

Ingalls Shipbuilding

A Division of Huntington Ingalls Industries

Values

Seek and Tell the Truth

Take Ownership and Be Accountable

Make and Meet Commitments

Communicate Openly and Honestly

Priorities

Safety

Quality

Cost

Schedule

Vision of Ingalls Shipbuilding:

*We will be the world's best
Military Shipbuilder*

AGREEMENT

Between

HUNTINGTON INGALLS INCORPORATED
Ingalls Shipbuilding Division
Gulfport and Pascagoula, Mississippi

and

**LOCAL UNION NO. 733 of the INTERNATIONAL
BROTHERHOOD OF ELECTRICAL WORKERS**

March 12, 2012 – March 8, 2015

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Entered into the 12th day of March 2012, Huntington Ingalls Incorporated, hereinafter referred to as the “Employer” or “Company,” for its Ingalls Shipbuilding division in Gulfport and Pascagoula, Mississippi and LOCAL UNION NO. 733 of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, hereinafter called the “Union.”

BASIC PRINCIPLES

The Employer and the Union have a common and sympathetic interest in the shipbuilding industry. The parties, jointly recognizing the highly competitive nature of the industry and the difficult problems facing it, hereby agree that the interests of both the employees and the Company will best be served by attaining maximum efficiency and productivity. Therefore, a working system and harmonious relations are necessary to improve the relationship between the Employer, the Union, and the Public. Progress in industry demands a mutuality of confidence between the Employer and the Union. All will benefit by continuous peace and by adjusting any differences by rational, common sense methods. Therefore, in consideration of the mutual premises and agreements herein contained, the parties hereto agree as follows:

ARTICLE 1 - RECOGNITION

SECTION 1. The Employer recognizes the Union as constituting a proper bargaining agency which is hereby established as the exclusive bargaining agency for all production and maintenance electrical employees of the Employer at its Pascagoula, Mississippi, shipyard as specified in the National Labor Relations Board certification of November 19, 1948 and at its Gulfport, Mississippi shipyard by mutual agreement reached on May 17, 2012. The parties hereby now agree that all the production and maintenance electrical employees at Employer’s facility in Gulfport and in Pascagoula (located on the East and West Banks of the Pascagoula River) constitute the appropriate unit for the purpose of this Agreement.

ARTICLE 2 - UNION RECOGNITION

SECTION 1. The company agrees that it will deduct union dues and/or assessments from the pay of each employee who, in writing, voluntarily authorizes the company to do so for the period thereby covered. The company will forward the total amount thus deducted to the

official designated in writing by the union to receive the same. The union representative shall furnish the company a receipt for dues and/or assessments so received. The authorization for such deductions shall be in accordance with the form noted below.

When it is desired that such deduction shall be made, the Union shall not later than the 15th day of the calendar month furnish the Company with a list, notarized or bearing the official seal of the Union, of the names of its members who have signed cards authorizing dues and/or assessments deductions accompanied by the signed card.

On or before the 15th of each succeeding month, the Union will furnish the Company any additional names and authorized cards.

CHECKOFF FORM TO HUNTINGTON INGALLS INCORPORATED

I hereby assign to Local Union No. 733, International Brotherhood of Electrical Workers, from any wages earned or to be earned by me as your employee, an equal amount to dues, initiation fees, and reinstatement fees fixed by the union in the following fashion: the sum of \$_____ in succeeding calendar weeks beginning with the next week following hereof until such weekly deduction total the sum of \$_____ and thereafter, (fill in as appropriate) _____% of my gross earnings each week and/or the sum of \$_____ monthly or such amount as may hereafter be established by the Union as dues and/or assessments in said Union. This amount shall be forwarded/transferred by electronic transfer to the General Fund of IBEW Local Union 733 and a receipt acknowledging such transfer will also be printed and given to the Union.

This authorization is voluntarily made in order to pay my fair share of the Unions cost representing me for the purposes of membership, collective bargaining and any other items which may fall into the day to day operation of the local union, and this authorization is not conditioned upon my present or future membership in the Union. In addition, this authorization is made with specific understanding that it is not a condition of employment with my employer.

This assignment, authorization, and direction shall become operative contemporaneously with the effective date of the new Collective Bargaining Agreement between the Company and the Union, IBEW Local 733. This assignment, authorization, and direction shall be irrevocable for the period of one (1) year, or until the termination of the said new collective Agreement between the Company and the Union, whichever occurs sooner; without regard to whether I am a Union member and I agree and direct that this assignment, authorization, and direction shall be automatically renewed and shall be irrevocable for successive periods of one (1) year each succeeding anniversary date of my signing of this authorization, unless notice is given by me by certified mail to the Company and LOCAL 733 using the postmark of said certified mail as the date of consideration for intent of being not more than twenty

(20) days and not less than Ten (10) days prior to the expiration of the anniversary date or each future Collective Bargaining Agreement between the Company and the Union, whichever occurs sooner. This authorization is made pursuant to the provisions of Section 302(c) of the Labor Management Relations Act of 1947 and otherwise

EXECUTED at _____, this the __ day of __, 20__.

Employee's Signature

Print Your Name

WITNESS:

Dues and/or assessments shall not be changed except in accordance with the provisions of the constitution and bylaws of the union, and in such event, the union shall notify the company in writing of such change.

The Union shall 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 certified lists furnished to the Company by the Union in accordance with any of the provisions of this Article.

In the event the Right to Work Act of the State of Mississippi is repealed or modified so as to permit the inclusion in this Agreement, the parties agree to negotiate with respect to inclusion of the Maintenance of membership provisions of the previous Basic Agreement dated February 19, 1953, between the parties hereto or a Union shop; such provisions shall then be included.

SECTION 2. It will not be considered a violation of this contract and the Company will take no action against any member of this Union if the Union determines that its members should not cross a picket line at the Company's facilities until the IBEW International Officers have had an opportunity to examine the facts in dispute and so decides. The Company shall be notified immediately when the Union

UNION RECOGNITION

decides on such action. Maintenance Electricians necessary to maintain the plant in a safe manner, and an Electrician for switchboard watch for those main switchboards that have met the prerequisite for lightoff, shall be permitted to work.

SECTION 3. When such action takes place, the Union or its representatives shall direct the employees at work on the job to carefully put away all tools, material, equipment, and secure the property of the Employer in a safe manner. The Union will be financially responsible for any loss to the Employer for neglect in carrying out this provision, but only when a safe place is provided for these by the Employer.

SECTION 4. The Business Representative of the Union shall have access to the yard or jobs at any time when workers are employed. On such visits the Business Representative will check through the Plant Protection Office when entering and leaving.

SECTION 5. The Employer recognizes the rights of the Union to appoint a Job Steward or Stewards sufficient in number to handle grievances and will cooperate with Stewards in the performance of their official duties. This privilege shall not be abused by either the Union or the Company.

Each contract of ships is to consist of a job; therefore, on each contract when overtime is worked and eight (8) or more electrical workers are called in on work other than checkout and phase-out of complex electrical systems, there shall be at least one Steward called in to work on said hulls. In Department 23, the Shop Steward or alternate Steward called in. However, in the application of this provision, the Steward assigned the overtime shall be able to perform the work assigned to the eight (8) or more electrical workers.

If twenty (20) or more electrical workers are called in on checkout and phase-out of complex electrical systems, at least one Steward shall be called in. If the Steward is not called in, he or she will be paid report-in-pay at the applicable rate. However, in the application of this provision the Steward assigned the overtime shall be able to perform the work assigned the twenty (20) or more electrical workers.

SECTION 6. The Chief Steward shall be notified before any employee is discharged so that he may make a thorough investigation of each case.

The Chief Steward shall have the opportunity to sign all discharge slips before any electrical employee is terminated. If the Chief Steward is not readily available, the Area Steward may be utilized.

SECTION 7. Stewards shall remain on their assigned work except for the purpose of investigating and resolving grievances. The Chief Steward shall not be hindered from performing his official duties.

SECTION 8. The Union will keep the Employer supplied with a current list of Job Stewards, and the Employer will make no changes in the job assignment of any Stewards until the Union has had twenty-four (24) hours in which to appoint new Stewards for replacement.

SECTION 9. The Employer agrees to maintain bulletin boards at each shipway, outfitting dock, and shop for the posting of notices pertaining to official Union business provided that no controversial issue shall be posted.

SECTION 10.

- a) The Company agrees that when additional employees are required, the appropriate Local Union will be given forty-eight (48) hours' notice in advance so that the Union may have a reasonable opportunity to refer applicants for employment. Such notice, including the number and qualifications of employees required, shall be given by Human Resources Department. The Union agrees that it will, upon receipt of a request from the Company, refer journeymen in classifications covered by this Agreement. The Union shall immediately notify the Company when it has no applicants to refer, and the Company may then proceed to recruit from other sources without delay. This does not preclude the right of the Company to transfer between Unions.
- b) Selections of applicants for referral to jobs by the Union shall be on a nondiscriminatory basis and shall not be based on or in any way affected by union membership, bylaws, rules and regulations, constitutional provisions, or any other aspect of obligation of Union membership, policies, or requirements.
- c) The Company retains the right to reject, after normal procedures, any job applicant referred by the Union. The Company may discharge any employee for just and sufficient cause as per provisions provided in this Agreement.
- d) The Union agrees that it will not discriminate against nonunion workers in referring workers to the Company, and the Company agrees that it will not discriminate against Union workers in selecting proper applicants referred to it by the Union.
- e) A copy of this Article and Section of this Agreement shall be posted at the Employment Office of the Company and at the place where the appropriate Local Union conducts the operations of referring persons for employment under this Agreement.
- f) In considering applicants for employment, the parties agree that qualified journeymen applicants living in the proximity of the plant shall be given preference for employment wherever possible.

- g) The Company will continue its current practice of providing the Union with weekly employment reports.
- h) The Company agrees that it will keep the Union Hall supplied with sufficient copies of the Labor Agreement between the Company and the Union so that each new employee may visit the Union Hall and obtain a copy. The new employee shall be given a referral card to the Union listing the name and address of the business agent.

SECTION 11.

- (a) It is recognized that the employer has the primary responsibility to provide a safe and healthful workplace and conditions of employment.

ARTICLE 3 - NONDISCRIMINATION

SECTION 1. It is the policy of the Company and the Union that the provisions of the Collective Bargaining Agreement shall be applied to all employees without regard to race, sex, age, color, religious creed or national origin.

The Company is an equal opportunity employer and operates under employment practices established by Title VII of the 1964 Civil Rights Act as amended in 1991; Executive Order 11246 and its applicable amendments; the Age Discrimination Act of 1967; Section 503 of the Vocational Rehabilitation Act of 1973; and Section 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974 and its applicable amendments; the Americans with Disabilities Act of 1990 and its applicable amendments; and the Family Medical Leave Act.

SECTION 2. The parties agree that the Special Seniority Agreement negotiated between the Company and the Union on October 8, 1970, shall remain in full force and effect for the duration of this Agreement.

SECTION 3. Pronouns of the male gender and terms containing the word "men" or "man" are used purely for convenience. These are generic terms of long standing and are intended to include females as well as males. The Company and Union do not prefer one sex over the other in the filling of jobs or making referrals, and no such preference should be inferred or implied.

ARTICLE 4 - HOURS OF EMPLOYMENT

SECTION 1. Eight (8) hours' work between the hours of 7:00 a.m. and 3:30 p.m., with not more than one-half (½) hour for a lunch period, shall constitute a workday. Forty (40) hours within five (5) days, Monday through Friday inclusive, shall constitute a workweek. Time worked shall be computed on a six (6) minute basis. In the event it becomes necessary, there shall be two (2) or three (3) shifts set up as the regular work periods. In no event will workers be required to work any part of two (2) shifts within the same day for straight time. The starting time may be established one hour earlier during the hot weather months

provided the Union is notified and in agreement through mutual written consent in advance of such change. Employees who are assigned to the second and third shift will continue to work those established shift hours.

ARTICLE 5 - OVERTIME

SECTION 1. Work performed in excess of eight (8) hours in any workday, or work performed in excess of twelve (12) consecutive hours in any one or two workdays, or work performed outside of the regular hours or shift shall be considered as overtime. Work performed on Saturday, Sunday, or holidays, shall be considered as overtime, provided the employee has worked forty (40) regular hours in that workweek. Jury duty, military leave, vacation, holidays, rain days (when an employee is not offered work), job related injury, temporary layoff due to lack of work, death in immediate family, or minister presiding over a funeral service shall count as time worked. In considering the assignment of overtime work, the Company will not eliminate employees from consideration because they have achieved forty (40) hours straight time, nor will an employee with less than forty (40) hours be required to work weekends or holidays. Employees who fall into either category will not be penalized for turning down a weekend assignment.

SECTION 2. Overtime rates based on the employee's hourly rate including any shift premium, shall be as follows:

- (a) All work performed outside of regular workday or shift shall be paid for at the rate of one and one-half (1½) times the regular hourly rate. All work performed on Saturday and the holidays enumerated in Article VI, Section 1, shall be paid for at the rate of one and one-half (1½) times the regular hourly rate, provided the employee has worked forty (40) regular hours in that workweek.

All worked performed on Sunday shall be paid for at the rate of double time, provided the employee has worked forty (40) regular hours in that workweek.

Any employee who works more than twelve (12) hours consecutively shall be paid overtime pay at double the rate for all such consecutive hours over twelve (12).

Overtime pay shall not be duplicated. When overtime is computed and compensated for work performed in excess of the regular workday, Saturday, Sunday or a holiday, such overtime shall not be considered when computing overtime for work performed in excess of the regular workweek.

SECTION 3. Employees shall not be laid off to offset overtime worked.

SECTION 4. It shall be the policy of the Company to distribute overtime as equally as possible within reason among qualified employees. Inequities in the assignment of overtime shall be adjusted by offering appropriate available overtime to affected employees as mutually agreed between the Company and the Union. This policy shall not be administered so as to permit an employee who has completed their regular shift to continue on an overtime basis on a job which was being performed during the regular shift by another employee unless such employee is unable to work overtime. (A list of overtime to be worked shall be made available to the Chief Steward by 10:00 a.m., Friday). An employee transferred to an area after Wednesday noon shall not be eligible to work overtime the following weekend until all qualified members of the new crew have been given the opportunity to work such overtime.

SECTION 5. Employees required to work more than two (2) hours beyond quitting time or regular shift shall be allowed twenty (20) minutes on Company time to obtain a meal.

SECTION 6. When employees requiring Temporary Light Service are assigned to any hull on an overtime basis, the Temporary Light Person assigned to that hull shall also be assigned to work. If not called in, the eligible Temporary Light Person shall be paid reporting pay at the applicable hourly rate. When the number of workers is not sufficient to require full Temporary Light work, the Temporary Light Person may be assigned other work and be on call for Temporary Light Service.

ARTICLE 6 - HOLIDAYS

SECTION 1. The following days shall be considered as holidays: New Year's Day, Good Friday, Monday following Easter, Independence Day, Labor Day, Thanksgiving Day, Friday following Thanksgiving, Christmas Eve, Christmas Day, and three (3) floating holidays which will be observed as defined in the Christmas shutdown schedule.

Christmas 2012: The Company will suspend normal operations from December 21, 2012 until January 7, 2013. Employees will be paid holiday pay for December 24, 25, 26, 27, 28, 2012, and January 1, 2013. Employees will be off without pay December 31, 2012, January 2, 3, and 4, 2013.

Christmas 2013: The Company will suspend normal operations from December 20, 2013 until January 6, 2014. Employees will be paid holiday pay for December 23, 24, 25, 26, 27, 2013, and January 1, 2014. Employees will be off without pay December 30, 31, 2013, January 2, and January 3, 2014.

Christmas 2014: The Company will suspend normal operations from December 19, 2014 until January 5, 2015. Employees will be paid holiday pay for December 22, 23, 24, 25, 26, 2014, and January 1, 2015. Employees will be off without pay December 29, 30, and 31, 2014, and January 2, 2015.

SECTION 2. Each employee shall be paid for eight (8) hours at the regular basic straight time hourly rate for each of the holidays listed in Section 1 of this Article.

In order for an employee to be eligible to receive pay for any of the above noted holidays, or days observed as such, such employee must have:

- (a) Been employed by the Company thirty (30) calendar days prior to the occurrence of the holiday; and
- (b) Performed work at least five (5) hours for the Company on the last regular workday immediately preceding and at least six (6) hours the first regular workday immediately following the holiday in question on which the employee was scheduled to work by the Company unless failure to work on such day or days was due to:
 - (1) Compensable accident. (Employees receiving benefits under the "Longshoremen and Harbor Workers Act" will not be eligible for Holiday Pay).
 - (2) Absence authorized by the immediate Foreman, Department General Foreman, and Labor Relations Department (including reasonable excuses such as automobile breakdown, family emergency, etc.).
 - (3) Sickness of the employee validated by doctor's certificate; however, if an employee is off for an extended period by reason of sickness, the employee must have performed work during the pay period in which holiday occurs, or the three pay periods prior to or the three pay periods subsequent to the holiday, in order to qualify for holiday pay. Doctor's certificates shall be presented to the Company's Benefits Leave Desk on the employees return to work.
 - (4) Death in employee's immediate family, i.e., spouse, parents, step-parents, brother, sister, child/step-child, grandparents (employee's or spouse's), grandchild, mother-in-law, father-in-

law, brother-in-law, sister-in-law, son-in-law, or daughter-in-law. Documentation will be required.

- (5) Serve as pallbearer.
- (6) Birth of employee's child.
- (7) The following shift schedules will be worked on the last working day before Good Friday, Thanksgiving and Christmas:
 - First Shift..... 7:00 a.m. - 12:00 Noon
 - Second Shift.....12:30 p.m. - 5:30 p.m.
 - Third Shift..... 5:45 p.m. - 10:45 p.m.

Employees laid off due to lack of work within five (5) working days immediately preceding a designated holiday shall qualify to receive pay for such holiday.

ARTICLE 7 - SHIFTS

SECTION 1. When only one (1) shift is employed, the regular workday shall consist of eight (8) consecutive hours exclusive of a thirty (30) minute lunch period, with pay for eight (8) hours, and the regular workweek shall consist of forty (40) hours.

SECTION 2. When two (2) shifts are employed, the regular workday for the first shift shall consist of eight (8) consecutive hours exclusive of a thirty (30) minute lunch period, with pay for eight (8) hours, and the regular workweek for the first shift shall consist of forty (40) hours. The regular workday for the second shift shall consist of eight (8) consecutive hours exclusive of a thirty (30) minute lunch period, with pay for eight (8) hours, and the workweek for the second shift shall consist of forty (40) hours. A shift differential of eighty cents (80¢) per hour above the regular hourly rate shall be paid for work performed on the second shift. When two 12-hour shifts are employed, the regular workday for each shift shall consist of eleven and one-half (11½) consecutive hours exclusive of a thirty (30) minute lunch period; appropriate overtime premium shall be paid for hours over eight (8); and a shift differential of eighty cents (80¢) per hour above the regular hourly rate shall be paid for work performed on the second shift.

SECTION 3. When three (3) shifts are employed, the regular workday for the first shift shall consist of eight (8) consecutive hours exclusive of thirty (30) minute lunch period, with pay for eight (8) hours, and the regular workweek for the first shift shall consist of forty (40) hours. The regular workday for the second shift shall consist of eight (8) consecutive hours exclusive of a thirty (30) minute lunch period, with pay for eight (8) hours, and the workweek for the second shift shall consist of forty (40) hours. A shift differential of eighty cents (80¢) per hour above the regular hourly rate shall be paid for work performed on the second shift. The regular workday for the third shift shall consist of six and one-half (6½) hours, exclusive of a fifteen (15) minute lunch period with pay for eight (8) hours plus eighty cents (80¢) per shift

provided the full shift is worked, and the workweek for the third shift shall consist of thirty-two and one-half (32½) hours.

SECTION 4. In the event it is necessary to operate any portion of the work continuously, three (3) shifts of eight (8) hours each may be established. Employees assigned to such work shall work and receive pay for eight (8) hours. Since no regular lunch period is designated, lunch may be eaten as work permits. Employees working on this schedule on second shift shall receive a premium of eighty cents (80¢) per hour in addition to their regular hourly rate. Employees working on this schedule on the third shift shall receive a premium of eighty cents (80¢) per hour in addition to their regular hourly rate. This schedule for three (3) shifts shall apply only to those operations which must work continuously and not to normal production operations which, when working three (3) shifts, shall be governed by Section 3 of this Article.

The Company shall not be prevented from establishing three (3) shifts of eight (8) hours each for normal production operations as well as operations of a continuous nature. Should such shifts be necessary, they can be established by mutual consent.

SECTION 5. When two (2) 10-hour shifts are employed, the regular workday for each shift shall consist of ten-and-one-half (10½) consecutive hours, exclusive of a thirty (30) minute lunch period. Appropriate overtime premium shall be paid for hours over eight (8), and a shift differential of eighty cents (80¢) cents per hour above the regular hourly rate shall be paid for work performed on second shift.

SECTION 6. Employees assigned to work second or third shift shall not be transferred back to the first shift except at the end of the workweek. An employee transferred to another shift shall be given at least twenty-four (24) hours' notice of such transfer.

Employees desiring a shift change shall be assigned, if qualified, on the basis of seniority when openings occur, provided such employees have made their request to their Director in writing, with a copy to the Union. In application of the above provisions, it is mutually understood that, irrespective of preference, the Company may retain sufficient qualified employees on each shift as may be necessary in the interest of economy and efficiency.

ARTICLE 8 - WAGES

SECTION 1. Any employee reporting to work and being laid off, not having been notified the previous day of such layoff, shall not receive less than four (4) hours' wages in

order to gather tools and personal belongings and shall be paid off; waiting time at the regular rate shall be charged until payment is made.

Employees who have been notified and are being laid off and employees who are retiring will be paid two (2) hours to clear out.

SECTION 2. Any employee who may be laid off, resigns, or is discharged shall receive all wages due, less estimated state and federal tax deductions on the employee's demand providing the demand is made during the regularly scheduled Payroll hours.

SECTION 3. In the event new classifications are established by the Company during the term of this Agreement, the Company and the Union will negotiate on the proposed rate for the new classification. If no agreement is reached within ten (10) days, the Union shall have the right to arbitrate the appropriateness of the rate. Where this Section is in conflict with the intent of Article 17, an arbitrator may decide appropriateness of the classification and rate.

SECTION 4. When, because of the absence of a Foreman or General Foreman, an employee is required to perform temporarily the work of a Foreman or General Foreman and is required to assume the responsibility, the employee shall be paid the higher rate of pay for all hours worked on the higher rated job but if required to perform temporarily the work of another receiving a lower rate of pay, this rate will not be changed.

SECTION 5. Unless an employee is notified the previous day by the Company to report to work at another location outside the yard but within the jurisdiction of the Local Union or marine work only, the Company will compensate the employee at the regular hourly rate for time spent traveling to the job site and provide transportation. On work outside the jurisdiction of the Local Union, the Company shall furnish transportation and board, and the employee shall be compensated for the time lost traveling to and from the job.

SECTION 6. Employees hired into journeyman classifications after February 4, 1990, who do not have recall rights, will be hired at a "hire rate" which will be \$1.00 per hour below the classification rate. After 2,000 work hours, this new hire will be advanced to the "top" rate.

SECTION 7. Employees traveling on authorized company business will be reimbursed for allowable expenses incurred in accordance with provisions of applicable policies and/or procedures.

SECTION 8. Wages

	1 st Period Effective 01/09/12	2 nd Period Effective 03/11/13	3 rd Period Effective 03/10/14
Electronic Specialist - NC Maintenance	\$26.34	\$27.03	27.83
Electronic Specialist, Senior	26.34	27.03	27.83
Electronic Specialist "A"	24.05	24.68	25.41
Electronic Specialist "A" - Maintenance	24.05	24.68	25.41
Electronic Specialist "A" - Maintenance - HVAC	24.05	24.68	25.41
	24.05	24.68	25.41
Electrical Specialist "A"	24.05	24.68	25.41
Electrical Specialist "A" - Maintenance	24.05	24.68	25.41
Electronic Specialist "B"	23.30	23.90	24.60
Electronic Specialist "B" - Maintenance	23.30	23.90	24.60
	23.30	23.90	24.60
Electrical Specialist "B"	23.30	23.90	24.60
Electrical Specialist "B" - Maintenance	23.30	23.90	24.60
Electronic Technician	23.05	23.65	24.35
Electronic Technician - Maintenance	23.05	23.65	24.35
Electrical Technician	23.05	23.65	24.35
Electrical Technician - Maintenance	23.05	23.65	24.35
Launch Pontoon Tech - Electrician	23.15	23.75	24.45
Electronic Technician Combination	23.25	23.85	24.55
Electrical Technician Combination	23.25	23.85	24.55
Electrician Combination	23.10	23.70	24.40
Electrician "A"	22.90	23.50	24.20

Electrician "A" - Maintenance	22.90	23.50	24.20
Engraver	22.90	23.50	24.20
Material Scheduler – By Merit	22.90	23.50	24.20
Lead Man Technician	24.05	24.68	25.41

Employees hired in the below listed classifications between September 26, 1983, and March 8, 2015, shall be paid at the rates listed below. These rates have been adjusted to reflect a \$1.00 hire-in rate and a \$.50 recovery after 2,000 work hours.

	1 st Period Effective 01/09/12	2 nd Period Effective 03/11/13	3 rd Period Effective 03/10/14
Cableman Working Crew Chief	\$21.07	\$21.64	\$22.30
Cableman	19.43	19.96	20.57
Cableman 3rd 1000 hours	18.37	18.86	19.44
Cableman 2nd 1000 hours	16.88	17.35	17.90
Cableman 1st 1000 hours	16.01	16.46	16.98
Electrical Identification Machine Operator:			
By Merit	21.92	22.51	23.19
After 5,000 hours	21.32	21.90	22.56
After 4,000 hours	20.59	21.14	21.79
After 3,000 hours	19.43	19.95	20.56
After 2,000 hours	18.30	18.79	19.37
After 1,000 hours	16.75	17.21	17.76
First 1,000 hours	15.63	16.06	16.57
Material Man - Electrical			
By Merit	21.35	21.92	22.59
After 1 Year	20.07	20.61	21.24
2nd 6 Months	18.14	18.61	19.17
1st 6 Months	17.27	17.72	18.25
Tool Room Man	19.96	20.50	21.12

Employees hired in the below listed classifications prior to September 26, 1983, shall be paid the rates listed below:

	1 st Period Effective 01/09/12	2 nd Period Effective 03/11/13	3 rd Period Effective 03/10/14
Cableman Working Crew Chief	\$21.57	\$22.14	\$22.80
Cableman	19.93	20.46	21.07
Electrical Identification Machine Operator			
By Merit	22.42	23.01	23.69
After 5,000 Hours	21.82	22.40	23.06
Material Man			
By Merit	21.85	22.42	23.09
After 1 year	20.57	21.11	21.74
Tool Room Man	20.46	21.00	21.62

Employees hired into the Electrical Journeyman candidate classification shall be paid the rates listed below:

	1 st Period Effective 01/09/12	2 nd Period Effective 03/11/13	3 rd Period Effective 03/10/14
1st 1,000 hours	\$19.40	\$20.00	20.70
2nd 1,000 hours	19.90	20.50	21.20
3rd 1,000 hours	20.40	21.00	21.70
4th 1,000 hours	20.90	21.50	22.20
5th 1,000 hours	21.40	22.00	22.70
6th 1,000 hours	21.90	22.50	23.20
Journeyman Candidate	22.40	23.00	23.70

Applicants accepted for the Regular Apprentice Program shall be paid the rates listed below:

Regular Apprentice Rates

Step		1 st	2 nd	3 rd
		Period Effective 01/09/12	Period Effective 03/11/13	Period Effective 03/10/14
1	a.	\$17.40	\$17.86	\$18.39
	b.	17.75	18.21	18.76
2	a.	18.09	18.57	19.12
	b.	18.43	18.92	19.48
3	a.	18.78	19.27	19.84
	b.	19.12	19.62	20.21
4	a.	19.47	19.98	20.57
	b.	19.81	20.33	20.93
5	a.	20.15	20.68	21.30
	b.	20.50	21.03	21.66
6	a.	20.84	21.39	22.02
	b.	21.18	21.74	22.39
7	a.	21.53	22.09	22.75
	b.	21.87	22.44	23.11
8	a.	22.21	22.80	23.47
	b.	22.56	23.15	23.84

COST OF LIVING ADJUSTMENT

This contract provides the potential for a lump sum Cost of Living Adjustment (COLA) in February 2013 and February 2014 based on changes in the Annual Consumer Price Index for Urban Wage Earners and Clerical Workers for the South Region, All Items (CPI-W). A COLA will be calculated as follows:

February 2013 COLA

The percentage change from 2011 to 2012 in the Annual CPI-W will be multiplied by the journeyman rate in effect in the first year of the contract (\$22.90/hr) to calculate the CPI Prescribed Wage Increase for year 2 of the CBA (rounded to the nearest 1¢). To the extent the CPI Prescribed Wage Increase exceeds the contract wage increase for year 2 (60¢), each employee will be paid the difference for all hours paid for pay periods in 2012 as a lump sum. Payment will be made in the 1st pay period of February 2013. Employees earning less than the journeyman rate will be paid a proportionate increase.

February 2014 COLA

The percentage change from 2012 to 2013 in the Annual CPI-W will be multiplied by the journeyman rate in effect in the 2nd year of the contract (\$23.50/hr) to calculate the CPI Prescribed Wage Increase for

year 3 of the CBA (rounded to the nearest 1¢). To the extent the CPI Prescribed Wage Increase exceeds the contract wage increase for year 3 (60¢), each employee will be paid the difference for all hours paid for pay periods in 2013 as a lump sum. Payment will be made in the 1st pay period of February 2014. Employees earning less than the journeyman rate will be paid a proportionate increase.

February 2015 COLA

The percentage change from 2013 to 2014 in the Annual CPI-W will be multiplied by the journeyman rate in effect in the 3rd year of the contract (\$24.20/hr) to calculate the CPI Prescribed Wage Increase for year 3 of the CBA (rounded to the nearest 1¢), and includes a 20¢/hr cap. To the extent the CPI Prescribed Wage Increase exceeds the contract wage increase for year 3 (70¢), each employee will be paid the difference for all hours paid for pay periods in 2014 as a lump sum. Payment will be made in the 1st pay period of February 2015. Employees earning less than the journeyman rate will be paid a proportionate increase.

ARTICLE 9 - SAFETY AND HEALTH

SECTION 1. Adequate first aid services will be provided and an ambulance driver shall be available during all working shifts.

SECTION 2. All toilets and washrooms shall be kept in a clean and sanitary condition. The facilities shall be in convenient locations in accordance with current and applicable OSHA standards and regulations.

SECTION 3. The Company will maintain and attempt to improve present facilities for employees to change their clothes and eat their lunches. If at all practicable, canteen service to provide hot meals will be maintained.

SECTION 4. Properly cooled drinking water will be furnished all employees at all hours.

SECTION 5. All scaffolding shall be erected by journeyman carpenters, and any welding required in connection therewith shall be performed by certified welders.

SECTION 6. An employee injured on the job and having to leave the job or being detained in the Plant Hospital, on the orders of the Plant Medical Department, shall be paid for the full eight (8) hour shift on the day of injury, including applicable premiums if any. In the event an employee, while on the job, is fatally injured or injured seriously enough to require hospitalization, the Company will notify the Chief Steward and/or the Union Hall immediately.

SECTION 7. Management shall be responsible to see that ventilation, scaffolding, and lighting are provided where required before assigning employees to an area and for seeing that

equipment is in good repair and is available for employees using same.

SECTION 8. In the event an employee feels that he or she is required to work under hazardous or unsafe conditions, the employee shall immediately call the matter to the attention of their Foreman. If not resolved, then the area steward shall be notified. If the Foreman and the area steward cannot resolve the matter, the Safety Department shall rule on the matter and the party shall be bound to its ruling.

SECTION 9. Whenever a change occurs or a new safety regulation is put into effect, copies of such change or new regulation shall be sent by Labor Relations to the Business Representative of the Union.

SECTION 10. When required to handle energized circuits two (2) or more Journeymen shall work together. This shall not apply to plug-in devices of 120 volts or less. Journeymen required to work switchboards or other hazardous locations while wires are energized are to be furnished rubber gloves, protectors, rubber blankets, and eels where necessary.

SECTION 11. When switchboards are energized, a qualified electrician shall be assigned to each engine room switchboard and will not perform any other type of work that will interfere with the assignment as a switchboard operator when the board is energized.

SECTION 12. A three (3) member Safety Committee will be established along with an equal number of management representatives designated by the Plant Safety Director. The representatives in both cases shall be drawn from various areas of the facility to ensure more complete coverage of the subject. This committee will meet on a periodic basis (at least monthly) for the purpose of reviewing plant safety problems, procedures, and program and formulating recommendations for improvements for presentation to management.

SECTION 13. Employees will be required to perform cleaning duties incidental to their jobs for safety, housekeeping, and orderliness. This is to be interpreted to mean that each craft will be expected to pick up scrap material, etc., resulting from their own activities and laborers will be expected to perform general yard-wide cleaning and sweeping duties.

SECTION 14. Employees shall be furnished with blowers or other means of ventilation where needed. Respirators shall be furnished and required to be used when welding galvanized materials.

SECTION 15. Employees working batteries and other acid or chemical conditions will be furnished protective clothing. Any employee required to work on all "dirty work" will be furnished boots and coveralls upon requisition signed by his Foreman to perform such work.

ARTICLE 10 - REPORTING AND CALL-IN PAY

SECTION 1. An employee who properly reports for work on any day, and who reports in condition for work, but is not put to work, shall receive three (3) hours' pay computed as if he or she had actually worked the full three (3) hours on that day, with the following exceptions:

- (a) If an employee cannot perform the regular duties due to bad weather, power failure, breakdown of machinery or other reason beyond the control of the Company, such employee may be assigned to other work within the jurisdiction and work the full shift. Employees who refuse such assignment shall not receive any pay for that day.
- (b) Employees who are sent home for reasons outlined in (a) above without being assigned to other work shall remain available and be paid for two (2) hours while waiting to see if the conditions clear up.

SECTION 2. An employee who properly reports to work and is put to work shall receive not less than four (4) hours' pay (computed as if he or she had actually worked the full four (4) hours on that day), with the following exceptions:

- (a) If laid off by reason of bad weather, power failure, breakdown of machinery or other cause beyond the control of the Company, the employee shall receive pay for time worked, but not less than two (2) hours.
- (b) If the employee voluntarily quits or is discharged, he or she shall receive pay only for time worked.

SECTION 3. Employees who are called in and report for work outside their regularly scheduled shift shall be paid a minimum of four (4) hours' pay at the applicable rate; but this shall not apply to overtime hours worked immediately before an employee's regular shift which shall be paid for at the applicable rate for time actually worked. Call-in pay does not apply to scheduled overtime which is governed by sections 1 and 2 of this article.

SECTION 4. Employees who have received either three (3) or four (4) hours' pay in accordance with the provisions of Section 1 or Section 2 of this article and are later called back during their regular shift, shall receive not less than a total of eight (8) hours' pay per shift computed as if they had actually worked the full shift.

SECTION 5. In the case of premium days, premium rates shall be paid.

SECTION 6. An employee ordered to report to work prior to the regular starting time of shift shall be paid the applicable premium rate for all hours worked but in no event less than one (1) hour's pay at the applicable premium rate.

SECTION 7. An employee required to work overtime past the regular quitting time of the shift shall be paid the applicable premium rate for all hours worked but in no event less than one (1) hour's pay at the applicable premium rate.

SECTION 8. Should it become necessary in the judgment of the Company to suspend operations because of threatened or actual danger to life, health, or property, whether by act of God or man, the Company shall give as much notice as possible but not less than one hour's notice of such suspension by radio and television or other communication methods available. Where no such notice has been given, employees who thereafter report and make themselves available for work will be allowed to clock in, and are eligible for call-in pay or work assignment.

If for reasons beyond the control of the Company, it is not possible to give one hour's notice of such work suspension, any employee who reports for work shall be entitled to call-in pay, provided such employee is available for such work as may be required by the emergency, taking into account the employee's work capabilities.

ARTICLE 11 - VACATION

SECTION 1. Employees covered by this Agreement shall become eligible for vacation with pay on their vacation eligibility date, provided their Company seniority has not been broken and provided they have worked at least twelve hundred (1,200) hours. Vacation eligibility shall be as follows. Effective June 7, 1999, each employee will receive one (1) additional day (8.0 hours) of vacation each year as that employee's personal floating holiday. This extra vacation day will be credited each year on the employee's vacation anniversary date.

- (a) One year seniority: Fifty-six (56) hours.
- (b) Two years seniority: Sixty-four (64) hours.
- (c) Three years seniority: Seventy-two (72) hours.
- (d) Four to ten years seniority: Eighty-eight (88) hours.
- (e) Ten to twelve years seniority: One hundred eight (108) hours.
- (f) Twelve to fifteen years seniority: One hundred and twenty-eight (128) hours.
- (g) Fifteen years or more seniority: One hundred and sixty-eight (168) hours.

SECTION 2. Seniority for computing vacations shall be broken by the conditions specified in Article 12 - SENIORITY - as causing an employee to lose seniority privileges.

SECTION 3. In computing the twelve hundred (1,200) hours worked, credit will be given for:

- (a) All time lost as a result of accident sustained while at work, but in no event to exceed six hundred (600) hours.
- (b) Time lost due to personal illness of the employee and attested to by evidence acceptable to the Company's Benefits Leave Desk, but not to exceed two hundred and forty (240) hours.

All hours worked shall apply toward accrued vacation.

SECTION 4. The employee's vacation eligibility date shall be the yearly anniversary of their Company seniority date, or such other

vacation eligibility date held as of the effective date of this Agreement. There shall be no further adjustment of vacation eligibility dates.

SECTION 5. Vacations are not cumulative, and must be taken in units of not less than one (1) week within the 12-month period following the eligibility date. Vacations shall be requested one (1) month in advance. Vacations scheduled in advance shall not be cancelled within the two weeks prior to the start of the vacation. In the case of partial days of vacation, the employee may take the full day off or work the full day, and in either case, receive the partial day's pay. Senior employees shall have preference in the selection of vacation periods. In the case of split vacations, senior employees shall have preference in the selection of only one vacation period. Employees who request vacation in accordance with this section, and request vacation pay in advance, shall receive their vacation pay on the payday prior to the beginning of their vacation.

Effective February 4, 1990, employees will be allowed to take two (2) weeks of their vacation in one-day increments. One-day vacations must be scheduled one week in advance and approved by management. No call-in vacation will be allowed. One day vacation shall not be paid in advance.

Effective April 5, 2007, employees will be allowed to take up to 24 hours annually of vacation in two (2) hour increments, not to exceed four (4) hours in any one day. Incremental vacation must be scheduled in advance.

An employee may, at his option, take all of his vacation at one time.

SECTION 6. Employees who work less than twelve hundred (1,200) hours during the year preceding their vacation eligibility shall be eligible for a proportionate part vacation under the following conditions:

- (a) Proportionate part vacation shall be paid to eligible employees under the following circumstances:
 - (1) When an employee is laid off or resigns and requests their proportionate part. Discharged employees are eligible provided they worked a minimum of 1,800 hours.
 - (2) On the employee's vacation eligibility date, who has not qualified for a full vacation by reason of failure to work twelve hundred (1,200) hours and who has not been paid a proportionate part during the preceding twelve (12) months; provided the employee is on the active payroll,

is laid off or on leave of absence status on their vacation eligibility date.

- (b) Proportionate part vacation shall be determined on the basis of the following minimum requirement of hours worked:
 - 600 Hours..... 1/2 Vacation
 - 700 Hours..... 7/12 Vacation
 - 800 Hours..... 2/3 Vacation
 - 900 Hours..... 3/4 Vacation
 - 1,000 Hours..... 5/6 Vacation
 - 1,100 Hours..... 11/12 Vacation
- (c) Vacation to be paid shall be determined by comparing the employee's qualifying hours with the minimum requirements outlined above and paying that proportion for which the hours meet the requirements.
- (d) For the purpose of this Section, "hours worked" shall include actual hours worked, vacation and holidays, and shall also include credit as provided in Section 3 above.
- (e) Employees who have worked a total of twelve hundred (1,200) hours or more shall on their vacation eligibility date receive full vacation credit provided they have not been paid a proportionate part during the preceding twelve (12) months.

SECTION 7. Employees who have earned vacations in their previous vacation year and resign or are discharged prior to taking such vacation shall receive payment in lieu of such vacation. Such payment shall be made as soon as practicable following resignation.

SECTION 8. Employees who qualify for vacations under Sections 1, 6, and 7 shall be paid at their regular straight time rate they are receiving on the date said vacation is taken.

SECTION 9. In the event of the death of an employee who has earned full vacation or proportionate part as outlined in Section 1 and Section 6 and such vacation has not been taken, the amount of vacation allowance due shall be paid in accordance with the provisions of law.

ARTICLE 12 - SENIORITY

SECTION 1. The negotiation of changes in this Agreement from the prior Agreement shall not infringe upon the seniority status of any employee except as same may be changed, terminated, or modified by the negotiated changes.

SECTION 2. All new employees covered by this Agreement shall be considered to be on probation for the first sixty (60) days of their employment (exclusive of time spent in school). During the probationary period the Company may at its option and without limitations, transfer, lay off or dismiss such employee for an inefficiency, lack of skill, lack of work, or just cause. When an employee satisfactorily completes their probationary period the length of service with the Company for the

purpose of determining their seniority status (including seniority for recall) will be computed from the date of actual commencement of work.

If an employee is transferred from production to maintenance or maintenance to production, their seniority shall begin in the new department as of the date of such transfer. The employee shall retain seniority in the old department and in the event of a reduction in force, shall be eligible to return to the original department based on seniority in that department.

Employees who transfer at either their or the Company's request to a department out of the bargaining unit and who remains in such department for a period of five (5) years shall lose all seniority status and rights held in any department covered by this Agreement. Except, employees with ten years seniority in the bargaining unit shall retain their seniority indefinitely when transferred out of the unit. This shall not be abused by the transfer of employees for the purpose of retaining their seniority. This shall not apply to employees promoted to management of any part of the bargaining unit, and such employee shall retain their seniority.

Continuous service is that part of employment which has not been interrupted by any of the conditions enumerated in a subsequent paragraph of this Article and which describes under what conditions seniority is lost.

In the case of reduction or recall of the working force, seniority shall apply. This shall not restrict the employer in completing contractual commitments. If senior employees cannot perform the specialized duties, then less senior employees may be retained to perform these duties. Upon completion of these duties the less senior employees shall be laid off.

The employer agrees to place senior employees in a compatible percentage with the work force on various types of vessels so that they should be in an advantageous position at the time of reduction of working force.

The policy of the Company shall be to give consideration to seniority in selecting qualified applicants for training programs and opportunities for advancement.

A reduction of the working force for a period of one (1) calendar week or less shall not be considered a layoff. A reduction in force for a period of two (2) calendar weeks for the purpose of ship movement or sea trials on LHD or LPD contracts shall not be considered a layoff, provided no employee shall be affected by more than two 10-day periods

within twelve (12) months. This clause shall not be construed so as to permit rotating employees.

It shall be the policy of the Company, to the extent practicable, to make an earnest effort to place on other work employees who are relieved from their regular work by reason of launchings, translation of hulls, commissioning, or sea trials. The Business Representative and Chief Steward of the Union and the Electrical Director will meet and check placement planning to insure an earnest effort has been made. The senior affected employees, if qualified, shall be placed on the work available.

Employees shall lose all seniority privileges for any of the following reasons:

- (a) Voluntary quitting the employ of the Company;
- (b) Discharge;
- (c) Layoff for thirty-six (36) months or more (except as qualified by Section 3);
- (d) Absence from work without explanation for a period of five (5) consecutive workdays. Where there is a good cause established for such unexplained absence, the said employee may retain seniority privileges;
- (e) Failure to return from leave of absence on or before the date specified to return, without obtaining an extension thereof.

SECTION 3. Any employee who is laid off during the term of this Agreement and is desirous of maintaining their recall rights will be required to notify both the Company and Union by Certified Mail within thirty (30) days of their third-year layoff anniversary. Timely notification will extend the laid-off employee an additional year. No laid-off employee will have their seniority extended more than four years. Failure to notify the Company and Union during the above 30-day notification period will terminate all recall rights and seniority.

SECTION 4. Laid-off employees shall not be required to undergo a physical examination if recalled within three (3) months from time of layoff. However, they will be required to sign a statement attesting that they have suffered no injury nor incurred any serious illness during the period of layoff.

The Company may temporarily fill any vacancy with workers available locally while waiting for employees with seniority to report to work.

Provided qualified personnel are available locally, an employee may waive first recall to work for a period of ninety (90) days from the date he or she is eligible for recall. Such waiver shall be made in writing to the Company and Union before the employee is eligible for recall. Such waiver may be cancelled by written notice to the Company and the Union, in which case the employee will be eligible for recall in line with their seniority when a vacancy occurs. Such waiver shall be cancelled when qualified personnel are no longer available locally.

SECTION 5. Department 37 (Switchboard and Panel Manufacturing) is recognized as a separate Department, and employees assigned to this Department from Department 35 retain seniority in Department 35, and in cases of layoff from Department 37 are sent back to Department 35 where they are retained, or laid off, depending on their seniority. There shall be no bumping privileges between Department 35 and Department 37. In the event of layoff in Department 35, employees who have been transferred into Department 37 for less than one year shall be laid off in line of their Department 35.

In order to establish an operation that can effectively compete, it is agreed that a rate comparable to the Cable Man rate shall apply to Switchboard Assemblers working in this Department.

This classification shall not be used to deprive Journeymen of work they would ordinarily do. Duties of the Switchboard Assembler shall include such things as bolting up cabinets, helping the electricians install equipment, drilling holes, etc., as a helper to the journeyman. The Switchboard Assembler is not to assemble any electronic equipment and components or any other work requiring trade knowledge.

An effort will be made to use Apprentices in this Department (when practical) for periods of up to six (6) months each; provided, however, that once an Apprentice has been assigned to this Department, for three (3) months, they will not be bumped out due to reduction in force of Apprentices in Department 35.

The ratio of Switchboard Assemblers to Journeyman working on Switchboard and Panel Manufacturing shall not exceed one (1) Assembler to four (4) Journeymen.

SECTION 6. The Company shall have the right to transfer work and/or assign employees in Pascagoula between East Bank and West Bank when workload or schedule requirements make such actions necessary.

When assigning employees in Pascagoula from one Bank to the other Bank, the Company will give five (5) working days written advance notice to the affected employees so that they can make the necessary adjustments in transportation to the new job site. During this notification period, the Company may transport such employee from one side to the other on Company time, in a safe manner.

SECTION 7. All Electrical Storerooms will be manned by Department 43 personnel. Employees assigned to this Department from Department 35 retain seniority in Department 35. In case of layoff in Department 43, they will be sent back to Department 35 where they are retained or laid off, depending on their seniority. There shall be no bumping privileges between

Department 35 and Department 43.

SECTION 8. Qualified senior employees will be given the opportunity to fill new or vacant jobs within the jurisdiction of the International Brotherhood Electrical Workers. Promotions to Technicians are not to be construed as being new or vacant jobs.

SECTION 9. Senior employees shall be given preference in shop assignments provided such employees have notified the Company in writing. Such employees will be considered in the order of their seniority when vacancies occur provided there are sufficient qualified employees available to perform efficiently other work requirements.

ARTICLE 13 - TRANSFER OF WORK AND PERSONNEL

Recognizing the importance to the Company and the International Brotherhood of Electrical Workers, Local 733, to keep employees and our Bargaining Unit employees gainfully employed; the following language, a modification of the "Letter of Understanding" as initially agreed to on May 20, 2002. As in the past workers will be covered under this Collective Bargaining Agreement (CBA) while offsite and Union stewards will accompany them to police the CBA.

SECTION 1. The formation of Huntington Ingalls Incorporated is designed to position the Company as a major world-class shipbuilding company with the ability to effectively compete for all non-nuclear shipbuilding opportunities throughout the world. The combination of the Company's facilities and the synergies among those facilities will bring stability to the entire work force and offer potential advancement throughout the entire organization. The Company reserves the right to move work and/or employees between all facilities within the Company in compliance with the following language. The purposes would customarily be but are not limited to:

- To avoid layoffs and to stabilize the work force.
- To provide sufficient numbers of qualified workers.
- To utilize existing facilities.
- To minimize subcontract labor

SECTION 2. When employee transfers of this nature to other Company facilities are required the Company will notify the Union and will solicit qualified volunteers among all workers within the department in question possessing those qualifications. "Qualified" means that ability, skills, and experience to efficiently perform the work required by the Company and the employee has or/is currently performing that work. It shall be the Policy of the Company to distribute these temporary assignments as practical within reason among qualified employees. The Union will be provided with a list of all volunteers to be considered for each assignment by department seniority, as has been the practice. Once employees have been assigned for each movement, the Union

shall be provided with the final list. When and if adjustments are to be made, the Union shall be notified.

If there are insufficient numbers of qualified volunteers for an assignment/movement, the Company shall require employees hired into the department having the least seniority after May 20, 2002 to accept the assignment. They shall be required to accept the assignment unless the employee asserts that the assignment would impose an undue hardship on the employee.

Both parties recognize that some employees will be faced with hardships. It is therefore agreed that a committee, made up of both management and union, will review each employee hardship request and determine if their assignment to an offsite Company facility would be a valid hardship. Any decision by this committee can be challenged under Grievance Arbitration Procedure, Articles 17 and 18 of the Collective Bargaining Agreement. Any employee hired after the date of the original Letter of Understanding will be required to accept offsite assignments.

If it is determined that such assignment/movement does cause an undue hardship upon that employee, the Company will by-pass that employee and select the next qualified employee based on inverse seniority.

This does not apply to emergent/unplanned work.

SECTION. 3. When an employee is temporarily assigned to work at another facility which is located 50 miles from his current facility, he will be paid a per diem to cover meals and lodging expenses for each day he works at the facility pursuant to the then applicable DOD Joint Travel Regulations. The Union will be advised of these DOD Regulations as applicable to each assignment. During each period of assignment to such facility the employee will be paid applicable travel expensed to and from the facility and all reasonable allocable business expenses as indicated to the Union in writing, while at the assigned facility. Except in emergencies, employees will be given (5) days notice of the date to report to their new facility and shall report the beginning of the following workweek.

SECTION 4. Employees covered by this Agreement will not be required to transfer to another Company facility to perform work at such facility where the employees at that facility are engaged in a lawful and Union authorized strike. If employees are at such facility and a lawful and Union authorized strike does occur employees will be transferred back to the domain of this Collective Bargaining Agreement in accordance with Section 3 above.

SECTION 5. Grievance time shall be covered as per the Collective Bargaining Agreement.

ARTICLE 14 - LEAVE OF ABSENCE

SECTION 1. Absence due to illness or injury in excess of thirty (30) calendar days or other absences in excess of five (5) working days shall be covered by leave of absence provided that absence due to illness or injury must be reported to the employees department within five (5) working days. An employee who has completed the probationary period with the Company shall, on request, be granted leave of absence for warranted reasons under the following circumstances:

- (a) Employees who have completed their probationary period (60 days) with the Company shall be given a leave of absence due to pregnancy, personal illness, or injury. Extended absence from work due to personal illness, or injury sustained while at work shall be reported to the employee's department within five (5) working days. Such absence shall be authorized in writing and approved by the Company's Benefits Leave Desk.
 - (1) Prior to completion of thirty (30) days absence for either of the above reasons, and each month thereafter, a doctor's certificate or other satisfactory evidence of continuing disability must be submitted to the Company's Benefits Leave Desk in order that seniority privilege may be retained.
 - (2) Seniority shall be accumulated for the full period of all leaves of absence covered by this Agreement.
 - (3) Normally, no leave of absence for either of the above reasons, including extension thereof, shall extend beyond a maximum period of one (1) year, such extension shall be granted only where evidence submitted clearly merits such extension.
- (b) Leaves of absence for warranted reasons other than pregnancy, personal illness or injury will be granted on the following basis:
 - (1) Such leave will be granted only for reasons which would create an undue personal hardship on the employee if leave of absence were not granted.
 - (2) Such leave shall not exceed thirty (30) calendar days, during which period seniority shall be accumulated.
 - (3) Such absence shall be authorized in writing by the employee's General Superintendent and approved by Labor Relations.
- (c) An employee elected or appointed to a Union office requiring full-time presence and necessitating a leave of absence from the job, shall be granted such absence for the period of their employee's term of office. Such leave of absence shall be requested in writing properly attested to by the authorized

representatives of the Union and shall be granted in writing by Labor Relations. During such absence seniority shall be accumulated.

- (d) Employees leaving the employ of the Company to enter the Armed Forces shall retain such seniority privileges as are specified in applicable governmental statutes and regulations.
- (e) Should any employee while on leave of absence engage in employment for another employer, such leave shall be considered as cancelled, and the employee's services terminated. This is to exclude any and all efforts by the Company to find alternative work for employees on industrial leave of absence.
- (f) Employees returning from a leave of absence shall be reassigned to the classification held at time of leave.

EMPLOYEES RETURNING FROM A LEAVE OF ABSENCE SHALL BE REASSIGNED TO THE CLASSIFICATION HELD AT TIME OF LEAVE

ARTICLE 15 - CRAFT JURISDICTION

SECTION 1. Should any jurisdictional dispute arise between any crafts, the work shall continue to be done by the craft performing it until the dispute shall be settled by the business representatives of the disputing crafts.

SECTION 2. Work ordinarily coming under the jurisdiction of the Union and performed on the job site shall be done in accordance with the terms of this Agreement, except that vendors may use their own representatives to perform minor work or adjustments on equipment which they manufacture. When vendors or subcontractors are required to interface with Company-installed equipment, a Company employee, covered under this agreement, will be present.

It has been the practice and will be the continuing commitment of the Company to utilize bargaining unit personnel in this facility to the greatest extent possible.

The Union and Company agree that mutual assistance and cooperation are essential to the overall success in today's shipbuilding market. It is equally essential that both parties work to develop and promote new cooperative concepts that will help facilitate better work practices in manufacturing areas. The parties further recognize and agree that composite crews may be used in order to enhance our overall effectiveness and efficiency as we compete in diverse shipbuilding markets.

Any classification other than "Electrician" given to an employee shall not be used to have work performed outside the scope of this Agreement that ordinarily is covered by this Agreement.

SECTION 3. The Company and the Union shall cooperate in such action as may be necessary to comply with government rules and regulations applicable to Federal Supply Contract.

SECTION 4.

- (a) The identification and Nameplate Machine Operators are recognized as a separate section of Department 35, having a separate seniority listing with no seniority rights between it and any other section of Department 35. Their wage schedule is in Article 8, Section 8. Effective April 5, 2007, the Company and Union agree to grandfather existing machine operators and supplement replacements with Department 35 Electricians.
- (b) Department 43 (Electrical Material Schedulers and Material Handlers) is a separate Department covered under this agreement with wage rates in Article 8, Section 8. Job assignments are to handle and deliver all electrical material.
- (c) Department 49 is a separate department covered under this Agreement with wage rates in Article 8, Section 8.
- (d) Electrician Combination is recognized as a separate section of Department 35, having separate seniority listing and seniority rights.

ARTICLE 16 - MANAGEMENT FUNCTIONS

SECTION 1. Nothing in this Agreement shall be deemed to limit or restrict the Company in any way in the exercise of the customary functions of management, including the right to make rules not inconsistent with the terms of this Agreement, relating to its operation as it shall deem advisable. No such Company rule, however, may be applied until the Union is notified in writing of said rule and said rule is published. The Company retains the right to hire. The Company may suspend, discharge, or discipline an employee only for violation of its rules provided the Union has been notified and the rule published as above.

SECTION 2. The Company shall have the right during the term of this Agreement to establish, maintain, amend and enforce rules and regulations to assure orderly, safe and efficient plant operations.

The Union shall have the right to challenge the reasonableness of all such rules and regulations in the grievance and arbitration procedure. Either party has the right to expedited arbitration.

ARTICLE 17 - GRIEVANCE PROCEDURE

SECTION 1. Should differences arise between the Company and the Union or its employees covered by the Collective Bargaining Agreement as to the interpretation, application, or compliance with the provisions of

the said Agreement, there shall be no suspension of work because of such differences, but the matter shall be adjudicated in an orderly manner by submission to an agreed-upon Grievance Procedure and Arbitration as follows:

STEP 1. Within one (1) week of the occurrence of an alleged grievance, the affected employee and/or area steward and grievant's Foreman must orally discuss the employee's complaint. In the event that the complaint is settled at that time the settlement shall not constitute or be regarded as any precedent, nor shall it be offered as evidence of past practice in any future grievance settlements. In the event the oral complaint cannot be settled by the affected parties within one (1) week of this meeting, the Steward shall have one (1) week to reduce the grievance to writing and refer to Step 2. Both the Steward and Foreman will be required to provide a detailed written account of the grievance to the Company and Union which shall state the facts out of which the grievance arose, the date it occurred, the Article and Section violated and the suggested remedy desired.

STEP 2. The Chief Steward shall discuss the written grievance with the Director or designated representative, within one (1) week of the date the grievance was filed. The Director, or designated representative, may request that a Labor Relations Representative be present. If no satisfactory settlement can be reached within one (1) week, the answer shall be given in writing and dated; and the grievant and/or Steward shall have one (1) week to refer it to Step 3.

STEP 3. Copies of the written grievance shall be forwarded to the Union, the Manager of Labor Relations, or designated representative, and Employee's Business Agent, who will meet within one (1) week after receipt of the grievance in Step 3 in an attempt to reach a satisfactory settlement. If agreement is not reached within one (1) week after this meeting, the grieving party and/or Union shall have one

(1) week to refer the grievance in writing to Step 4.

STEP 4. The Director of Labor Relations (or designated representative) or the Business Manager shall discuss the alleged grievance within one (1) week after receipt of the letter referring the alleged grievance to Step 4. If agreement is not reached within one (1) week, either party shall have the right to refer the grievance to Arbitration, by serving notice in writing of such intent upon the other party.

SECTION 2. Steps for processing grievances and time limits in Steps 2, 3, and 4, shall only be extended by mutual consent of the parties.

SECTION 3. All settlements of grievances shall be made in writing and signed by the parties and shall be paid within two (2) pay periods after settlement. Grievance settlement reached at any Step of the above procedure shall not constitute a precedent nor be prejudicial to either the Company or the Union in like or similar disputes.

SECTION 4. Any grievance filed by the Union on discharges or suspensions shall be entered at Step 3. Any grievance by the Company against the Union shall be filed in Step 4.

ARTICLE 18 - ARBITRATION

SECTION 1. In the event the parties shall be unable to adjust any grievance or dispute arising under this Agreement they shall immediately request the Federal Mediation and Conciliation Service to submit a panel of seven (7) arbiter nominees, all of whom shall be impartial persons qualified to act as arbiters. The Employer and the Unions shall each have the choice of rejecting alternately the names of three (3) of these seven (7) nominees and the remaining seventh (7th) shall be the arbiter.

SECTION 2.

- (a) The Arbitrator shall be empowered to rule on all disputes pertaining to the interpretation or application of this Agreement. The Arbitrator shall have no power to add to or subtract or modify any of the terms of this Agreement or any other Agreement made supplementary hereto.
- (b) The Arbitrator shall not establish or change any basic wage rate already in effect. The Arbitrator shall have no power to interpret any State or Federal statute when the compliance or noncompliance therewith shall be involved in the determination of a grievance. Any case appealed to the Arbitrator on which the Arbitrator has no power to rule shall be referred back to the parties without decision.

SECTION 3. Any grievance appealed to arbitration shall not be changed or expanded in any manner from its content in the prior steps of the grievance procedure unless by mutual consent of the parties.

SECTION 4. The expense of the impartial arbitration shall be borne equally by the Company and the Union.

SECTION 5. The Arbitrator shall render the award within thirty (30) days following the close of the hearing.

ARTICLE 19 - MANAGEMENT

SECTION 1. No member of management shall be allowed to perform work of a Bargaining Unit Personnel except as a means of instruction.

SECTION 2. All production workers shall be assigned to a Foreman and shall ordinarily receive their orders and instructions from their Foreman. Situations may arise where it is not practicable or economical for a higher electrical Foreman to summon a Foreman to relay an order or instructions to the workers, and in such cases it shall not be a violation of this contract for such Foreman to direct the workers on the job they are performing or electrical work in the immediate area. However, the higher electrical Foremen shall not immediately direct the work of Journeymen on the job for a period exceeding one (1) hour.

In the Maintenance Department, orders are usually given directly to the workers from the department head or the assistant, and this practice shall be continued.

SECTION 3. In all areas where mutual assistance and cooperation is practiced, workers shall be assigned to a member of management and shall ordinarily receive orders and instructions from that member of management.

ARTICLE 20 - MISCELLANEOUS

SECTION 1.

- (a) Employees shall work until the quitting whistle sounds, except those employees whose tools and equipment are of such a nature as to require considerable time to put up shall be granted sufficient time to do so. For employees working aboard ship, tool lockup areas will be provided in a convenient location. At the end of the shift, employees shall have sufficient time prior to end of shift whistle in order to lock up tools. It is mutually understood that this provision shall not be abused.
- (b) Because of the differences in the nature of the equipment, location, and other factors, a definite time cannot be designated for such activity; therefore, employees are cautioned that abuse of this provision resulting in unproductive time shall be cause for a warning for the first offense and more severe

disciplinary action up to and including discharge for any subsequent abuses. Any such disciplinary action shall be subject to the Grievance Procedure as outlined in Article 17.

SECTION 2. Warning slips will be effective for one hundred twenty (120) days after which time they may not be used for disciplinary action against the employee and may be removed upon request.

SECTION 3. Journeymen shall provide themselves with the following tools: side-cutting pliers; one 9-inch diagonal cutting pliers; four screwdrivers - assorted sizes; standard/metric tape measure; one crescent wrench (appropriate for work assignment); hacksaw frame; center punch; ball peen hammer; one pocket knife; one metal tool box; channel locks or equal pliers; set of open or box wrenches, standard and metric; assortment of "Phillips Head" screwdrivers; set of Allen wrenches; and a 3/8-inch drive socket set, standard and metric. Electrical employees certified to tack and burn shall also furnish their own shield and gloves.

Newly employed apprentices must also provide themselves with the above tools within four (4) weeks from date of hire. Apprentices employed with prior experience shall bring in the above tools.

Cablemen shall provide themselves with the following tools: One ball peen hammer (small), one 6-inch adjustable wrench; one 8-inch adjustable wrench; one screwdriver, 10-inch; side-cutting pliers, 8-inch, and one 9/16-inch combination wrench.

SECTION 4. The Employer shall furnish all other necessary tools or equipment; workmen will be held responsible for the tools or equipment issued them provided the Employer furnishes necessary lockers, tool boxes or other safe place for storage. Any employee in the Electrical Department, who will be absent for a period of one week, shall collect all of their personal tools, and Company tools which have been checked out to the employee, and return all Company tools to the Tool Room and check them back in. The employee's personal tools may be stored in the Tool Room of the Department, and the employee shall receive a checklist of all contents in their tool box. In doing so, the Company shall then be responsible for a loss of the employee's tools. In the event that the employee prefers taking them home, they may be allowed to do so.

SECTION 5. Employees shall install all electrical work in a safe and professional manner.

SECTION 6. The Company will furnish all Management, timekeepers and personnel employees copies of this Agreement and said personnel shall abide by it.

SECTION 7. Except in an emergency, officers of the Union shall not be assigned to or required to work on the night shift. Employer shall be furnished a list of officers and notified of any changes.

SECTION 8. When requested, transportation will be provided for the tools of employees starting and leaving the shipyard.

**ARTICLE 21 - APPRENTICE "A" PROGRAM
(INDENTURED PROGRAM)**

SECTION 1. There shall be a Joint Apprenticeship and Training Committee composed of an equal number of representatives of the Employer and the Union. This Committee shall make rules and requirements governing the qualifications, education, and training of all Apprentices and Trainees. An Electrical Apprenticeship Program shall be conducted and administered within the limitations of the below enumerated conditions and will consist of a Regular Apprentice, Electrical Trainee and other programs as mutually agreed to by the parties of this Agreement.

SECTION 2. The Apprenticeship Program will be continued in accordance with the standards approved by the U.S. Bureau of Apprenticeship, which shall be countersigned by the Union and the Company. The Apprenticeship Program shall be governed by the above noted standards.

SECTION 3. The Apprentices shall be rotated from crew to crew for the purpose of obtaining training in all jobs such as lighting and layout, power layout and hookup, fire control, electronics. This is for the purpose of giving the Apprentice training in every phase of the trade. The Apprentice shall not exceed approximately six (6) months of continuous work in any phase of the trade. Regular apprentices must be indentured and shall be provided with a copy of same.

SECTION 4. Regular Apprentice Program - The ratio of Apprentices to Journeymen shall be one (1) to four (4). Applicants for the Regular Apprentice Program shall be a minimum of eighteen (18) years of age.

SECTION 5. Apprentices shall work with or under a Journeyman or group of Journeymen during the first four thousand (4,000) hours of the Apprenticeship Program.

SECTION 6. Regular Apprentices shall be eligible for advancement to the next step of the apprenticeship training program upon satisfactorily completing 500 work hours and maintaining satisfactory school performance and attendance.

ARTICLE 22 - SEA TRIALS

SECTION 1. Employees who are taken from their regular work to make up a crew for sea trial trips and deliveries will, while engaged thereon, be paid as follows: Each twenty-four (24) hour period will be divided into four (4) watches of six (6) hours each. Each employee will stand watches of six (6) hours each, with a rest period of six (6) hours following each watch period. For the first watch worked in each twenty-four

(24) hour period, employees will receive straight time pay at their regular rates, and for the second watch worked in each such period, the employees will receive pay at one and one-half (1½) times their regular rates. Employees making the trip shall receive a notice of at least twenty-four (24) hours except when an emergency situation prevents such notice from being given. When a sea trial begins midnight Sunday, employees on duty shall be paid double time for all work performed until 7:00 a.m. Monday. On sea trials of less than twenty-four (24) hours, employees shall be paid straight time for the first eight (8) hours of such sea trial and time and one-half (1½) for all hours over eight (8) in the twenty-four hour period, during which period the employee shall be on call. This shall not disturb the present agreement pertaining to watches, nor shall it apply should the sea trial be extended beyond a twenty-four (24) hour period.

On submarine sea trials extending for more than a twenty-four hour period, each employee will be paid for a minimum of twelve (12) hours of work and six (6) hours of standby time for each twenty-four (24) hour period. The twelve (12) hours of work and any additional hours actually worked will be paid for at straight time and overtime rates as provided in Article V of this Agreement. The six (6) hours of standby time will be reduced by the amount of time actually worked in excess of twelve (12) hours in any twenty-four (24) hour period.

For the purpose of establishing the time of watches, the first watch shall start no less than six (6) hours prior to the scheduled sailing time and shall start at 6:00 o'clock or 12:00 o'clock. In the twenty-four (24) hour period beginning with the first watch, each employee on the trial trip shall receive not less than eight (8) hours' straight time pay. Employees making the trip shall receive a notice of at least twenty-four (24) hours before sailing date except when emergency situations prevent such notice being given.

All workers going on sea trials shall be furnished a statement one (1) day prior to departure informing them of departure and return schedules. If these schedules are not kept, it shall be the Company's responsibility to inform the person's immediate family. Workers shall denote who to inform.

All persons handling food for sea trials may be examined by a doctor and given a "food handlers" certificate prior to handling food for each trial run.

Workers going on submarine sea trials may be examined by the Company doctor before the scheduled departure. The workers shall be furnished a copy of this examination.

SECTION 2. When employees are required to travel from the point where vessel on trial run reaches its destination, they shall receive transportation to their home facility, plus the cost of all meals while enroute and shall be compensated at their regular straight time rate of pay, not exceeding eight (8) hours in any twenty-four (24) hour period if

the travel time occurs on or in part within their regular shift hours. Should the department to which the employee is assigned, who is traveling subject to the provisions of this paragraph, be observing a regular shift schedule of more than eight (8) hours per shift, the traveling employee will be compensated for the same number of hours per shift the department is working.

SECTION 3. Section 2 of this Article shall not apply if an employee is required by the Company to travel between their home facility and Mobile, Alabama. If such travel is outside the employee's regular shift hours, they shall receive pay for three (3) hours at the employee's basic straight time rate.

SECTION 4. Those employees returning from sea trials during a regular yard shift, who are normally employed on that shift may elect either to go home, in which case they will receive pay for only sea trial time, or they may return to their regular job at their regular rate of pay and work the remainder of the shift. An employee returning to regular work after returning from sea trial shall receive not less than eight (8) hours' pay.

SECTION 5. Any employee who goes to work in the yard in conformance with the above paragraph shall receive time and one-half (1½) pay for work performed in excess of eight (8) hours. The number of hours worked shall be computed from the previous midnight to include hours worked upon ships and hours worked in the yard.

SECTION 6. Department 35 Electricians assigned to switchboard watch required to go on sea trials of less than twenty-four (24) hour duration shall receive not less than twelve (12) hours straight time pay for that day.

ARTICLE 23 - NO STRIKE NO LOCKOUT

SECTION 1.

- (a) The Company agrees not to permit any lockout of its employees during the term of this Agreement, except for refusal of the Unions to submit to arbitration as provided for in this Agreement, or failure on the part of the Union to comply with a decision rendered by the arbitrator.
- (b) The Union agrees that neither it nor its officers or agents will engage in, initiate, authorize, sanction, or support any strike, or stoppage of work during the term of this Agreement, except for refusal of the Company to submit to arbitration, as provided for in this Agreement, or failure on the part of the Company to comply with a decision rendered by the arbitrator.

- (c) Any employee who engages in an unauthorized strike or work stoppage will be considered as having terminated their services voluntarily and may be rehired as a new employee.

ARTICLE 24 - JURY, MILITARY AND FUNERAL PAY

SECTION 1. An employee who is called for Jury Services shall be excused from work for the days on which the employee serves or reports to serve, and shall receive for each such day of Jury Service on which they otherwise would have worked, the difference between eight (8) times the regular straight time hourly rate and the payment the employee receives for Jury Service. The employee will present proof of service or reporting for service and of the amount of payment received therefore from the Clerk of Court.

SECTION 2. An employee who is ordered to annual military training, not to exceed 80 continuous hours, will be paid the difference between military pay and regular pay. The employee will present a copy or his military pay voucher upon his return from annual training.

SECTION 3. An employee who attends the funeral of a member of the immediate family (spouse, parents, step-parents, brother, sister, child/stepchild, grandparents (employee's or spouse's), grandchild, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, or daughter-in-law) will receive one day's pay (8.0 hours) when the funeral occurs on a regular, normal workday.

If the funeral is held on Saturday or Sunday, and the employee is absent Friday or Monday to attend, the absence will be paid at one day's pay (8.0 hours). Documentation will be required in accordance with current procedure.

ARTICLE 25 - LIFE INSURANCE AND WELFARE PROGRAM

SECTION 1. The Company agrees to provide a \$25,000 Life Insurance and Accidental Death and Dismemberment benefits for all employees covered by this Agreement. An employee shall become eligible and receive the above described insurance coverage when he completes 30 days' employment with the Company.

SECTION 2. INSURANCE PROGRAM

- (a) The Company shall provide a program of insurance benefits (i.e., sickness and accident, surgical and hospitalization benefits) set forth in the Summary Plan Description (SPD) Booklet which has been initialed by the parties. The portion of the premium for such insurance benefits to be paid by each employee shall be as follows:
- (1) During the first period of the contract, the employee payment will be \$221 per month for full family coverage.
 - (2) During the second period, the employee payment will be \$248 per month for full family coverage.

- (3) During the third period, the employee payment will be \$278 per month for full family coverage.
- (b) An employee shall become eligible for this insurance after completing 30 days' service, and upon enrollment, such insurance will go into effect, and he or she shall be covered the first day of the following month. During the term of this Agreement, if it is necessary to change the third party administrator, it will be a subject of negotiation with the Joint Insurance Committee.
- (c) Employees covered by this Agreement shall be eligible to participate in the Huntington Ingalls Industries Financial Security and Savings Program (FSSP) and the 50% Company match on the FSSP Part II account. There are also improvements in the plan providing for early retirement at age 60 with 20 points (age 60 with 20 years of service).
- (d) Full-time Union Representatives on leave of absence from the Company, or who are former employees of the Company, shall be eligible to participate in the HII Ingalls Shipbuilding, Inc. Hourly Employees' Retirement Plan, including the right to make contributions and earn retirement credit while on such leave of absence. The Plan Benefits Program shall be administered by a Joint Labor/Management Retirement Committee composed of representatives of the various bargaining units participating in the retirement program, and representatives of the Company.

SECTION 3. The Company agrees to administer the assets of the HII Ingalls Shipbuilding, Inc. Hourly Employees' Retirement Plan ("Ingalls Plan") solely for the benefit of the participants of the HII Ingalls Shipbuilding, Inc. Hourly Employees' Retirement Plan in accordance with the terms and conditions of the Plan.

ARTICLE 26 - DURATION OF AGREEMENT

SECTION 1. This Agreement shall become effective as of 7:00 a.m. this 12th day of March, 2012, and remain in full force and effect until 7:00 a.m., March 8, 2015, and shall continue in full force and effect from year to year thereafter from 7:00 a.m., March 11, to 7:00 a.m., March 11 each year unless changed or terminated in the manner later provided herein.

SECTION 2. It is distinctly understood and agreed that all previous agreements whether oral or written, by and between

the Company and the Union are superseded by this Agreement.

SECTION 3. Should any part hereof or any provision herein contained be rendered or declared invalid by reason of any existing or subsequently enacted legislation or by any decree of a court of competent jurisdiction, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portions hereof; provided, however, upon such invalidation the parties agree immediately to meet and negotiate such parts of provisions affected. The remaining parts or provisions shall remain in full force and effect.

SECTION 4. Either party desiring to change or terminate this Agreement after March 8, 2015, must notify the other in writing at least sixty (60), but not more than seventy-five (75) days prior to the expiration date. If notification is given by either party in accordance with this paragraph, and the parties have been unable to reach an agreement by the expiration date, either party may at that time treat the collective bargaining Agreement as cancelled.

SECTION 5. This Agreement shall not be amended or supplemented except by mutual consent of the parties hereto, reduced to writing and duly signed by each.

SECTION 6. During the negotiations which resulted in this Agreement, both the Company and the Union had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and the understandings and agreements arrived at by the parties hereto after the exercise of that right and opportunity are set forth in this Agreement.

Therefore, the Company and the Union for the life of this Agreement, voluntarily and unqualifiedly waive the right, and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter referred to or covered in this Agreement, or with respect to any subject matter not specifically referred to or covered in this Agreement even though such subject or matter may not have been within the knowledge or contemplation of either or both parties at the time that they negotiated or signed this Agreement.

SECTION 7. The provisions of this Agreement shall be binding upon the Company, its successors and assignees.

IN WITNESS WHEREOF, the Union, after ratification by its members, and the Company, the sole parties hereto, have caused this Agreement to be executed by their respective authorized agents as of the 22nd day of December 2011.

HUNTINGTON INGALLS INCORPORATED

BROTHERHOOD OF INTERNATIONAL
ELECTRICAL WORKERS, LOCAL NO. 733



Irwin F. Ederson
Vice President and
President, Ingalls Shipbuilding division



J.W. Couch, Jr.
Business Manager



Kevin B. Amis
Vice President, Operations
Ingalls Shipbuilding division



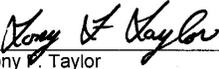
Jimmy Richardson
President/Committee Member



Edmond E. Hughes
Vice President
Human Resources and Administration
Ingalls Shipbuilding division



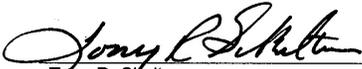
Debra K. Jones
Committee Member



Tony P. Taylor
Director, Electrical
Ingalls Shipbuilding division



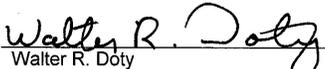
L. A. Pinto, Jr.
Committee Member



Tony R. Skelton
Director, Labor Relations
Ingalls Shipbuilding division



Dearl F. Fussell
Committee Member



Walter R. Doty
Manager, Labor Relations
Ingalls Shipbuilding division

DURATION OF AGREEMENT

ATTENDANCE BONUS

An employee who works 160 consecutive hours without an absence of regularly scheduled straight time work hours shall receive an attendance bonus of \$75. After achieving the 160 hours bonus, employees will earn an additional \$20 each workweek for which the employee works the entire workweek until the consecutive worked hours are broken. After interruption of consecutive hours worked, the new calculation of consecutive hours will restart at the beginning of the next work week.

The following events will not interrupt the consecutive hours worked in determining eligibility for the bonus: Jury Duty, Military Leave, Vacation, Holidays, Rain Days (when an employee is not offered work), Temporary Layoff, Death in Family (covered by bereavement leave), Minister Presiding over Funeral, and Pallbearer. Except as expressly provided below, an absence of any regularly scheduled straight time work hours shall break the consecutive hours worked for the attendance bonus.

Employees who go out through the Company's Medical Facility on an industrial medical leave of absence will be considered to have worked an entire workweek for purposes of accrual of the attendance bonus during the week they go out and the week they return to work. The industrial medical leave of absence will not interrupt the consecutive hours previously worked by these employees. These employees do not accrue any hours for purposes of receiving an attendance bonus for the full week absences in between the outgoing and incoming week of an industrial medical leave of absence.

Employees excused for official union business will receive the attendance bonus provided the employee works at least 20 hour during the applicable workweek and the Union submits written notice requesting the leave of absence. The request for a union business leave of absence must indicate the period of time and total number of regularly scheduled work hours the employee should be excused for that purpose. The excused hours and the actual work hours must equal forty (40) total hours for the workweek to remain eligible for the attendance bonus.

Employees who miss time not covered above will begin a new 160-hour period on the first Monday following their return to work.

The bonus will be paid during the second pay period following successful completion of a 160/40 hour period of attendance.

**COMPANY MANUAL
OF
RULES AND REGULATIONS
INGALLS SHIPBUILDING**

FOREWORD

Each and every employee, and others coming under the Rules and Regulations, assume full responsibility for being thoroughly familiar with the location of all controlled or hazardous areas.

1. SMOKING/TOBACCO PRODUCTS

Where it can be traced (including circumstantial evidence) that smoking is the cause of a fire, the party responsible will be held accountable.

Smoking is prohibited in No Smoking Areas and those areas where No Smoking signs are posted. Violators will be subject to immediate discharge.

A No Smoking Area is any area where:

- (1) Flammable materials are stored.
- (2) Hazards are created due to the type of work being done.
- (3) Valuable irreplaceable materials, tools, or equipment are stored.

Fire hazards in various areas will, of course, change from time to time due to work progress and changing of material storage. The designation of a No Smoking Area will be solely the function of the Management.

No Smoking Areas, to which others may be added from time to time, will at all times include the following:

- (a) Paint shop and paint storage
- (b) Paint locker rooms
- (c) Oil storage
- (d) Carpenter shop and lumber storage yard
- (e) Ammo loading/unloading areas
- (f) All warehouses
- (g) Mold loft storage
- (h) Refrigerated rooms, all vessels
- (i) Oxygen and fuel gas storage.

Rules permitting smoking on ships are subject to change but will depend, generally, on the following conditions:

- (a) Progress of the ship toward completion. The use of tobacco products is no longer permitted aboard any waterborne vessel. The use of tobacco products in all

environmentally controlled facilities and offices (including shop offices) is also prohibited. The use of tobacco products is permitted in naturally ventilated open production areas (shops, structural and component manufacturing, unit stacking and outfitting) and aboard ships under construction prior to launch unless specifically prohibited by posted signs. All employees are reminded to ensure the safe and designated disposal of used tobacco products by ensuring they are fully extinguished and make their way into designated waste containers and not on the ground, decks or bulkhead frames.

- (b) Areas on a ship where the fire hazard is great; as an example, during the testing of various items of equipment, such as gasoline pumps, etc.

The mere reprimanding for smoking and other tobacco violations is by no means an indication that the Company is waiving its rights in other cases to discharge an employee. The Company is to be the judge of when an employee is intentionally disobeying the smoking rules, as there may be circumstances which call for more drastic measures in one case than in another. All other smoking violations will be handled in accordance with the Company's No Smoking policy.

2. SLEEPING

An employee found sleeping during working hours will be subject to immediate discharge.

3. INTOXICATION

Any employee found in the possession of intoxicating liquor, drinking, or under the influence on Company property will be subject to immediate discharge.

4. DRUGS

Any employee found in possession of illegal drugs, or in any way using illegal drugs on Company property, will be subject to immediate discharge. All other drug violations will be handled in accordance with Company Substance Abuse Program.

5. RESTRICTED ITEMS

No one is allowed to enter the yard with radios, recorders, televisions, cellular phones, pagers (beepers) or any other prohibited electronic devices except when approved by the Manager of Security. Violators will be subject to disciplinary action up to and including discharge. No one is allowed to enter the yard with cameras, explosives, firearms, or weapons of any kind, or narcotics, except when approved by the Manager of Security. Violators will be subject to immediate discharge.

6. GAMBLING

Gambling on company property at any time will not be permitted. Violators will be subject to immediate discharge.

7. BRIBERY

Any employee offering, giving, or taking a bribe of any nature in order to obtain or give work or advancement, or to retain a position will be discharged.

8. FALSIFICATION OF RECORDS

Any employee found submitting, misrepresenting or falsifying any application, certification, medical record, or any other Company document will be subject to immediate discharge.

9. DISORDERS

Any employee who engages in fighting or incites fighting, or threatens other persons with personal or property injury, or uses obscene or abusive language, will be subject to discharge.

Solicitation, or the circulation of petitions, or distribution of written material, for any reason not related to Company business on Company property during working time, will result in discharge.

This rule does not prohibit traditional charitable causes, such as the United Way or Red Cross, or United States bond drives, as approved in advance by the Company.

10. TIMECARDS

Employees are required to punch or scan their own timecard or badge and are not permitted to punch or scan any other employee's timecard or badge. The time as punched in or out must not be altered by any employee. Each employee must sign his own time card and/or daily time log.

Employees violating this rule will be subject to discharge.

11. LATE TO WORK

Employees must be at their work station at starting time. Repeated tardiness will result in warning, followed by further discipline for subsequent offenses. More than two (2) late arrivals within a sixty (60) day period will be considered excessive.

12. QUITTING WORK

Employees are required to remain at their work until the specified time for quitting work, for lunch, and for end of shift. Violations will result in warning for first offense, followed by further discipline for repeated offenses.

13. LOAFING

Employees are expected to produce an honest day's work in return for their wages. Loafing will not be permitted, and workers caught deliberately trying to evade their work will be given a warning for the first offense and more severe disciplinary action up to and including discharge for any subsequent offense.

14. ABSENCE

Employees are expected to report for work daily unless excused by their Foreman or prevented by circumstances beyond their control. Where possible, arrangements for necessary absence must be made in advance with the employee's Foreman. Excessive absenteeism will not be tolerated and will result in a warning followed by further disciplinary action up to and including discharge.

15. WASTE

All employees must recognize the importance of cost of material, tools, and supplies and must be responsible for the quality of their work and preventing waste and damage of material, tools, and supplies within their control. Failure to do this will result in warning followed by further discipline for repeated offenses.

16. DISHONESTY

Common honesty and decency require all to respect the property rights of other employees as well as that of the Company. When employees are found stealing, they will be immediately discharged and subject to possible prosecution.

17. INSUBORDINATION

Employees are expected to be respectful to their Foremen and insubordination will not be tolerated. Foremen are also expected to be respectful to their employees. Willful insubordination or refusal to comply with instructions will result in immediate discharge.

18. CANTEEN SERVICE

Canteens are allowed to dispense food during regular lunch periods only, and employees are not permitted to go to the canteens before the quitting signal. Employees doing so subject themselves to disciplinary action.

19. LEAVING WORK TO ATTEND TO PERSONAL BUSINESS

Employees leaving their work stations without approval from their foreman to attend to personal business on company time are subject to warning and further discipline.

20. LEAVING THE YARD DURING WORKING HOURS

Leaving the yard during working hours without permission of a member of management is grounds for discharge.

21. REMOVAL OF PERSONAL PROPERTY FROM YARD

Any personal tools taken from the yard will be accompanied by a Personal Property Pass from the employee's immediate Foreman.

Any personal tool boxes leaving the yard will be sealed by the Company Tool Room.

22. HOUSEKEEPING

The scattering of lunch papers, dirt, and trash is unsanitary and greatly increases the danger of fire. Workers and Foremen are required to keep their work areas clean at all times since a clean shipyard is a safe shipyard. Employees are expected to cooperate by putting all waste materials in waste receptacles. Those deliberately throwing trash on the ground or ships subject themselves to disciplinary action.

23. DEFACING PROPERTY

Defacing Company property, including rest room facilities, in any manner will be cause for discipline up to and including discharge.

24. RADIATION AREAS

Radiation barriers are established for the protection of employees. Crossing radiation barriers without proper dosimeter equipment and authorization shall subject the employee to an immediate disciplinary action for repeated offenses.

25. SAFETY

Employees shall abide by all Safety Rules and Regulations established by the Company, and employees who fail to do so subject themselves to disciplinary action.

26. SECURITY

UNAUTHORIZED DISCLOSURE OF CLASSIFIED INFORMATION VIOLATES DOD REGULATIONS AND CONTRACTUAL OBLIGATIONS AND IS PUNISHABLE

UNDER THE PROVISIONS OF FEDERAL CRIMINAL STATUTES.

The employee badge is Company property and must be worn at all times, face out, in plain sight on the upper left part of the outer clothing while on Company premises. In addition, this badge must be shown or surrendered to Company officials or Security personnel on request.

EACH CLEARED EMPLOYEE:

- (a) Wears identification badge face out in plain sight on upper left part of outer clothing.
- (b) Discloses classified information only to another person who has the correct clearance and a need-to-know. He/she must tell the other person the classification of the information which he/she discloses.
- (c) Reports to Security:
 - (1) When he/she becomes a representative of a foreign interest.
 - (2) Loss, compromise or suspected compromise of classified information.
 - (3) Change of name.

Unclassified information pertaining to Navy contracts may not be discussed outside the shipyard. This information is restricted to Ingalls employees and Navy personnel. It may not be released to the public.

27. TOOLS

Lock and store your tools in accordance with your General foreman's or Foreman's instructions.

Respect tools owned by or issued to other employees.

Report lost tools to your department superintendent who will sign the Lost Tool Report.

Report losses over \$50 to Security.

28. EARLY DEPARTURE

Employees are expected to work their entire scheduled shift. Any employee who leaves the shipyard prior to the end of his or her shift, except for conditions beyond the employee's control, properly documented, will be issued a written warning for the first offense and be subjected to more severe discipline for any additional offenses. More than two (2) early departures within a sixty (60) day period will be considered excessive.

29. PARKING

You can help the parking situation. Here's how:

- Don't block other cars. (Improperly parked cars may be towed away at owner's expense)
- Lock your car.
- Report loss, damage or theft to Security.

- Persons guilty of parking violations will be subject to disciplinary action.

30. DIGNITY AND RESPECT

An employee who creates discord or lack of harmony by actions such as ridicule, disrespect, defamatory statements toward or concerning others in such a way as to interfere with company business or another employee's performance shall be disciplined, up to and including, discharge.

31. ANTI-HARRASSMENT

It is the policy of the Company to provide a work environment free of sexual harassment, racial harassment, and other forms of unlawful harassment. The Company recognizes unlawful harassment, including sexual and racial harassment, as a serious form of illegal discrimination and will not tolerate such behavior. The Company has a strong policy prohibiting all conduct that could contribute to a finding of unlawful harassment, including improper conduct based on a person's age, race, disability, religion, national origin, veteran status, gender (including pregnancy, childbirth or related conditions), sexual orientation, gender identity or on any other basis prohibited by law.

All reports of workplace harassment will be treated seriously and investigated promptly, fairly and impartially. A person making a complaint and/or who bears witness to workplace harassment within the Company will not be victimized or retaliated against.

Employees violating this policy are subject to discipline up to and including discharge.

32. TRAFFIC RULES

All State Traffic Rules and Regulations apply on Company property, unless otherwise posted.