (30) cents per hour after thirty-(30) years of current continuous service, and thirty-five (35) cents per hour after thirty-five (35) years of continuous service.

**ARTICLE 12
WAGE ADJUSTMENTS**

- A. The Company will grant the following general wage increases, rounded to the nearest full cent of their current base rate, to all active employees:

October 23, 2006	October 1, 2007	September 29, 2008
4.0%	3.5%	3.5%

- B. Employees on the active payroll as of October 30, 2006 will receive a lump sum payment on November 3, 2006 in a gross amount equal to \$1,500.00.
- C. In the event the Consumer Price Index for Urban Wage Earners and Clerical Workers, U.S. City Average (CPI-W) as published by the Bureau of Labor Statistics, U.S. Department of Labor, with the following base period: 1982 – 84=100, increases by four percent (4%) from the three month average for May, June, and July when compared to May, June and July of the preceding year, the Company will pay fifty percent (50%) of the average CPI-W increase that is greater than four percent (4%) in the form of a lump sum payment calculated using the employee's applicable hourly rate multiplied by 2080 hours multiplied by 50% of the increase in CPI-W in excess of 4%. The payment shall be made no later than the last pay period in September.

**ARTICLE 13
PERIODIC REVIEWS**

- A. **Periodic Reviews.**
 - 1. All employees will be reviewed by the end of the thirtieth and sixtieth days of their employment. At the time of these reviews, the employee's classification or rate may be adjusted to reflect their job assignment and/or performance or they may be terminated; and,
 - 2. All employees will be reviewed at the end of their thirtieth and sixtieth days following reclassification or promotion.
 - 3. Any wage increase as a result of a reclassification or promotion will be dealt with during the 30 and/or 60 day review.

4. The amount of an employee's rate increase will be based on performance and will vary between zero and the maximum allowable as provided in paragraph 5.
5. A rate increase may be given at the 30 day review, the 60 day review or both but the total rate increase can not exceed \$1.50 per hour between the two reviews.

B. Performance Appraisals.

An employee's performance may be evaluated on a formal basis twice per calendar year.

C. Automatics.

All employees completing their probationary period will receive an automatic increase of twenty-five (\$.25) cents per hour and an automatic increase of twenty-five (\$.25) cents per hour each twenty-six (26) weeks thereafter until the maximum of their labor grade is attained.

1. Work time will be broken and the date of such automatic increases extended by all Leaves of Absence and layoffs of over thirty days; the extension to be for the total time absent.

D. Market Adjustments.

Due to the constantly changing labor market and problems arising there from, joint review will be conducted periodically to correct inequities.

E. Reporting

It is agreed the Company will provide the Union a copy of the monthly seniority list of all employees in the bargaining unit. The Company shall also supply the Union a list of classification changes on a weekly basis.

**ARTICLE 14
WORKING LEADS**

- A.** The following selection and compensation procedure and duties and responsibilities will apply to all lead positions in the Wichita facility.

- B.** Lead duties and responsibilities:

1. Qualifications:

- a. In order to provide the best assistance to Employees the individual selected should be both technically skilled and possess solid interpersonal skills.
- b. Provide on-the-job training in most technical aspects of the function.
- c. Working Leads will be selected on the basis of their ability, qualifications and seniority. If qualifications and ability are relatively equal, seniority shall prevail. Ability is defined as the employee being capable of performing most of the essential elements of the classification requested and be in good standing; e.g., does not have more than one disciplinary action at the first step or one disciplinary action at the second step.

2. Responsibilities:

- a. Provide training and instruction for new employees in all technical areas of the function and apprise them of technical quality and performance standards.
- b. Assist employees in demonstrating proficiency in proper shop methods, processes and techniques in the performance of technical tasks.
- c. Assist Supervisor with any technical training requirements.
- d. Assist employees in reporting any safety infractions or problems to Supervisor immediately.
- e. Report status of work in progress to Supervisor.
- f. Advise crew members to have proper company and personally furnished tools in order to perform assigned work.
- g. Once selected, must be a working member of his/her crew.
- h. Provide assistance in the use of and interpretation of documents; i.e. blueprints, schematics, diagrams, drawings, etc.
- i. Does not act as assistant Supervisor, in terms of dispensing disciplinary action, does not take attendance, dispense overtime, etc.
- j. Assist in workload distribution.

3. Criteria:

- a. Leads will be: (1) in the same classification and department as the crew they are leading; or, (2) in the same trade (mechanical or electrical) and department as the crew they are leading. If unique circumstances exist where this would not be the case, the Supervisor, Human Resources, Plant Chair and Steward must reach agreement before lead selection is made.

C. Lead selection procedure:

1. Lead openings will be posted a minimum of three working days on employee information centers and in the work area where the opening exists. The opening will also be a subject for crew meetings within the area. Lead person duties and responsibilities will be listed on the posting.
2. Applications for the lead position may be obtained from the Supervisor and must be returned by the suspense date listed on the posting.
3. The Supervisor and the area shop Steward* will review the records of all lead applicants to ensure they:
 - a. are in good standing; i.e., no more than one disciplinary action at the first step or one at the second step
 - b. meet the other qualifications for the position
 - c. have completed their seventy-five (75) calendar day probationary period
 - d. have the seniority to carry the shift for which the lead position is posted.

- e. are in the same department and classification or trade as the lead position being posted.

*If the shop Steward is a candidate for the position, the Plant Chair will serve in the Steward's capacity.

4. The Supervisor and the area shop Steward will then determine the best qualified candidates to be interviewed.
5. The Supervisor and shop Steward will interview and select the best qualified individual for the lead position. They will also notify those who were interviewed and not selected.
 - a. The Parties agree that the interview and selection process must create a balance between the necessary interpersonal and technical skills.
 - b. Supervisor and Steward will develop interview questions and answers before the interview process begins, with the concurrence of the Plant Chair. Nothing in this provision will prevent either party from asking additional technical or behavioral interview questions.
 - c. All applicants must go through the interview process. If no applicant is qualified, the Supervisor, Human Resources, Plant Chair and Steward will mutually resolve the issue. The applicants not selected will be informed by the Supervisor and Steward why they were not selected and where they need improvement.
6. The Supervisor and shop Steward will review the duties and responsibilities of a lead person with the successful candidate to insure there is complete understanding of what is expected.
7. Working Leads will receive a lead premium of one dollar fifty cents (\$1.50) per hour over their current base rate of pay.
8. Working Lead's performance will be reviewed thirty and sixty days after appointment as a lead and annually thereafter.

D. Temporary Leads

Temporary leads are intended to fill short-term lead vacancies. The following procedures and restrictions shall govern their use:

1. Temporary leads are selected via the lead selection process (Article 14, Section C).
2. The temporary lead designation may be made in advance of the vacancy occurring and will be reviewed on an annual basis.
3. The temporary lead shall fill in when the full-time lead is away from his assigned area for a minimum of one (1) day and a maximum of sixty (60) days. If the need extends beyond sixty (60) days, continuance requires mutual agreement with the Plant Chair.
4. All provisions of Article 14 apply to temporary leads.
5. The premium for fulfilling the responsibilities of temporary lead shall be identical to that of the full time lead, and only applies for the time they fill in for the full time lead.

6. The area Steward and Plant Chair will be notified prior to using a Temporary Lead. The notification will also include the estimated duration of the temporary designation.

ARTICLE 15 SHIFT DIFFERENTIAL

- A. Employees required to work second shift will receive a forty (40) cent per hour shift differential.
- B. Employees required to work third shift will receive a twelve (12) cent per hour shift differential and in addition will receive eight hours pay for six and one-half hours work.
- C. Employees working the A.M. 3x12 special workweek shift will receive a sixty-three (63) cent per hour shift differential.
- D. Employees working the P.M. 3x12 special workweek shift will receive a one-dollar and three cent (\$1.03) per hour shift differential.
- E. Employees working the P.M. 4x10 special workweek shift will receive a forty (40) cent per hour shift differential.

ARTICLE 16 COMPLAINT AND GRIEVANCE PROCEDURE AND ARBITRATION

Should differences arise between the I.A.M. and Learjet as to the meaning and application of the provisions of this Agreement, or should differences arise about matters not specifically mentioned in this Agreement, or should trouble of any kind arise, an earnest effort shall be made to settle such differences at the earliest practicable time.

Disputes arising under this Agreement shall be resolved as follows:

- STEP 1.** The Employee and his Steward, if requested, must make the complaint to his Supervisor. The Supervisor will investigate the complaint and notify the Employee of his decision within five (5) working days following the day when the complaint was made.

The Supervisor and Steward shall have the authority to resolve a Step 1 complaint. The Company and the Union agree that any settlement of a Step 1 complaint will neither establish precedent nor violate the intent of the Collective Bargaining Agreement.

If no agreement is reached between the Employee and his Supervisor, the complaint shall be reduced to writing on a Standard Complaint or Grievance Form. The Supervisor and Steward shall have an additional five (5) working days to provide their respective positions in writing on the complaint or grievance form. If the issue is not settled and if the Plant Chair is of the opinion that the complaint or grievance continues to exist, it will be logged into the second step within five (5) working days and Union log in date recorded.

- STEP 2.** The Plant Chair, the Department Manager and Human Resources shall meet within five (5) working days of the complaint or grievance being logged into the system. If the issue is resolved, the settlement will be reduced to writing and signed by the parties. If the issue is not settled, the Plant Chair will have five (5) working days to refer the complaint or grievance to Step 3.

By mutual agreement between the Plant Chair and the Department Manager and Human Resources may remand any complaint or grievance back to Step 1 of the complaint or grievance procedure.

The Plant Chair and the Department Manager with Human Resources shall have the authority to resolve a Step 2 complaint or grievance.

STEP 3 Within ten (10) working days of the time the complaint or grievance is referred to them; the Plant Chair and Labor Relations Representative will meet and review the facts and pertinent contract provisions in an effort to resolve the issue(s).

The Plant Chair and the Labor Relations Representative shall have the authority to resolve a Step 3 complaint or grievance. All issues resolved at Step 3 shall be reduced to writing and signed by the Plant Chair and the Labor Relations Representative.

By mutual agreement between the Labor Relations Representative and Plant Chair, they may remand any complaint or grievance back to a prior step of the complaint or grievance procedure. In cases where the Plant Chair and Labor Relations Representative fail to reach agreement, the matter shall, within ten (10) working days of the Step 3 Meeting, be referred to the Union's Business Representative and Learjet's Director of Human Resources or his designee.

STEP 4 The Union's Business Representative and Learjet's Director of Human Resources or his designee will meet to review the facts and pertinent contract provisions in an effort to resolve the issue(s). All issues resolved at Step 4 shall be reduced to writing and signed. If the Union wants to refer the issue to arbitration they must deliver to the Company, written notice of such intent to refer the matter to arbitration within twenty (20) working days of the Step 4 meeting.

STEP 5 ARBITRATION Within ten (10) working days from date of delivery of the written notice, an arbitrator shall be selected by mutual agreement, or the parties shall request the Federal Mediation and Conciliation Service to submit a list of seven (7) persons from which the arbitrator shall be chosen. Within ten (10) working days following receipt of said panel from the Federal Mediation and Conciliation Service, the parties shall select the arbitrator in the following manner. The Union and the Company shall alternately strike one name from subject panel (the right to strike first name having been determined by lot) until only one name remains and that person shall be the arbitrator.

1. General wage levels shall not be subject to arbitration.
2. Proper subjects for arbitration are limited to the following:
 - a. A specific claim of an alleged violation of an expressed provision of this Agreement.
 - b. A specific claim by an employee who has completed their probationary period who alleges they have been terminated without just cause.
 - c. A specific claim involving the safety of employees.
3. Except by mutual agreement, only one grievance may be submitted or under consideration by a single arbitrator.
4. Upon receipt of acknowledgment by the arbitrator of his willingness to act, the parties will schedule the arbitration to be heard within the next thirty (30) calendar days.

5. The fees and expenses of the arbitrator as well as the cost of furnishing the hearing room shall be borne by the loser of that specific case. Each party shall be responsible for all expenses incurred by it in the presentation of its case including the payment of time lost for any employee called as a witness or acting as Union Counsel during the arbitration.
6. The arbitrator shall not have the power or jurisdiction to arbitrate provisions of a new agreement or to add to or otherwise amend or modify provisions of the agreement. The decision of the arbitrator shall be final and binding upon the parties.

Section (c) – Standard Complaint or Grievance Form

The parties will mutually agree upon a standard complaint or grievance form, which will include the following:

- The facts on which the complaint or grievance is based.
- Reference the Article(s) and Section(s) of the Agreement believed to have been violated.
- The date(s) of the action upon which the complaint or grievance is based.
- The requested remedy.
- A system to determine at which step a complaint or grievance is settled.

Section (d) – Union vs. Company & Termination Grievances

A grievance filed by the Plant Chair or a grievance protesting a termination will be submitted directly to Step 3. The Plant Chair and Labor Relations Representative will complete the Standard Complaint or Grievance Form.

Section (e) – Five Day Limitation

Any complaint or grievance, which is not filed by the aggrieved party within five (5) working days of the time that Party reasonably, should have known it, shall be denied as untimely and not processed further.

Section (f) – Finality of Decision or Settlement

Settlements reached at any step of the complaint or grievance procedure shall be final and binding on both parties unless mutually agreed to in writing. Settlements at Steps 2, 3 and 4 shall be in writing and signed by the appropriate representatives of the I.A.M. and Learjet.

Section (g) – Waiver of Time Limits

By mutual agreement the parties may waive the time limits set forth in each step of the complaint or grievance procedure.

ARTICLE 17 UNION REPRESENTATIVES

- A. The Grand Lodge Representative, Directing Business Representative and Assigned Business Representative shall have access to Company facilities during working hours. In the absence of the Business Representative, the Secondary Business Representative may replace the Business Representative. Upon sign-in, these representatives will be permitted to enter the Company facilities for the purpose of investigating grievances and/or complaints. Such visits shall be subject to such regulations as may be made from time to time by governmental agencies.

- B. The above representatives of the Union shall be provided a designated office for conducting Union business.
- C. Each Union steward is to represent only those employees in his assigned area, and will not be recognized as handling grievances or complaints for individuals outside such assigned area. However, the Plant Chairman may designate another steward to assist in other areas when special circumstances arise. When doing so, the Union agrees to inform Human Resources prior to assigning the Steward out of their area. Stewards will not be loaned or transferred to another shift or department without prior agreement between the Company and Union.
- D. Union stewards and Local Lodge Officers are required to communicate with their own supervisor and to clock out on Union time when engaging in Union business. The steward is to notify the supervisors of other employees who are to be contacted on Union business. If the time spent in servicing the Agreement is less than five minutes in duration, clocking to Union time is not required but is required by both the employee and the steward if the time is expected to extend to five minutes or longer.
- E. Union stewards are to be selected only from among those employees they represent and their number shall be determined by mutual agreement between the Company and Union. The Company will recognize a working Assistant Plant Chairman on any shift where the number of bargaining unit employees exceeds 200 on the shift. If the number of bargaining unit employees exceeds 750 employees on the shift, the Assistant Plant Chairman shall become a full time Assistant Plant Chairman to administer the contract.
- F. The Vice President of Human Resources or representative is to be furnished a list of all stewards, Negotiating Committee members, assigned Business Representatives, Assistant Plant Chairman and Plant Chairman. No others will be recognized as representing employees in the bargaining unit except those as certified in writing. Such list is to be corrected as changes are made.
- G. In the event the Plant Chairman is absent for a period of one day or more, the Union may appoint a member of the Negotiating Committee to act in the Plant Chairman's absence. In the event the entire Negotiating Committee is absent, a steward may be appointed to act in the Plant Chairman's absence. Notification of such appointment will be provided to the Company.
- H. The Union agrees its members or representatives shall not solicit memberships for the Union, except as provided for in paragraph I, collect dues, campaign for Union office or conduct organizing activities on Company time.
- I. The Company agrees the Union Plant Chair or his designee shall have the right to individual interviews of all new bargaining unit employees prior to reporting to orientation.
- J. The Company agrees to provide the Union with a list of new hire employees on a weekly basis. It is further agreed that the Company will provide Union Stewards reasonable access to new employees in their area for purposes of orientation.

**ARTICLE 18
VACATION, ATO AND SEVERANCE PAY**

- A.** An employee shall earn vacation and ATO for each pay period actually worked. The amount of vacation and ATO, which an employee earns shall be determined by the number of years of continuous service completed by the employee immediately prior to the commencement of the pay period, in accordance with the chart in Section B.

B.

Years of Continuous Service	Annual Vacation Allocation	Annual ATO Allocation
0-1	40 hours	28 hours**
2	80 hours	30 hours**
8	120 hours	48 hours**
15	160 hours	58 hours**
** 1 hour of additional ATO for every 50 hours of overtime worked, without pro-rating		

1. Employees hired prior to March 4, 2003 shall be grand fathered and remain entitled to an annual vacation allocation of one hundred twenty (120) hours of vacation upon completing three (3) years of continuous service.
2. The allotment per pay period of vacation and ATO shall be determined by dividing the annual allocation of vacation and ATO corresponding to the employee's years of continuous service by the number of pay periods in a calendar year.
3. Employees on an approved Leave of Absence of thirty (30) days or more will not earn vacation or ATO for the duration of the approved Leave in excess of thirty (30) days.

C. Vacation – ATO:

1. An employee may accrue no more than two hundred (200) hours of ATO. After two hundred (200) hours of ATO have been accrued, each employee will be paid for the balance of the hours in excess of two hundred (200) at their current rate of pay. ATO will be paid in increments of no less than thirty (30) minutes.
2. The vacation period for each individual will be during the twelve (12) month period following their vacation eligibility date.
3. Supervisors will schedule the vacations of their employees on the basis of seniority in a manner that will result in the least disruption of work and yet permit the majority of people to have time off during the summer months. During the month of April, each employee will be contacted by the supervisor and by May 1 will schedule their vacation during the year following their vacation eligibility date; except that employees may elect to; a) receive cash compensation or deposit into their 401(k), if applicable, up to forty (40) hours of vacation and b) carry over up to forty (40) hours of vacation credit into their next vacation eligibility year. This election must be made no later than thirty (30) days prior to the employee's vacation eligibility date.
 - a. Vacations will be scheduled in increments of no less than one (1) day; except that employees may schedule vacations in half shift increments.
 - b. Vacation not scheduled by May 1 may be granted on a first come, first served basis if work schedules permit.

4. It is recognized that not everyone will be able to take their vacation when they prefer, but it is hoped a suitable time may be arranged.
5. Should the employee schedule their vacation and later desire to reschedule it, they must do so within thirty (30) days (or sooner if their vacation eligibility date is less than thirty (30) days away) and must take the rescheduled vacation.
6. Should the supervisor approve and later cancel the employee's vacation, the employee must decide on a new vacation schedule within thirty (30) days (or sooner if their vacation eligibility date is less than thirty (30) days away). If approved, this rescheduled vacation may not be canceled.
 - a. Should a cancellation of scheduled vacation be necessary due to production requirements, the Company will give the employee as much notice as possible, but in no event less notice than the length of scheduled vacation if the vacation is at least one (1) week in duration.
7. In the event of a layoff, an employee may request not to be paid their earned vacation and ATO hours to which they would be otherwise entitled when placed on a layoff status. In the event an employee makes this election and is not subsequently recalled, they will be paid these hours at the rate in effect at the time of their layoff.
8. Employees may elect during the months of May and November of each calendar year to receive a cash payment of their accrued and allocated ATO hours, provided the employee's ATO balance shall not fall below 24 hours as a result of such election. Payment for ATO hours shall be made at 125% of the employee's applicable hourly rate currently in effect. November elections will be paid during the month of December. May elections will be paid during the month of June.
9. See Article 22 for information on the definition and application of ATO.

D. Bereavement Pay

Bereavement pay will be granted to employees with over one year seniority who take time off from their regular workweek because of a death in their immediate family: spouse, parent (person who raised you), sister, brother, half-brother, half-sister, stepfather, stepmother, daughter, son, stepchild, father-in-law, mother-in-law, brother-in-law, sister-in-law, the employee's grandparents or grandchildren.

Under such circumstances, bereavement leave will be granted for a period not to exceed three (3) working days with pay. Where out of state travel is required, two (2) additional working days will be granted without pay. No more than three (3) periods of bereavement leave will be granted during a calendar year.

Employees with less than one year of seniority will be granted bereavement leave in accordance with the two preceding paragraphs of this section D, except the bereavement leave will be without pay.

E. Severance Pay

Upon termination of an employee's employment for any reason on or after any eligibility date, such employee shall receive pay in lieu of their hours of vacation credit and ATO credit earned and unused, up to and including the last accrual period prior to the effective date of their termination of employment.

F. Income Security Protection Plan

The Company shall provide to employees covered under this agreement, who are involuntarily laid off due to a reduction in force, Income Protection Payments subject to the following terms and conditions:

1. Only the following Employees are eligible for payments:
 - a. Those who have one year or more continuous employment of the Company at the time of layoff; and,
 - b. Employees who received Income Security Protection Payments, are recalled during the term of the 2006 Wage Agreement by Learjet and work five (5) years of continuous service before being involuntarily laid off again will become eligible for the ISP Plan a second time.
 - c. These payments are considered a lifetime benefit and the maximum ISP benefit available during all periods of employment with the company is 20 weeks.
2. The following shall not be eligible for Income Protection:
 - a. Employees who are laid off for a period of ninety (90) consecutive days or less. However, if at the time of the layoff, the Company has knowledge that the layoff will extend beyond ninety (90) consecutive days; Income Security Protection payments shall start immediately for those employees.
 - b. Employees who upon their layoff become employed at another site of the Company or employed with an affiliate of the Company.
 - c. Employees who at the time of lay-off refuse comparable employment with the Company in a different classification than the one currently held.
 - d. Employees who are laid-off because of an act of God, natural disaster, or national emergency.
 - e. Employees who are laid off because of a strike, picketing of the Company's premises, work stoppage or any similar action which would interrupt or interfere with any operation of the Company.
 - f. Employees who terminate employment for any reason other than layoff due to a reduction in force.

3. During any eligible layoff the maximum number of weekly payments available to any individual employee is based on the total number of full years of continuous service under this agreement and is listed in the following table:

Length of Service	Number of Weekly Payments
0-1 year	0 Weeks
2-3 years	2 Weeks
4-5 years	4 Weeks
6-7 years	6 Weeks
8-9 years	8 Weeks
10+ years	10 Weeks

4. A week of pay shall be computed by multiplying the employee's regular hourly rate but not including any applicable shift differential in effect at the time of layoff, by the number of hours in the employee's normal work week, exclusive of any overtime.
5. The period of payments under the Plan does not accrue seniority, longevity, or service for purposes of any Company benefit plan including but not limited to vacation, ATO, the Learjet Pension Plan or the Learjet 401(k) Plan.
6. If an employee is recalled from layoff before they exhaust the maximum payments available under this program, and such employee is subsequently laid off, the employee shall be entitled to the benefits then available to them less any weekly benefits previously provided under this program. If an employee is recalled after exhausting the maximum payments available under this program, the employee is not entitled to any further payments under this program if they are subsequently laid off.
7. If an employee is recalled to work and does not return within 15 working days of the date of the recall notice, the employee shall be deemed to have resigned his position and shall be ineligible for any further payments under the Income Protection Program.
8. Employees receiving payments under the Income Protection Plan shall not be eligible to participate in any Company benefit program including but not limited to the Learjet Pension Plan or the Learjet 401K Plan.

**ARTICLE 19
HOLIDAYS**

A. Holidays Observed. During the term of this contract the following Holidays will be observed:

HOLIDAYS	CONTRACT YEAR 1	CONTRACT YEAR 2	CONTRACT YEAR 3
THANKSGIVING	Thursday November 23, 2006	Thursday November 22, 2007	Thursday November 27, 2008
Friday After THANKSGIVING	Friday November 24, 2006	Friday November 23, 2007	Friday November 28, 2008
CHRISTMAS EVE		Monday December 24, 2007	Wednesday December 24 2008
CHRISTMAS DAY	Monday December 25, 2006	Tuesday December 25, 2007	Thursday December 25, 2008
CHRISTMAS SHUTDOWN	Tuesday December 26, 2006	Wednesday December 26, 2007	Friday December 26, 2008
	Wednesday December 27, 2006	Thursday December 27, 2007	
	Thursday December 28 2006	Friday December 28, 2007	
	Friday December 29, 2006		Monday December 29, 2008
			Tuesday December 30, 2008
		Monday December 31, 2007	Wednesday December 31, 2008
NEW YEARS DAY	Monday January 1 2007	Tuesday January 1 2008	Thursday January 1, 2009
NO PAY / NO POINTS			Friday January 2 2009***
MEMORIAL DAY	Monday, May 28, 2007	Monday May 26, 2008	Monday, May 25 2009
INDEPENDENCE DAY	Wednesday July 4, 2007	Friday July 4, 2008	Friday July 3, 2009
LABOR DAY	Monday Sept 3, 2007	Monday Sept 1, 2008	Monday September 7, 2009

*** No Pay / No Points

B. Holiday Pay

1. **Eligibility for Holiday Pay.** An Employee must fulfill the requirements listed below to be eligible for Holiday pay.
 - a. Employee must have been on the payroll for at least thirty (30) calendar days.
 - b. Employee must report for work on the holiday if scheduled.
 - c. Employee must be on the active payroll for the last regularly scheduled day before or the first regularly scheduled day after the holiday.
 - d. Employees must work the last regularly scheduled day before or the first regularly scheduled day after the Holiday. However, if the employee is unable to report for work either the day before or the day after the holiday, they will be paid for the Holiday if their absence on either of these days is caused by illness verified by a doctor's written statement or by equivalent verification that the absence was beyond the employee's control.
 - e. Employees on Personal Leave of Absence will be ineligible for Holiday pay for holidays during their Leave of Absence.
2. **Pay for a Holiday Not Worked**
 - a. Eligible Employees will be paid a full shift (8 hours, 10 hours or 12 hours) of Holiday pay at straight time rates for Holidays that fall on a scheduled workday.
 - b. Eligible Employees on a Special Workweek Schedule will be paid eight (8) hours of Holiday pay at straight time rates for Holidays that fall on a scheduled day off.
3. **Pay for a Holiday Worked** - An eligible Employee that works on a Holiday listed in Section (A) will receive Holiday pay and double time pay for all hours worked on the Holiday.

C. Personal Holiday

Beginning January 2, 2007, through the term of this agreement, employees on the active payroll will receive one personal holiday per calendar year in addition to those listed in Article 19 Section A of this agreement. Each employee must select the day they intend to take as their holiday by December 31st of the previous calendar year. Their selection will be subject to management approval. In the event that an employee's selection must be cancelled due to work requirement, the employees' subsequent selection may not be cancelled. In the event employees select the same dates and work requirements prevent both employees from taking that date, the senior employees' request will be honored first.

The personal holiday may not be used to duplicate or pyramid the holiday pay an employee would otherwise receive for a listed holiday. Eligibility for this personal holiday shall be as indicated in Paragraph B of Article 19.

**ARTICLE 20
EMPLOYEE BENEFITS**

- A. Medical Insurance Options.** The Company will offer the following group, medical insurance options:
1. **Before January 1, 2007.** From the effective date of this Agreement through December 31, 2006, the Company will offer the same medical insurance options as described in Article 21A1 of the Parties' 2003 Collective Bargaining Agreement.
 2. **On or After January 1, 2007.** The Company will offer the following comprehensive medical and prescription drug options.
 - a. **H.M.O.;** A Health Maintenance Organization medical program
 - b. **P.O.S.;** A Point of Service medical program
- B. Dental & Vision.** The Company will offer comprehensive dental and vision insurance programs.
- C. Premium Sharing.**
1. **Before January 1, 2007.** From the effective date of this Agreement through December 31, 2006, the Parties' will continue the same premium sharing arrangement as described in Article 21A3 of the Parties 2003 Collective Bargaining Agreement.
 2. **January 1, 2007.** Effective January 1, 2007, through the term of the Agreement, the Company will assume:
 - a. Eighty-Five (85%) percent of the cost of premiums for employee and dependent coverage for the HMO and POS medical and prescription drug programs. Coverage will be effective at the end of the employee's probationary period. Employee cost for these plans will be on a pre-tax basis.
 - b. Fifty (50%) percent of the cost of premiums for employee and dependent coverage for the dental and vision care programs. Coverage will be effective at the end of the employee's probationary period. Employee cost for these plans will be on a pre-tax basis.
- D.** Effective January 1, 2008 the Company may offer additional health Insurance options to Employees at equivalent rates. The company will meet with the Union in advance to discuss any options that may be offered.
- E. Terminated Employees.** All Group Health Insurances for terminated employees will stop on the last day worked. Participants have the option of continuing eligible benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). All premiums and administration fees shall be paid entirely by the participant.

II. **Retirement Plan Options.** Effective October 2, 2006, the Company will offer the following group retirement programs:

A. **Learjet Pension Plan.** The Company will offer employees participation in the Retirement Plan for Employees of Learjet Inc. and Its Affiliates (Learjet Pension Plan). Past and future retirement benefits, per year of credited service, for all active employees will be offered on the following schedule:

- January 1, 2007 - \$44.00

1. **Retiree Health Insurance.** The Company agrees to provide group health insurance during the term of this agreement for all retirees retiring from an active status and their spouses/dependents at group insurance rates. Effective January 1, 1994 health care for early retirees hired after January 1, 1994 will be discontinued. Retirees who are age 62 and have completed a minimum of ten (10) years of credited service in the retirement plan and were hired before January 1, 1994 and retire after June 1, 1994 who are not yet eligible for Medicare will pay five (5%) percent of the premium until age sixty-five (65). Retirees with a hire date prior to February 1, 2001 and who are over age 65 will continue to have their premiums paid to a maximum of \$75.00 per month. Employees hired after February 1, 2001 will be ineligible for retiree health care coverage. When group insurance coverage is secondary to other medical coverage, group insurance will pay that portion of the balance of the claim to the amount group insurance would normally cover.
2. **Credited Service.** Credited service will be granted for all employees who have one (1) year of Company service and have reached a minimum age of 21 years.
3. **Age 62.** No actuarial reduction will be applied to any employee who attains age 62 with ten (10) years of credited service.

B. **Learjet 401(k) Plan.** Employees are eligible to participate in the Learjet Inc. Tax-Deferred Savings Plan for Represented Employees (Learjet 401(k) Plan) at the beginning of the month following the completion of their probationary period. The Company will pay administrative fees, including trustee and record keeping fees. Effective February 1, 2001 all employees currently enrolled into 401(k) savings plan will receive a company match in the amount of fifty (50) cents for every dollar the employee contributes to the plan up to six percent (6%) of the employee's gross pay.

III. **Additional Benefit Programs.** The Company will offer the following benefit programs:

A. **Bombardier Stock Purchase Plan.** The Company will offer the Bombardier Stock Purchase Plan to eligible employees. The Plan Prospectus controls the terms and conditions of the offering.

B. **Life & Accidental Death & Dismemberment Insurance.** The Company will provide fully paid term life insurance for an employee in the amount of \$20,000.00. Accidental Death and Dismemberment insurance will also be provided in the amount of \$20,000.00. Effective February 1, 2001, the covered amount will be increased to \$30,000 for Life insurance and for Accidental Death and Dismemberment insurance. Dependent Life will be provided according to the following schedule:

Spouse	\$2,000.00
Child Age 14 days to 6 months	\$1,000.00
Child 6 months to 23 years	\$2,000.00

At age 65, the coverage is reduced 35%, rounded to the next higher \$1,000.00. Employees may purchase an additional \$10,000.00 in voluntary supplemental term life insurance.

Employees are eligible to convert their covered life insurance to an individual policy upon termination and/or retirement. The employee pays all premiums.

C. Temporary Disability Program. The Company will provide a temporary disability program for up to thirteen (13) weeks in the amount of \$350 per week.

D. U. S. Savings Bond Program. The Company agrees to continue participation in the United States Savings Bond program, whereby employees may regularly purchase savings bonds through payroll deductions.

IV. Legislation. If, during the term of this Agreement, legislation is enacted by the State or Federal Government which significantly affects our Group Insurance or Retirement Plans; the Company and Union agree to meet and take whatever action is necessary to avoid duplication of coverage.

V. Summary Plan Descriptions. Complete details of the Group Insurance are available in the summary plan descriptions distributed to all employees.

ARTICLE 21 LEAVES OF ABSENCE

A. PERSONAL:

Where a justifiable reason exists and where the requirement of service will permit, an employee will, upon proper request and approval in advance be granted a Personal Leave of Absence in writing for a period not to exceed ninety (90) days.

1. Subject leave may be extended for periods not to exceed thirty (30) days upon application in writing to the Company and obtaining written approval.
2. In the event of emergency, the employee must notify Personnel to obtain after-the-fact approval for the leave.
3. The Company will comply with the provisions of the Family Medical Leave Act.

B. UNION:

Employees elected or appointed to fill full-time positions as Union Representatives will upon written request, be granted a Leave of Absence for the duration of their terms.

C. MEDICAL:

Employees who are unavoidably absent due to illness or physical disability may be granted a Medical Leave of Absence for a period not to exceed one hundred twenty (120) days. If the disability continues beyond one hundred twenty (120) days, the employee will be placed on an extended Leave of Absence effective their last day worked with the understanding that if they are subsequently granted written approval by their own physician and the Company physician to return, and further provided they have the necessary seniority, they shall be returned to their

former classification or one of equal pay. This provision will not extend beyond a period equal to their seniority, not to exceed one (1) year.

1. An employee who engages in gainful employment while on Medical Leave of Absence without prior written approval from the Company shall be subject to termination.

D. Failure to report at the end of a Leave of Absence will be considered voluntary termination.

ARTICLE 22 ATTENDANCE

Section 1 – Tracking Period - Effective January 2, 2001 the terms of this article will apply. Upon completion of the probationary period, attendance will be tracked and monitored over a rolling one-hundred-eighty (180) day period, extended by all Leaves of Absence and layoffs. It is expected that employees will not miss work above and beyond their vacation and Authorized Time Off (ATO), excluding approved leaves of absence and jury duty. It is further expected that employees will be in their designated work areas and ready to work prior to the start of their shift.

Section 2. Call in Requirements. In the event that an employee is not going to attend work, they are expected to call in no later than one hour after the start of shift. Employees are required to call in to their direct supervisor. In the event that the employee cannot reach their supervisor, they need to leave a message on their supervisors voice mail. At that time, an employee can request ATO or utilize emergency vacation. In the event of an emergency, employees are required to contact their direct Supervisor immediately, after the emergency is reasonably mediated and no longer requires their undivided attention. An emergency is defined as an unforeseen situation or crisis requiring immediate attention (i.e. – car accident while in route to work, medical emergency requiring immediate treatment by a physician, property damage as a result of extreme weather, etc.)

Section 3 – Authorized Time Off - ATO is accrued and earned per Article Eighteen (18) Vacation, Authorized Time Off and Severance Pay, of this agreement and its use shall be governed by the following principles:

1. In all cases, ATO is need based (i.e. – family or personal illness, vehicle problems, broken water pipes, storm damage, or severe weather and ice, etc).
2. ATO is authorized by the employee's direct Supervisor or above.
3. Once the employee reports to work, requests for ATO may be denied based on work schedule for the remainder of the shift.
4. ATO may not be taken if a vacation request was denied for the same period.
5. ATO may not be taken to avoid a work assignment or to walk off the job.
6. Employees who contact (voicemail is sufficient) their direct Supervisor no later than one hour after the start of their scheduled shift and request ATO will be granted ATO.
7. ATO will be paid for a minimum of thirty (30) minutes and in six (6) minute increments thereafter.
8. The Company and the Union have the latitude to intervene where abuse is evident.

Section 4 – Point Assessments - In the event that an employee is not in the work area at the start of the shift (regular or overtime hours) and misses the call in time or has no ATO available, the following points shall be assessed:

3 points -Absent (No Call/ No Show) – A full day unpaid absence with no phone call from the employee to their direct Supervisor no later than one hour after the start of their shift.

2 points - Absence – Any unpaid time of four (4) consecutive hours or greater.-

1 point - Tardy – Any unpaid time of less than four (4) consecutive hours. A tardy is defined by any amount of time the employee:

- arrives late to work
- leaves early for lunch
- returns late from lunch
- leaves prior to the end of shift

No points will be allocated for time covered by an approved leave of absence.

Section 5 – Progressive Discipline Process - When the employee accrues points the following progressive discipline process will apply:

Step 1 Six (6) points assessed in a rolling one-hundred-eighty (180) calendar day period, extended by all Leaves of Absence and layoffs; results in a counseling session with the employee, their Supervisor, Human Resources, and the respective Union Steward. (A notation will be made to the employee's attendance record.)

Step 2 Nine (9) points assessed in a rolling one-hundred-eighty (180) calendar day period, extended by all Leaves of Absence and layoffs, results in a written disciplinary action.

Step 3 Twelve (12) points assessed in a rolling one-hundred-eighty (180) calendar day period, extended by all Leaves of Absence and layoffs, results in disciplinary action of 3 days off without pay.

Step 4 Thirteen (13) points assessed in a rolling one-hundred-eighty (180) calendar day period, extended by all Leaves of Absence and layoffs, results in termination of employment subject to review by the Employment Security Review Board.

Three (3) active disciplinary actions for excessive absenteeism will also result in termination of employment subject to review by the Employment Security Review Board. For disciplinary purposes, absenteeism is all-inclusive and covers absences, tardies and missed overtime. Absent three (3) consecutive days without the employee reporting to their direct Supervisor will result in termination of employment subject to review by the Employment Security Review Board. Supervisors have five (5) working days from the date of the last infraction to conduct the counseling session or with the assistance of Human Resources, issue the disciplinary action. Failure to do so will result in the most recent attendance infraction becoming null and void (i.e. – as if it never happened).

Section 6 – Expungement In the event that an employee goes six consecutive months without accruing a disciplinary action for attendance, they may request the most recent disciplinary action be removed from their file. Requests for expungement should be made to the Human Resources Department. Additional requests for expungement can not be made until such time that the employee has gone an additional six consecutive months without accruing a disciplinary action for attendance.

**ARTICLE 23
TRAINERS**

The company reserves the right to move skilled and experienced workers to alternate shifts on a temporary basis for purposes of training less experienced employees subject to the following principles:

1. Moving to an alternative shift as a "trainer" is voluntary.
2. The company will make it known to all employees in the area the number of trainers needed and the expected duration of the assignment, not to exceed ninety (90) days.
3. The Supervisor and the Shop Steward will discuss and come to an agreement on which of the volunteers are the best qualified for the job.
4. The trainers will be expected to complete the full term of the assignment. However, extenuating circumstances may be dealt with on an individual basis by the Supervisor and the Shop Steward.
5. The company reserves the right to shorten the length of the assignment based on business needs. However, the company agrees to at least 48 hours advance notice before doing so.
6. When an employee is fully occupied as a trainer for a full shift he shall receive a \$1.00 per hour premium for the entire shift and any applicable shift differential.
7. The pool of acceptable candidates shall consist of retirees, employees with medical limitations and/or out on medical leave of absence, and current employees.

**ARTICLE 24
JURY DUTY AND MILITARY DIFFERENTIAL PAY**

- A. The Company will grant differential pay to employees required to serve on a Jury.
- B. The Company will grant differential pay to employees who are in the National Guard or the Organized Reserve of the Military Forces and who are called for temporary duty for training purposes. Maximum military differential pay will be ten working days during any calendar year.
- C. Requests must be turned into Payroll within 30 days of the employee's return.

**ARTICLE 25
MILITARY SERVICE**

- A. If during the term of this Agreement an employee is called into active service or in time of emergency volunteers in the Armed Forces of the United States and is called for active duty, he will be given a Leave of Absence without pay.
- B. The Universal Military Training and Service Act (P.L. 86-632), as amended, and subsequent amendments and regulations of the Selective Service System will govern reinstatement of former employees who have been on Military Leave of Absence.

**ARTICLE 26
BULLETIN BOARDS**

The Company shall supply on its premises and in prominent places up to ten (10) bulletin boards and access to Bombardier Television BTV for the use of the Union. The purpose of the Bulletin Boards and access to BTV is for posting Union notices related to regular Union business. The Union agrees to sign all its notices and present them to Human Resources for approval. Such notices shall not be political or partisan in nature and shall not defame the Employer or any individual employed by the Company. While not limited to the following, notices shall be such as:

1. Notices of Union elections.
2. Notices of Union appointments and results of Union elections.
3. Notice of Union meetings and scheduled events.

**ARTICLE 27
OCCUPATIONAL SAFETY AND HEALTH**

The Company agrees to maintain a joint labor management safety and health committee that shall be composed of three representatives of management and three representatives of the Union. The Union representatives shall be selected by the local Union. The committee shall:

1. Meet at least monthly on definite established dates.
2. Make periodic inspections of the plant at least monthly.
3. Make recommendations for the correction of unsafe or harmful conditions and the elimination of unsafe or harmful work practices.
4. Promote safety and health education among employees. The Company agrees to provide progress reports on recommended changes for safety reasons with commitments of the expected completion of safety and health matters brought to the attention of the Company.

**ARTICLE 28
SABOTAGE, SECURITY AND
DAMAGE TO COMPANY PROPERTY**

- A. The Union agrees to report to the Company any acts of sabotage or damage to the property of the Company, government, customer, other person, or employee.
- B. Nothing contained in this Agreement shall in any way limit the right of the Company to discharge any employee in order to comply with its obligation to the government under any security agreement, under any security provision of its government contracts, or under any law, regulation, or direction of the government. The Company will notify the Union prior to or immediately following such a discharge and, if permitted, will disclose to the Union the reason or basis for its action.

**ARTICLE 29
GOVERNMENT REGULATIONS**

The Company and the Union mutually agree that if any law or regulation of the State of Kansas or the United States Government conflicts with the terms of this Agreement, the terms of this Agreement shall be amended automatically to conform to said law or regulation.

**ARTICLE 30
PAYROLL DEDUCTIONS**

- A.** For the convenience of the Union and employees who are members of the Union, the Company agrees to deduct the initiation fee and the regular monthly Union dues from the pay of employees who authorize such deductions as provided for herein.
- B.** An employee who desires the Union dues to be deducted from his pay shall submit to the Company a fully executed authorization card, as approved by the parties, signed by the employee from whose wages deductions are to be made as provided for herein.
1. The Company will furnish the Plant Chairman a monthly list of those employees who have furnished written notice to the Company, revoking their dues deduction authorization.
 2. It is agreed the employees who have current signed wage assignment cards will continue under the withdrawal period specified on their individual card. In the event of withdrawal, a new wage assignment card will be required, and they will be governed by the terms and conditions of that wage assignment card.
- C.** Contributions to Guide Dogs of America
1. Upon receipt by the Company of a signed voluntary authorization by an employee, on a form approved by the Company, requesting that there be deductions made from his wages, in a monthly amount designated by the employee, such deductions to be forwarded to the Union for use by Guide Dogs of America, the Company will thereafter make such deductions and forward them to Guide Dogs of America, care of the Union. Such authorization will remain in effect for the duration of this Agreement, unless earlier canceled in writing by the employee.
- D.** Weekly deductions shall be made equal to one fourth of the accrued regular monthly Union dues of each employee in the bargaining unit, for whom the above authorization has been received, beginning with the pay for the first full pay period beginning in each month following the month in which an employee's authorization is received, provided that sufficient earnings remain to cover Union dues after deductions required by law have been made. Deductions shall continue in like manner thereafter, unless cancelled in writing.
1. Deductions shall be remitted to the Union by the fifth of the following month. The Company shall furnish the Union with a list of those for whom deductions were made.
 2. Upon transition to a bi-weekly payroll, deductions shall be made from the first two (2) paychecks of each calendar month equal to one twenty-fourth of the accrued regular annual Union dues of each employee in the bargaining unit, for whom the above authorization has been received, beginning with the pay for the first full pay period beginning in each month following the month in which an employee's authorization is received, provided that sufficient earnings remain to cover Union dues after deductions

required by law have been made. Deductions shall continue in like manner thereafter, unless cancelled in writing.

E. Machinist Non-Partisan Political League (MNPL)

1. Upon receipt of a signed authorization card of the employee by the Company at least fifteen (15) full days prior to the beginning of the pay period from which any deduction is to be made, the company shall deduct from the employee's pay the amount the employee authorized in one dollar (\$1.00) increments to be paid to the Treasurer of the Machinist Non-Partisan Political League (MNPL).
2. Deductions shall be made on account of MNPL authorizations from the second paycheck of the employee in each month.
3. Deductions shall be remitted to the Union by the fifth of the following month. The Company shall furnish the Union with a list of those for whom deductions were made.
4. The employee may cancel the above authorization by providing written notification of at least fifteen (15) full days to the Company

F. It is agreed that the Company will delete any reference to an employee's wage assignment on the personnel register distributed to the production areas and that the information will be available only to the Personnel Department and Plant Chairman on the Union Seniority Register.

G. The Union agrees to indemnify and save the Company harmless against any and all claims, demands, suits or other forms of liability that shall arise out of or by reasons of action taken or not taken by the Company in reliance upon the authorizations and cancellations herein referred to or for the purpose of complying with the provisions of this Article.

**ARTICLE 31
STRIKES AND LOCKOUTS**

A. There shall be no slowdowns, picketing, boycotts, cessation of work, strikes, interference with the business of the Company, or other disruptive activities by employees or the Union during the term of this Agreement, and no lockouts by the Company. Any employee violating this provision shall automatically cease to be an employee.

B. In the event that any employee or employees refuse to handle or perform any work, or handle materials or machinery or equipment because of the sources of supply or the Union affiliation or non-affiliation of the labor engaged in such work, the Union agrees that it will through its good offices, promptly notify such employee or employees that this is a violation of this Agreement. Any employee or employees who engage in such action may.

**ARTICLE 32
NEW TECHNOLOGY**

It is agreed that it is to the mutual benefit of both the Company and the Union that efficient use of new machines, processes, methods, and/or materials will allow the Company to compete more efficiently in the marketplace, thereby securing jobs for employees.

In order that employees can better prepare themselves for the skill requirements of the future, and in fulfillment of its obligations to inform the Union, the Company will, not less than annually, brief the

Union of the Company's plans for the introduction of new technology which may affect the bargaining employees.

During these briefings, the Company will inform the Union of schedules for introduction, areas of skill impact and intended training programs.

The Company and Union shall establish a Training Advisory Committee. This Committee shall be composed of three representatives of the Company and three representatives of the Union. They shall consider the new technology planned and identify areas of skill which will be required in the future, develop basic and specialized skill training outlines and material, and follow-up on training conducted to determine future modifications. The Training Advisory Committee will also have responsibility for:

- A. Reviewing and making recommendations regarding training delivery systems (e.g., technical schools, community colleges, home study programs, etc.) Available to be used by the company.
- B. Evaluating the effectiveness of such training programs and courses and the delivery systems utilized.
- C. Developing a program to inform active and laid off employees about the availability and purpose of the new training program, and encouraging employees to participate in and successfully complete the available training and;
- D. Investigating the availability of state and federal funds which could be used to augment the training effort.
- E. Senior bargaining unit employees affected by the new technology will be given preference for any new available training.

The Union and the Company will each be responsible for the respective costs and expenses of their representatives' participation on the Training Advisory Committee and will share equally in the joint costs and expenses incurred by the Committee. The members of the Training Advisory Committee may attend the annual briefings on new technology.

After receiving the recommendations of the Training Advisory Committee, the Company, to the extent feasible, will establish a formal training program. All training costs and materials will be the responsibility of the Company.

ARTICLE 33 DURATION

- A. This Agreement shall become effective October 23, 2006, and shall remain in force and effect to 12:01 a.m. on October 5, 2009.
- B. The terms and conditions of the Agreement may be amended by mutual consent of the parties. In the event written notice to the contrary is not given by either party to the other party prior to sixty (60) days before October 5, 2009, the Agreement shall automatically continue in full force and effect for one year and will be extended in a like manner for each succeeding year thereafter.
- C. This Agreement was accepted by the membership on October 23, 2006, and signed October 23, 2006.

**International Association of Machinists
and Aerospace Workers**

Learjet, Inc.

Ron Eldridge
Aerospace Coordinator

Justin Welner
Director Human Resources

Steve Rooney
Directing Business Representative

Joan Schuttler
Director Human Resources

Mark Love
Business Representative

John F. McChesney
Labor Relations Specialist

Terry Carrington
Business Representative

Chris Resser
Sr. HRBP

Pat Holliday
Plant Chair

Mike Mitchell
Manager Material Logistics

Greg Harper
Union Negotiation Team Member

David Schoonover
General Supervisor

Kenny Head
Union Negotiation Team Member

Ken Lewellen
Union Negotiation Team Member

Michael Steele
Union Negotiation Team Member

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is intended to clarify what constitutes an "emergency" that is identified within the Voluntary Sunday /Seventh Day language of Article 8D9.

The definition of "emergency", as a serious situation or occurrence that happens unexpectedly and demands immediate action, is limited to the following areas that directly affect customer commitments:

1. Flight & Delivery, and
2. Aircraft Services

In all situations, the determination of an "emergency" must be made by the Department Director or higher and will be discussed with the Plant Chair in advance of employees being required to work on a Sunday or 7th day. Prior to doing so, every effort will be made to solicit volunteers.

MEMORANDUM OF UNDERSTANDING OVERTIME

The Union and Company recognizes that the success of the business is vital to all concerned. This requires that the Union, the Company and Employees work together to reduce unpaid absences. The Parties have agreed to work together in creating an action plan for significantly reducing unpaid absences. The Parties have further agreed that if the desired results are not achieved and the Company experiences more than 18,000 hours of unpaid absences in any calendar year beginning 2007 the following overtime rules will replace all of Article 8 for the balance of the contract:

A. Common Principles. The following principles are applied to Traditional and Special Workweek Schedules:

1. For purposes of calculating overtime the following will be considered as hours worked:
 - a. Vacation,
 - b. Paid Bereavement,
 - c. Jury Duty,
 - d. Holidays,
 - e. ATO,
 - f. Military Differential (maximum of 10 working days per calendar year)
 - g. Company designated periods of no pay, no points.
2. For purposes of calculating overtime the following will not be considered as hours worked:
 - a. Any and all unpaid absences;
 - b. Any paid time off benefit sold back to the Company.
3. Additional hours of work may be scheduled on either end of an employee's normal shift times.

B. Traditional Workweek Schedule.

1. Traditional Workweek Schedule - Normal Workweek & Work Day.

For the purpose of computing overtime pay, the traditional workweek shall commence at 12:00 a.m. Monday for first shift employees, at 12:00 noon Monday for second shift employees, and at 12:00 noon Sunday for third shift employees. The workday shall consist of a twenty four (24) hour period thereafter and shall be the beginning of the seven-day period making up the week

2. Traditional Workweek - Daily Overtime.

- a. **Overtime Calculation.** Employees with an unpaid absence during their normal workweek will not earn overtime until they have worked forty (40) hours.
- b. **Daily Overtime – After 8.** All hours worked in excess of eight (8) hours in a day shall be paid for at a time and one-half provided the Employee has not had an unpaid absence during his normal workweek.

- c. **Daily Overtime – After 11.** All hours worked in excess of eleven (11) hours in a day shall be paid for at double time provided the Employee has not had an unpaid absence during his normal workweek.

3. Traditional Workweek – Weekly Overtime.

- a. **Overtime Calculation.** Employees with an unpaid absence during their normal workweek will not earn overtime until they have worked forty (40) hours.
- b. **Sixth Day.** All hours worked on the sixth day of the individual's normal workweek shall be considered overtime and paid for at time and one-half provided the Employee has not had an unpaid absence during his normal workweek.
- c. **Seventh Day.** All hours worked on the seventh day of the individual's normal workweek shall be considered overtime and paid for at double time provided the Employee has not had an unpaid absence during his normal workweek.

C. Special Workweek Schedules.

1. Ten hour - four day (4x10) Schedule.

- a. **Overtime Calculation.** Employees with an unpaid absence during their normal workweek will not earn overtime until they have worked forty (40) hours.
- b. **Normal Workweek.** For the purpose of computing overtime pay, the normal workweek for the ten hour-four day (4x10) Schedule will be either Monday thru Thursday, Tuesday thru Friday or Friday thru Monday.
- c. **Daily Overtime.** All hours worked in excess of ten (10) hours in a day shall be paid for at time and one-half provided the Employee has not had an unpaid absence during his normal workweek.
- d. **Weekly Overtime.**
 - (1) **Fifth Day.** All hours worked on the fifth day of the individual's normal workweek shall be considered overtime and paid for at time and one-half provided the Employee has not had an unpaid absence during his normal workweek.
 - (2) **Sixth & Seventh Day.** All hours worked on the sixth and seventh day of the individual's normal workweek shall be considered overtime and paid for at double time provided the Employee has not had an unpaid absence during his normal workweek.

2. Twelve hour - three day (3x12) Schedule - Employees working the twelve hour-three day (3x12) special workweek will be paid forty (40) hours for thirty-four and a half (34.5) hours worked.

- a. **Overtime Calculation.** Employees with an unpaid absence during their normal workweek will not earn overtime until they have worked 34.5 hours.

- b. **Normal Workweek.** For the purpose of computing overtime pay, the normal workweek for the twelve hour-three day (3x12) schedule normal workweek will be either Friday thru Sunday or Saturday thru Monday.
 - c. **Daily Overtime.** All hours worked in excess of eleven and one half (11.5) hours in a day shall be paid for at double time provided the Employee has not had an unpaid absence during his normal workweek.
 - d. **Weekly Overtime.**
 - (1) **Fourth & Fifth Day.** All hours worked on the fourth and fifth day of the individual's normal workweek shall be considered overtime and paid for at time and one-half provided the Employee has not had an unpaid absence during his normal workweek.
 - (2) **Sixth & Seventh Day.** All hours worked on the sixth and seventh day of the individual's normal workweek shall be considered overtime and paid for at double time provided the Employee has not had an unpaid absence during his normal workweek.
- D. When two or more types of overtime or premium pay are applicable to the same hours of work, only the higher rate of pay shall be paid. In no case shall overtime or premium pay be duplicated or pyramided. A block is defined as 14 consecutive days or more of mandatory, scheduled overtime.
- E. The following procedures shall apply for the distribution of overtime.
- 1. The Company will maintain and distribute overtime within crew and shift. Crew is defined as the employees who have regularly performed the work during the major portion of the week. Each Crew shall have more than one Employee.
 - 2. Overtime shall first be distributed via soliciting volunteers. Volunteers shall be asked to work on a rotating basis with the senior most employee starting the rotation.
 - 3. When employees refuse to work, those with the least seniority will be required to work unless there is an imbalance of 40 hours or more of overtime worked. Then, the employee with the least amount of overtime worked will be required to work.
 - 4. Individuals in the same classification and department may be asked to volunteer in lieu of requiring employees who did not volunteer to work. It is further agreed that those employees within the same classification within a department or cost center shall be cross trained to the extent possible thereby enabling all employees within that department to share in the distribution of overtime.
 - 5. Qualified employees on any shift may be asked to volunteer for weekend overtime on any shift, if overtime is not available on their assigned shift. When assigning overtime, preference will be given to those employees normally assigned to the shift.
 - 6. Employees required to work overtime shall not be laid off during regularly assigned hours to equalize time. However, this shall not apply where it would prevent employees from securing rest or otherwise destroy their capability to do their work.

7. Each supervisor will maintain a record of every employee's overtime on a weekly basis. A representative of the Union will review the overtime records weekly. The Union representative will bring any equalization problems to the attention of management for resolution. The parties agree that the target goal for maintaining equalization shall be 24 hours and that when a disparity of 40 hours exists between employees in the same classification in the same work area, management shall take action to resolve the problem, should one exist.
 8. An Employee with approved vacation scheduled for either a full or half shift on a Friday cannot be mandated to work on the following Saturday or Sunday. An Employee with approved vacation scheduled for either a full or half shift on Monday cannot be mandated to work on the preceding Saturday or Sunday.
 9. Sundays in the Traditional Workweek Schedule and the 7th day of any Special Workweek Schedule will be voluntary; except:
 - a. The last two (2) Sundays of the Company's fiscal quarters; and,
 - b. See the Memorandum of Understanding Concerning Voluntary Sundays / Seventh Day and Emergencies.
 10. For purposes of weekend overtime notification, when there is a holiday surrounding the weekend, the holiday shall be considered part of the weekend. The notification shall be given no later than the regularly scheduled lunch period two days prior to the overtime period.
 11. AT least four (4) hours notice will be given in the case of overtime on a regular work day unless operational requirements arise. The Union understands, however, that emergency situations other than normal production may arise where it will be impossible to give this much notice.
 12. Weekend overtime will not be blocked together.
 13. Contract employees shall not be utilized to displace regular employees from overtime they would have otherwise worked.
 14. Employees moving from one overtime group to another shall be assigned the average number of overtime hours worked.
- F. Second and third shifts will be given overtime opportunities in relative proportion to first shift, operational requirements permitting. These provisions only apply for pre-identified blocks of mandatory, scheduled overtime where all shifts perform the same work.

**LETTER OF UNDERSTANDING
CONCERNING VACATION**

It is hereby agreed that the following timeframes shall be adhered to for employees requesting vacation:

1. Employees requesting two and one half (2 ½) days or less of vacation must submit their vacation request form to their direct Supervisor no later than the regular scheduled lunch period the day prior to the first (1st) requested day off.
 - a. Effective January 1, 2007, all vacation requests for the following day that are submitted in writing by lunch will be marked Approved or Not Approved, signed by the appropriate Supervisor and a copy given back to the Employee by the end of that shift.
 - b. Effective January 1, 2007, all vacation requests, other than those for the following day, that are submitted in writing by lunch will be marked Approved or Not Approved, signed by the appropriate Supervisor and a copy given back to the Employee by lunch the following work day.
2. Employees requesting three (3) or more days of vacation must submit their vacation request form to their direct Supervisor no later than three (3) days prior to the first (1st) requested day off.
3. Employees may request one day of emergency vacation every six (6) months (scheduled with notice less than the regular scheduled lunch the day prior).
4. The term "half shift" as used in this LOU, Article 7E4a, and Article 18C3a is defined as:
 - a. Half an eight (8) hour shift = four (4) hours;
 - b. Half a ten (10) hour shift = five (5) hours;
 - c. Half a twelve (12) hour shift = six (6) hours;
 - d. Half of third shift = Three (3) hours and fifteen (15) minutes.

**MEMORANDUM OF UNDERSTANDING
CONCERNING ARTICLE 22 - ATTENDANCE**

By mutual agreement the Parties agree to modify Section 4 of Article 22 so that it now reads:

"Section 4 – Point Assessments - In the event that an employee is not in the work area at the start of the shift (regular or overtime hours) and misses the call in time or has no ATO available, the following points shall be assessed to Employees.

3 Points	Absent (No call/No Show)
2 Points	Absence-any unpaid time equal to or greater than half the Employee's regularly scheduled shift
1 Point	Tardy-any unpaid time of less than half the Employee's regularly scheduled shift

Half an eight (8) hour shift = four (4) hours;
Half a ten (10) hour shift = five (5) hours;
Half a twelve (12) hour shift = six (6) hours;
Half of third shift = Three (3) hours and fifteen (15) minutes.

Definition of Tardies:

- arrives late to work
- leaves early for lunch
- returns late from lunch
- leaves prior to the end of shift

No points will be allocated for time covered by an approved leave of absence."

